

NOTICE

NOTICE IS HEREBY GIVEN THAT THE **28TH ANNUAL GENERAL MEETING** OF THE MEMBERS OF **MEFCOM CAPITAL MARKETS LIMITED** WILL BE HELD ON SATURDAY, THE 6TH JULY, 2013 AT 11.30 A.M. AT **E-15, ANSAL VILLAS, SATBARI, NEW DELHI – 110030** TO TRANSACT THE FOLLOWING BUSINESS;

ORDINARY BUSINESS: -

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended on that date along with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sham Nijhwan, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. T.R.Khare, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the company to hold office from the conclusion of this Annual general Meeting until the conclusion of the next Annual General Meeting on such remuneration as the Board may decide.

SPECIAL BUSINESS: -

5. To consider and if thought fit to pass with or without modification(s) following resolution as a **ORDINARY RESOLUTION:-**

“RESOLVED THAT in terms of Schedule XIII of the Companies Act 1956 and pursuant to section 198, 269, 310 and other applicable provisions if any, of the Companies Act, 1956 and subject to such other approval / sanction as may be necessary, Mr. Vijay Mehta be and is hereby appointed as Managing Director of the Company for a period of five years with effect from 01.07.2013 to 30.06.2018 on a remuneration and other terms and conditions setout hereinafter:-

a. Salary

Salary of Rs. 2,50,000/- (Rupees two lac fifty thousand only) per month.

b. Commission on Net Profit:-

In addition to salary Mr. Vijay Mehta will be also entitled for Annual Performance Incentive, to be decided by the Board of Directors/ Remuneration Committee from time to time based on performance criteria to be fixed by the Board for each financial year within the maximum amount payable in accordance with the provisions of section 349 to 350 of the Companies Act 1956 or any amendments/ approvals hereafter in this regard.

c. Perquisites

In addition to salary and commission as stated above, Mr. Vijay Mehta will also be entitled to perquisites restricted to an amount equal to the annual salary or Rs. 30,00,000/- per annum, whichever is less. For this purpose the perquisites are classified into three categories part A, B, & C as follows: -

PART A

1. Housing:-

- a. In case of unfurnished accommodation hired by the Company, on hiring of such accommodation shall not exceed 60% of the salary, over and above 10% payable by the Managing Director himself.
- b. In case of the accommodation provided is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the company.
- c. In case no accommodation is provided by the company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in (1) (a) above.

- d. The expenditure incurred by the company on gas, electricity, water and furnishing will be valued as per Income Tax Rules, 1962. This will however, be subject to ceiling of 10% of the salary of Managing Director.

2. Medical Reimbursement:-

Expenditure incurred for self and family subject to ceiling of one month salary per year or three months salary over a period of three years.

3. Leave Travel Concession:-

For self and family once in a year to and from place in India subject to the condition that only actual fare A.C. 1st class / by Air, shall be reimbursed.

1. Club Fees:-

Fees of club to maximum of two clubs, admission and life membership fees being not allowed.

2. Personal Accident Insurance:-

Premium not to exceed Rs.10000/- per annum.

PART B

1. Contribution made by the Company to the provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Payment of gratuity at the rate of one half month's salary for each completed years of service.

PART C

1. Provision of company's car with driver for use on company's business and telephone at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the company.
2. Leave with full pay and allowances in accordance with rules of the company. Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.
3. Mr. Vijay Mehta shall not be entitled for sitting fees for attending meeting of the Board or committee w.e.f. taking over charge as Managing Director.
4. Mr. Vijay Mehta shall not retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the said appointment so as not to exceed the maximum limits of payment of managerial remuneration prescribed in Schedule XIII The Companies Act, 1956 or any amendments thereto or any other guidelines issued by the Central Government from time to time or any amendments in the Companies Act, 1956.”

By order of the Board
For Mefcom Capital Markets Ltd.

Registered Office

5th Floor, Sanchi Building,
77 Nehru Place
New Delhi – 110019

Place : New Delhi

Dated : May 30, 2013

(Vijay Mehta)
Chairman

**NOTES: -**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxy, in order to be effective, should be duly stamped, filled, signed and must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. M/s Beetal Financial & Computer Services Pvt. Ltd., 99, Beetal House, Madangir, New Delhi - 110062, are the Registrars and Share Transfer Agents of the Company for electronic mode and transfer of shares held in physical form. Pursuant to the directions of Securities & Exchange Board of India (SEBI), trading of the shares of the Company is compulsory in de-materialized form for all investors. The ISIN No. of the Company is **INE186C01015**.
3. Register of Members and the Share Transfer books of the Company shall remain closed from Friday the 5th July, 2013 to Saturday the 6th July 2013 (both days inclusive) in connection with the 28th Annual General Meeting of the Company.
4. Shareholders are requested to intimate to M/s Beetal Financial & Computer Services Pvt. Ltd., 99, Beetal House, Madangir, New Delhi – 110062, regarding change, if any, of their postal as well as E-mail address for mailing purposes.
5. Keeping in-view of the new provision of Ministry of Corporate Affairs (MCA) Government of India, the Company may send various notices/documents to its members through electronic mode to the registered e-mail address of the shareholders. In view of this, the shareholders are requested to provide their e-mail IDs to the Company duly mentioning their Folio No., Name and number of shares held as on date. This can also be sent by electronic mode to the Company at following e-mail IDs of the Company / or its RTA:-
 - a) r.n.yadav@mefcom.in
 - b) beetalrta@gmail.com
6. The shareholders, who have not converted their shares into demat form, are requested to do so, in their own interest.
7. The documents referred to in the proposed resolutions are available for inspection at the registered office of the Company during working hours between 10.00 A.M. and 1.00 P.M. except on holidays.
8. Members desiring information / clarification on the accounts are requested to write to the company at its registered office at least seven days before the date of the annual general meeting so that the same may be responded in the meeting.
9. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting's venue.
10. Members holding shares in physical form can avail the nomination facility by filing form 20B (in duplicate) with the Company's Registrar and Share Transfer Agents which will be made available on request and in case of shares held in dematerialized form, the nomination has to be lodged with their DP. Members holding shares in dematerialized form may contact their DP for recording nomination in respect of their equity shares.

11. As required under Clause 49(IV) G of the Listing Agreement with the Stock Exchange, the relevant details of Directors retiring by rotation and seeking re-appointment at the ensuing AGM are furnished in the Corporate Governance section of this Annual Report.
12. Members are requested to bring their copies of the Annual Report to the meeting.
13. The Company has designated exclusive e-mail ID viz r.n.yadav@mefcom.in to enable investors to send their complaints /queries if any.
14. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

By order of the Board
For Mefcom Capital Markets Ltd.

Registered Office
5th Floor, Sanchi Building,
77 Nehru Place
New Delhi – 110019

Place : New Delhi
Dated : May 30, 2013

(Vijay Mehta)
Chairman

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**Item No.5**

Mr. Vijay Mehta is presently the Director of the company. He is looking after the overall operations of the company. He is a man of varied experience in diverse fields. Moreover he is a well known figure in the field of financial services in the country. Your directors therefore recommend for your approval his appointment as Managing Director, which would be in the interest of the company. It is proposed that he should be appointed as Managing Director w.e.f. 1st July 2013 for a period of five years by ordinary resolution.

Keeping in consideration the interests of the company, your directors recommend this resolution for your approval.

Except Mr. Vijay Mehta, none of the directors is concerned or interested in the resolution.

By order of the Board
For Mefcom Capital Markets Ltd.

Registered Office
5th Floor, Sanchi Building,
77 Nehru Place
New Delhi – 110019

Place : New Delhi
Dated : May 30, 2013

(Vijay Mehta)
Chairman

DIRECTORS' REPORT



Dear Shareholders,

Your Directors have pleasure in presenting the 28th Annual Report together with the Audited Accounts of the company for the year ended 31st March 2013.

FINANCIAL RESULTS

PARTICULARS	FOR THE YEAR ENDED 31 ST MARCH, 2013 (₹ IN LACS)	FOR THE YEAR ENDED 31 ST MARCH, 2012 (₹ IN LACS)
Gross Income	356.94	76.46
Total Expenses	355.52	106.65
Profit / (Loss) before Interest, Depreciation and Tax	1.42	(30.19)
Depreciation	7.43	9.50
Interest	5.43	29.33
Provision for Income Tax (incl. fringe benefit tax)	0	0
Prior period expenses	0.03	0
Profit / (Loss) after Tax	(11.47)	(69.02)

OPERATIONS AND FUTURE OUTLOOK

Your Company has incurred a loss of Rs.11.47 lacs as compared to the loss of Rs.69.02 lacs in the previous year. This loss is mainly due to the erosion of value in the investment in shares held by the company during the year.

Merchant Banking activities is also very low in the year under review in comparison to the previous year. The company is taking necessary steps to show better results in ensuing year in this activity.

Your directors are putting their best efforts for the growth of the company.

DIVIDEND

With a view to conserve resources of the company, the Directors of the company do not recommend any dividend.

SUBSIDIARY COMPANIES

The company has one subsidiary company namely M/s Mefcom Securities Ltd. There has been no material change in the nature of the business of the subsidiary.

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956, Ministry of Corporate Affairs vide its circular No.2/2011 dated 8th February, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary company with the balance sheet of the company. A statement containing brief financial details of the subsidiary company for the financial year ended March 31, 2013 is included in the Annual Report. The annual accounts of the subsidiary and the related detailed information will be made available to any member of the Company/its subsidiary at the registered office of the company. The annual accounts of the said subsidiary will also be available for inspection, as above, at the registered office of the respective subsidiary company. The Company furnish a copy of the details of annual accounts of subsidiary to any member on demand.

CORPORATE GOVERNANCE / MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Clause 49 of the Listing Agreement with Stock Exchange, the Company has adopted a Code of Conduct which is applicable to the members of the Board and senior management. The Company fully

complies with the Corporate Governance practices as enunciated in the Listing Agreement, Corporate Governance Report and Management Discussion and Analysis Report are annexed and marked Annexure-1, which form part of this report.

PUBLIC DEPOSIT

During the year under review, the company has not accepted any deposits as defined under section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules 1975.

DIRECTORS

In Accordance with the provisions of Companies Act, 1956 and Articles of Association of the company, Shri Sham Nijhawan and Shri T. R. Khare retires by rotation at the ensuing Annual General Meeting, but being eligible offers themselves for re-appointment. The Board recommends their re-appointment.

The terms of Mr. Vijay Mehta, as Managing Director expired on 30.09.2012 therefore he has been appointed Managing Director of the Company by the Board of Directors in their meeting held on 30th May 2013 w.e.f. 01.07.2013.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with Section 217 (2AA) of the Companies Act, 1956, your directors confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- The directors had adopted such accounting policies and are applying them consistently and to make judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2013 and of the losses of the Company for that year.
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The directors had prepared the annual accounts of the Company for the year ended March 31, 2013 on a "Going Concern" basis.

AUDIT COMMITTEE

In accordance with the requirement of Clause 49 of the Listing Agreement with Stock Exchange, the Board has constituted the Audit Committee which comprised 3(three) Independent Directors viz Shri Tarsem Garg (Chairman) Shri Sham Nijhawan Shri Shailendra Haruray and Shri T.R.Khare as a member.

The composition, role, functions and powers of the Audit Committee are in accordance with the applicable laws and the Listing Agreement with the Stock Exchange.

AUDITORS

Statutory Auditors

M/s V. K. Dhingra & Company, Chartered Accountants, New Delhi, hold office as the Auditors of the Company until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a Certificate to the effect that the re-appointment, if made, would be within the limits prescribed under the Section 224(1-B) of the Companies Act, 1956.

AUDITORS' REPORT

As regards the Auditors' observations the relevant Note in Significant Accounting Policies, Notes on Accounts and other disclosures are self-explanatory and, therefore, do not call for any further comments.

CONSERVATION OF ENERGY

The company is engaged in providing financial services and such operations do not account for substantial energy consumption. However the company is taking all possible measure to conserve the energy. Several environment friendly measures have been adopted by the company such as:

- Installation of TFT monitors that save the power.
- Automatic power shut down of the monitors.
- Creating environmental awareness by way of distributing information in electronic form.
- Minimizing Air-Conditioning usage.
- Shutting off all the lights when not in use.
- Education and awareness programs for the employees.

The management frequently puts circulars on the corporate intranet for the employees, educating them on ways and means to conserve electricity and other natural resources and ensures strict compliance with the same.

TECHNOLOGY ABSORPTION

The management understands the importance of technology in the business segment in which the company works and lays utmost emphasis on the system development and innovation with the use of new technological advancements. During the year the company has installed several software's and this effort will reduce the unnecessary usage of paper and manpower.

FOREIGN EXCHANGE EARNING AND OUTGO

During the year under review, company did not have any foreign exchange earning and out go.

DEMATERIALISATION OF SHARES

In pursuance of SEBI / Stock Exchange directions, your Company offered demate option to its esteemed shareholders so as to enable them to trade the shares in the demate form. In response, 95.85% shares have been converted into demate form up to 31st March, 2013. The stock code number is ISIN – INE186C01015.

PARTICULARS OF EMPLOYEES

During the year under report, the relations between the Company's management and its staff continued to remain cordial. The Directors place on record their deep appreciation of the devoted services of the staff and executives.

No employee of the company is getting remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

ACKNOWLEDGEMENT

Your directors wish to express their grateful appreciation for the co-operation and assistance extended to the company by various Government departments, regulators, stock exchanges, other statutory bodies and bankers to the company. The directors thankfully acknowledge the continuous support and guidance of all the shareholders and, more importantly, for the confidence reposed in the Company's management.

By order of the Board
For **Mefcom Capital Markets Ltd.**

Place : New Delhi
Dated : May 30, 2013

(Vijay Mehta)
Chairman

Statement Pursuant to Section 212 of the Companies Act 1956 relating to Subsidiary Companies

Name of the Subsidiary Company		Mefcom Securities Ltd.
1.	Financial Year of the subsidiary companies ended on	31st March, 2013
2.	(a) Issued subscribed and paid-up capital of subsidiary companies..	50,00,000 Equity Shares of Rs.10/- each.
	(b) Extent of interest of Mefcom Capital Markets Ltd. in the capital of Subsidiary	29,99,900 Equity Shares of Rs.10/-each. (60%)
3.	The Net aggregate amount of Profits/(Losses) of the subsidiary so far as it concern the members of Mefcom Capital Markets Ltd. and is not dealt with in the Accounts of Mefcom Capital Markets Ltd.	
	(a) For the financial year 31st March, 2013.	(5500127)
	(b) For the previous financial years of the subsidiary since it became subsidiary of Mefcom Capital Markets Ltd.	(3150391)
4.	Net aggregate amount of profit/ (losses) of the subsidiary so far as dealt with or provisions made for those losses in the accounts of Mefcom Capital Markets Ltd.	
	(a) For the financial year ended 31st March, 2013.	Nil
	(b) For the previous financial years of the subsidiary since it became subsidiary of Mefcom capital Markets Ltd.	Nil

For and on behalf of Board of Directors

Place : New Delhi
Date : May 30, 2013

(Vijay Mehta)
Chairman

Forming part of Directors Report

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Management Discussion and Analyses mainly comprises the statements which, inter alia involve predictions based on perceptions and may, therefore, be prove to risk and uncertainties. It is the sum total of the Company's expectations, beliefs, estimates and projections which may be forward looking within the meaning of applicable securities, laws and regulations. The actual results could differ materially from those expressed herein specifically or impliedly.

The important factors that could make difference to the Company's operations, changes in Government regulations, tax regimes, economic developments within India and countries in which the Company conducts business.

Overview of the Indian Economy

India is the fourth largest economy in the world after the European Union, United States of America and China in purchasing power parity terms, with an estimated Gross Domestic Product ("GDP") (purchasing power parity) of U.S.\$ 4.46 trillion in 2011 (Source: CIA World Factbook 2011). India rebounded from the global financial crisis, largely because of strong fundamentals and robust banking policies, posting a GDP growth 7.8% in 2011.

Industry structure and developments

The securities market achieves one of the most important functions of channeling resources to productive resources or from less productive resources to more productive resources. Hence in the broader context the people who save and investors who invest focus more towards the economy's abilities to invest and save respectively. This enhances savings and investments in the economy, the two pillars for economic growth. The Indian Capital Market has come a long way in this process and with a stronger regulator it has been able to usher an era of a modern capital market regime. The past decade in many ways has been remarkable for securities market in India. It has grown exponentially as measured in terms of amount raised from the market, the number of listed stocks, market capitalisation, trading volumes and turnover on stock exchanges, and investor population. The market has witnessed fundamental institutional changes resulting in drastic reduction in transaction costs and significant improvements in efficiency, transparency and safety.

Indian Financial Services Sector

The financial sector in India is characterized by liberal and progressive policies, vibrant equity and debt markets and prudent banking norms. India's financial sector has been one of the fastest growing sectors in the economy. India has a financial system that is regulated by independent regulators in the sectors of banking, insurance, capital markets etc. India. The Indian financial sector attributes its growth to technology up gradation, consolidation of large broking houses, evolution of e-broking business, growth in retail segment, regulatory reforms, diversified asset instruments and foreign investment participation. There is huge growth potential in the Indian financial sector. Sectors such as banking, asset management and brokerage have been liberalized to allow private sector involvement, which has contributed to the development and modernization of the financial services sector. This is particularly evident in the nonbanking financial services sector, such as equities, derivatives and commodities brokerage, residential mortgage and insurance services, where new products and expanding delivery channels have helped these sectors achieve high growth rates.

The Indian economy is marching towards a high growth trajectory, albeit with certain impediments on the horizon. While the year began on an optimistic note, concerns on sustainability of the high growth phase had surfaced by the middle of Financial Year 2012-13. The Current Account Deficit (CAD) widened during 2012-13. The Indian rupee has also seen significant nominal and real depreciation during current fiscal. However, this trend has been in line with that of other emerging market currencies, which too depreciated significantly as US dollar appreciated with flight to safety amidst rising risk aversion. Stocks in India had a negative performance during this period, more particularly the month of October 2012. India Stock Market (SENSEX) declined 373 points or 2.00 percent during the last 30 days. Despite improvement in the overall optimism about the economy, the financial markets continued to witness high volatility primarily driven by the direction and magnitude of foreign capital flows and movement in industrial production and inflation.

Funds mobilisation through Public Offerings:

Indian companies, during the financial year 2012-13 mobilised a total of Rs 34,519 crore via public equity issues, including initial public offering (IPO) and Offer-for-Sale (OFS) mechanism on the stock exchanges. This fund-raising was 44 per cent higher than preceding year, when firms had mopped up Rs 23,989 crore. The last fiscal year, of course fell substantially short of Rs 52,219 crore, the highest amount that has ever been raised (in 2007-08). PSUs dominated the year with a total collection of Rs 23,857 crore or 69 percent of the overall amount. This included 33 IPOs and 35 OFS. Individually, 35 OFS raised Rs 28,024 crore (81 percent of the total funds garnered), compared to Rs 18,096 crore mobilised by three companies in the preceding year. Besides, companies have collectively raised Rs 6,495 crore via IPO or 19 percent of the total amount. Also, as many as 24 issues listed on the SME platforms of NSE/BSE collectively raising only Rs 206 crore.

The mobilisation in the year could have been higher but for the deferment of some large PSU offerings and continuing volatility in the secondary market. However this would have been much lower but for the 35 OFS done through stock exchange auction system, which only technically fall under the category of public issues.

Prospects and challenges

Your Company alongwith its subsidiary company – Mefcom Securities Limited, offer its clients an integrated financial services platform by offering various financial services and products covering equity broking, F & O, and portfolio advisory. It also proposes to offer trading in currency derivatives also in the next financial year. Our integrated service platform allows us to leverage relationships across the lines of businesses and our industry and product knowledge by providing multi-channel delivery systems to our client base. The volatility in the stock indices in the financial year under report represents both an opportunity and challenge for the company.

Being an investment banking company, your company seeks opportunities in the capital market activities in which most of our activities depend on is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market. The economic crisis in some countries in the Europe and Middle East has added some volatility globally and Indian stock market has not yet decoupled from such global trends.

SWOT

Strengths

- Transparent functioning
- Innovative I. T solutions for customers

- Emphasis on building stronger bond with customers
- Services offered include Equity Trading, IPO and Investment Advisory
- Competent management team
- Focus on quality and service

Weaknesses

- Lack of PAN India presence
- Indians are mostly conservative and prefer investing in Gold and Real Estate

Opportunities

- High purchasing power and people looking to more investment opportunities
- Growing rural market
- Earning Urban Youth

Threats

- Stringent Economic measures by Government and RBI
- Entry of foreign firms in Indian Market

Segment-wise Performance

The Company has considered business segment as the primary segment. Segments have been identified taking into account the nature of the activities, the differing risks and returns, the organization structure and internal reporting system. There are no reportable geographical segments.

Segment wise information can be viewed in Note No.30 annexed to and forming part of Balance Sheet as at and Profit & Loss Account for the year ended on 31st March 2013

Operations and Future Outlook

The Company has shown a net loss this year as mentioned above. It is because this year market conditions were unfavorable for IPO and other major activities in the capital market; which affects the business of the company and further affects the total income of the company.

The Company holds permanent registration as Merchant Bankers from SEBI. Last year your company has entered into a joint venture with Beaufort Merchant Bank of London to explore overseas assignments, but it could not get desired results because of global slowdown. The small and medium companies have now got a separate SME platform to list their shares so now even small companies can go for IPO which will also help to increase the business of your company. It is expected that company will grow in future and will give better results as the capital market is expected to do better in future.

Risks & Concern:

The stock broking industry has recently witnessed intense competition, falling brokerage rates and the entry of several big players. The company's subsidiary company continues to achieve cost efficiencies through the application of technology.

The capital market industry in which your Company is operating is subject to extensive regulation. The Company evaluates the technological obsolescence and the associated risk and makes investment accordingly.

Internal Control Systems & their adequacy:

The company has proper and adequate systems of internal control in order to ensure that assets are safeguarded and transactions are duly

authorized, recorded and reported correctly. With the Implementation of new systems, internal control will get further reinforced through system based checks and controls.

Internal Audit function is being looked after by a professional firm of Chartered Accountants. They independently evaluate the adequacy of internal control system. Based on the audit observations & suggestions, follow up & remedial measures are being taken on a regular basis.

Financial Performance with respect to Operational Performance:

Share Capital

The paid up equity share capital of the Company as on March 31, 2013 stands at Rs 91,401,680/- divided into 91,40,168 equity shares of Rs 10/- each fully paid up.

Reserves and Surplus

During the year under consideration, the reserves and surplus stands at Rs 18.92 Lacs

Investments

The total investment decreased to Rs.607.05 Lacs as at March 31, 2013 against Rs.964.27 Lacs at the end of the previous year as the management has off-loaded a few investments.

Loan

Secured Loan stands at Rs 16.23 Lacs as at March 31, 2013.

Total Income

During the year under consideration, total income was Rs.356.94 Lacs as against Rs.76.46 Lacs in the previous year.

Other Income

During the year under consideration, other income was Rs.28.43 Lacs as against Rs 41.34 Lacs in the previous year.

Interest and Finance Charges

During the year under consideration, total interest and finance charges were Rs.54.29 Lacs

Human Resources

The Company has a small but efficient Human Resource Division which is well equipped to meet the present and future growth plans. Relations with employees were cordial throughout the year. The unity of purpose to continuously strive for all round improvements in work practice & productivity is visible among all the employees.

Cautionary Statement:

Certain statements in the Management Discussion & Analysis Report describing the company's views about the Industry's expectations/ predictions/objectives etc. may be forward looking within the applicable laws and regulations. Actual results may differ materially from those expressed in the statements. Company's operations may be affected with the demand and supply situations, input prices and their availability, changes in Government regulations, tax laws and other factors such as industrial relations and economic developments etc. Investors should bear the above, in mind.

By order of the Board
For Mefcom Capital Markets Ltd.

Place : New Delhi
Dated : May 30, 2013

(Vijay Mehta)
Chairman

CORPORATE GOVERNANCE REPORT

1 Company's philosophy on Corporate Governance

For Mefcom, maintaining the highest standards of corporate governance is not a matter of mere form but also of substance. It is an article of faith, a way of life, and an integral part of the company's core values. Your company is committed for adopting best global practices of Corporate Governance. The philosophy of Corporate Governance as manifested in the company's functioning is to achieve business excellence by enhancing long term shareholders value and interest of its entire shareholders. Efficient conduct of the business of the company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices already followed by the Company.

2. Board of Directors

Composition

The company is managed by the Board of Directors. The Board has given powers to the Chairman for managing the day to day affairs of the company. The composition and category of Board of Directors is given below:

Category	Name of Directors	Designation
Executive Non-Independent Director	Shri Vijay Mehta	Chairman
Non Executive Non-Independent Director	Shri T R Khare	Director
Non-Executive Independent Director	Shri Sham Nijhawan	Director
Non-Executive Independent Director	Shri Shailendra Haruray	Director
Non-Executive Independent Director	Shri Tarsem Garg	Director

Name of the Director	Board Meeting Attended	Attendance at Last AGM	Membership of the Board of other Companies	Chairmanship of the Board of Other Companies	Committee Membership of other Companies	Chairmanship of Committees of other Companies
Sh Vijay Mehta	6	Yes	5	1	2	1
Sh T. R. Khare	3	Yes	8	-	1	-
Sh Sham Nijhawan	3	-	1	-	-	-
Sh. Tarsem Garg	1	-	12	-	-	-
Sh. Shailendra Haruray	4	-	5	-	-	-

2.2 REMUNERATION OF DIRECTORS

The directors waived the sitting fees for the financial year 2012-13. Therefore no sitting fee was paid during the financial year:

The Company presently does not have any stock option scheme.

Profile of Directors being Re-appointed:

Sh. Sham Nijhawan and Sh. T.R.Khare Directors of the Company, retiring by rotation, are proposed to be re-appointed, at the ensuing Annual General Meeting.

Particulars of their other Directorships are given below:

Name of the Director	Details of other Directorships of Public Limited Companies	Committees memberships in other Companies
Sh. Sham Nijhawan	-	-
Sh. T.R.Khare	Mefcom Securities Ltd. Mefcom Commodity Brokers Ltd. Mefcom Infrastructure Projects Ltd. Pace Capital Investors Ltd.	Mefcom Securities Ltd. -

The Board has optimum combination of independent and non independent directors. Non executive independent directors of your company have no pecuniary relationship or any transaction with your company.

Board Meeting

The Meetings of the Board of Directors are scheduled well in advance and generally held at the company's office at Nehru Place, New Delhi. The notice confirming the meeting and the detailed agenda is sent well in advance to all the directors

MEETINGS AND ATTENDANCE OF DIRECTORS

During the financial year ended 31st March 2013, 6 meetings of the Board of Directors of the company were held on the following dates:

S. No.	Date of Meeting	Board Strength	No. Directors Present
1	07.04.2012	5	3
2	15.05.2012	5	5
3	23.06.2012	5	3
4	28.07.2012	5	3
5	26.10.2012	5	3
6	01.02.2013	5	3

Other Directorship & Membership

Membership and attendance of each director's at the Board Meetings held during the year and the last Annual General Meeting and the number of other directorship/membership of board committees as on 31st March 2013 is given below:

3.0 COMMITTEES OF DIRECTORS

To comply with the requirement of Clause 49 of the listing agreement with the Stock Exchange, the Board has constituted the required Committees.

The composition of these Committees is as under:

S. No.	Name of Member/ Chairman	Audit Committee	Remuneration Committee	Share Transfer & Shareholders/ Investors Grievance Committee
1	Sh. Shailendra Haruray	Yes	Yes	Yes
2	Sh. T.R.Khare	Yes	Yes	Yes
3	Sh. Sham Nijhawan	Yes	Yes	Yes
4	Sh. Tarsem Garg	Yes	Yes	Yes

Sh. Tarsem Garg, who is Chairman of Audit Committee, is a Member of the Institute of Chartered Accountants of India, Member of the Institute of Cost & Work Accountants of India, a law graduate and possesses over 31 years of diversified professional and corporate experience. Sh. T.R.Khare, Sh. Sham Nijhawan and Sh. Shailendra Haruray are the Members of Audit Committee.

Sh. Sham Nijhawan, who is Chairman of Share Transfer & Shareholders/ Investors Grievance Committee, is a Fellow Member of Institute of Chartered Accountants of India and possesses over 29 years of experience in financial matters. Sh. T.R.Khare, Sh. Tarsem Garg and Sh. Shailendra Haruray are the Members of Share Transfer & Shareholders/ Investors Grievance Committee.

Sh. Shailendra Haruray, who is Chairman of Remuneration Committee, is a post-graduate in commerce from Delhi University. He is also an accredited trainer on leadership skills from the Industrial Society of England and possesses over 23 years of experience in the field of Human Resources, Marketing and Strategic Planning areas. Sh. T.R.Khare, Sh. Sham Nijhawan and Sh. Tarsem Garg are the Members of Remuneration Committee.

3.1 AUDIT COMMITTEE

The Board of Directors set up the Audit Committee, in accordance with the provisions of the Listing Agreement and the Companies Act 1956, consisting of 3 Non-Executive Independent Directors and one Non-Executive Non-Independent Director. Sh. Tarsem Garg is the chairman of the Audit Committee.

During the year ended 31st March 2013, the committee held 5 Meetings on the following dates:

- 15th May 2012.
- 23rd June 2012.
- 28th July 2012.
- 26th October 2012.
- 1st February 2013.

The terms of reference of the Audit Committee are in conformity with the requirements of the Clause 49 of the listing agreement and also section 292A of the Companies Act, 1956. These broadly cover the following:

- To discuss and review the quarterly Audit Reports submitted by the Internal Audit Department.

- To review the progress in implementation of the suggestions made by the Internal Audit Department.
- To discuss and review the observations of the Internal Audit Department of the Company on the systems and controls, cost control, statutory compliance etc., in various areas.
- To discuss the quarterly, half yearly and annual financial results of the Company and recommend the same to the Board for its approval.
- To interact with Statutory Auditor on the Annual Accounts and on other accounting matters.
- To recommend re-appointment of Statutory Auditors, and other remuneration.

3.2 SHARES TRANSFER AND SHAREHOLDERS' GRIEVANCE COMMITTEE

The Board of Directors set up the Shares Transfer And Shareholders Grievance Committee, in accordance with the provisions of the Listing Agreement and the Companies Act 1956, consisting of 3 Non-Executive Independent Directors and one Non-Executive, Non-Independent Director. Mr. Sham Nijhawan is the Chairman of the Committee.

During the year ended 31st March 2013, the committee held 3 Meetings on the following dates:

- 11th August 2012
- 21st August 2012
- 20th October 2012

The Committee is empowered to deal with various matters relating to the Allotment of Shares, Transfer of Shares, Transmission of Shares, Issue of duplicate Share Certificates, and Issuance of Share Certificates against re-materialization of shares and monitors expeditious redressal of investor's grievances etc.

3.3 COMPENSATION AND REMUNERATION COMMITTEE

The Board of Directors set up the Compensation & Remuneration Committee, in accordance with the provisions of the Listing Agreement and the Companies Act 1956, consisting of 3 Non-Executive Independent Directors and one Non-Executive Non-Independent Director. Sh. Shailendra Haruray is the Chairman of the Committee.

- The Committee is empowered to administer and decide the remuneration and other terms and conditions of the Directors of the company.
- The Committee is empowered to decide on employees' Stock Option Schemes as and when such Scheme is considered for introduction in the Company.
- The members of all the committees of the company waived their right of sitting fees w.e.f. 28.06.2010

4. GENERAL BODY MEETINGS

Details of Annual General Meetings held in the last three years are given below:

AGM No.	Year	Date	Time	Venue
25th	2010	31st July 2010	11.30 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi – 110030.
26th	2011	30th July 2011	11.00 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi – 110030.
27th	2012	28th August 2012	11.00 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi – 110030.

No Special Resolution was passed in the 24th and 25th Annual General Meetings.

A special resolution was passed in 26th Annual General Meeting, held on 30th July 2011 to alter the Articles of Association of the Company.

5. DISCLOSURES

5.1 Related Party Transactions

Details of transactions with related parties have been reported in Notes to Accounts as per Note No. '32-ii' in the Balance Sheet. Further, statement on transactions with related parties in the ordinary course of business shall be placed before the Audit committee periodically.

5.2 Code of Conduct

The Company has adopted a code of Conduct for the members of the Board of Directors and the senior management of the company. The Code of Conduct is displayed on the website of the Company. All the Directors and the senior management personnel have affirmed Compliance with the code for the financial year ended 31st March 2013. A declaration to this effect signed by the Chairman is annexed to this report.

5.3 Compliance with Mandatory Requirements of Clause 49 of Listing Agreement

The Company has complied with all the applicable mandatory requirements of Clause 49 of Listing Agreement.

5.4 Penalty and Strictures

No penalties or strictures have been imposed on the Company by Stock Exchanges, SEBI, or by any Statutory Authority on any matter relating to Capital markets during the last three years.

5.5 Company is properly adopting the whistle blower policy and no person has been denied access to the Audit Committee.

6. POSTAL BALLOT

No Special Resolution requiring postal ballot was placed before the last Annual General Meeting.

No Resolution is being proposed at the ensuing Annual General Meeting, which requires approval of Members through postal ballot.

7. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results of the Company are sent to the Stock Exchanges where the company's shares are listed, immediately after the approval of the Board.

These are also published generally in the newspapers as per the requirements of the stock exchange, as well as on the website of the company.

On insertion of clause 54 to the listing agreement, the company has maintained a functional website viz., www.mefcom.in, containing basic information about the company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, code of conduct, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances. The company has also ensured that the contents of the said website are updated at any point of time.

The half-yearly reports are not sent to household of shareholders. Copies of the financial results and Annual Reports of the Company are provided to various analysts, Government departments, investors and others, interested in getting the same upon receipt of request from them. During the year, the Company has no occasion to make any official news release and no formal presentation was made to the institutional investors / analysts.

8.0 GENERAL SHAREHOLDERS INFORMATION

8.1 ANNUAL GENERAL MEETING

Date : 6th July, 2013
Time : 11.30 A.M.
Venue : E-15, Ansal Villas, Satbari, New Delhi-110030

8.2 FINANCIAL CALENDAR 2013-14

- First Quarter Results	:	By the end of July, 2013
- Second Quarter / Half yearly Results	:	By the end of October, 2013
- Third Quarter Results	:	By the end of January, 2014
- Annual Results (un-audited) for the year ending March 31, 2013	:	By the end of May, 2014
- Annual General Meeting	:	By the end of September, 2014

8.3 BOOK CLOSURE

The Share Transfer Books and Register of Members shall remain closed from July 05, 2013 to July 06, 2013 (both days inclusive). Notice to this effect has been sent to all the Stock Exchanges, where the shares of the Company are listed as per the Listing Agreement.

8.4 DIVIDEND

The Company has not declared dividend for the year ended March 31, 2013.

8.5 LISTING OF SHARES

The name of the Stock Exchange, at which Company's shares are listed as on 31st March, 2013 and details of Stock Code is as mentioned below

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange	531176

Trading in the equity shares of the Company is compulsorily in demat form.

The ISIN number to hold the shares for Mefcom capital Markets ltd in electronic mode is - **INE186C01015**

8.6 LISTING FEES

The Company has paid listing fees to Bombay Stock Exchange Limited up to the financial year 2012-13. There are no arrears of listing fees with the said Stock Exchange

8.7 MARKET PRICE DATA

Details of monthly high / low market price of the Company's shares at Bombay Stock Exchange Limited (BSE) are given below:

Month	High (₹)	Low (₹)
April 2012	10.74	9.00
May 2012	12.65	9.12
June 2012	12.35	9.30
July 2012	16.80	10.63
August 2012	17.70	11.35
September 2012	14.00	10.81
October 2012	24.80	13.95
November 2012	23.85	18.10
December 2012	19.85	14.30
January 2013	14.60	11.67
February 2013	17.16	11.26
March 2013	18.60	10.75

8.8 DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013

Number of Equity Shareholding	Number of Share holders	% of Share holders	No. of Shares	% of Total Shares
1- 5000	2932	90.52	408166	4.4656
5001- 10000	131	4.04	107500	1.1761
10001-20000	76	2.35	116741	1.2772
20001-30000	29	0.90	73664	0.8059
30001-40000	11	0.34	38781	0.4243
40001-50000	7	0.22	33236	0.3636
50001-100000	16	0.49	110388	1.2077
100001& above	37	1.14	8251692	90.2794
Total	3239	100%	9140168	100%

8.9 CATEGORY OF SHAREHOLDING AS ON 31ST MARCH, 2013

S. No.	Category	No. of Shares Held	% of Share holding
A.	Promoter's holding		
1.	Promoters		
	- Indian Promoters	59,08,500	64.64
	- Foreign Promoters	Nil	Nil
2.	Person acting in concert	Nil	Nil
	Sub – Total	59,08,500	64.64
B.	Non-Promoters Holding		
3.	Institutional Investors		
a.	Mutual Funds and UTI	20200	0.22
b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions)	Nil	Nil
c.	Foreign Institutional Investors	Nil	Nil
	Sub – Total	20200	0.22

4.	Others		
a.	Private Corporate Bodies	592148	6.48
b.	Indian Public	2503818	27.39
c.	NRLs / OCBs	76702	0.85
d.	HUF	18677	0.20
e.	Foreign Corporate	15000	0.16
f.	Any Other (Clearing Member)	5123	0.06
	Sub Total	3211468	35.14
	Grand – Total	9140168	100%

8.10 DEMATERIALISATION OF SHARES

The shares of the company are under Demat form. The ISIN Number of the Company is INE186C01015. Members who have not yet applied are requested to convert their shares in demat form, by applying to their depository participants in the prescribed Demat Requisition Form along with original Share certificates in physical form. About 95.85% of total shares are held in demat form as on 31st March 2013.

8.11 REGISTRARS AND SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

The Company had appointed M/s. Beetal Financial & Computer Services Pvt Ltd., for share transfer and dematerialization of shares. To expedite the process of share transfers the Board has delegated the power of share transfer to Beetal financial Computer Services Pvt Ltd viz. Registrar and share transfer Agents who will attend to the share transfer formalities at least once in fortnight. Their contact details are as follows

M/s Beetal Financial & Computer Services Pvt. Ltd.
99, Beetal House,
Madangir
New Delhi-110062
Ph: +91 11 29961281-282-283
Email: beetalrta@gmail.com

8.12 SHAREHOLDERS COMPLAINTS

The Company confirms that there are no share transfers received with valid documents and is lying pending on March 31, 2013, and all requests for dematerialization of shares as on that date were confirmed / rejected to NSDL/CDSL.

Complaints Received	1
Complaints Replied	1
Complaints Pending	Nil

Compliance Officer: Mr. R.N.Yadav, Manager- Legal & Secretarial.

Company Secretary: There was no Company Secretary in the Company as on 31st March 2013.

8.13 ADDRESS FOR CORRESPONDENCE

Investors Correspondence may be addressed to the following

Mr. R N Yadav
Manager- Legal & Secretarial
Mefcom Capital Markets Ltd
5th Floor, Sanchi Building
77, Nehru Place
New Delhi-110019
Email : r.n.yadav@mefcom.in
OR

To the Registrar and Share Transfer Agent i.e. M/s Beetal Financial & Computer Services Pvt. Ltd., at the address mentioned elsewhere in this report



- II Queries relating to the Financial Statements of the Company may be addressed to following

Mr. A. N. Dubey
 Manager Accounts & Taxation
 Mefcom Capital Markets Ltd
 5th Floor, Sanchi Building
 77, Nehru Place
 New Delhi-110019
 Ph: +91 11 46500533
 Email : accounts@mefcom.in

**ANNEXURES TO THE CORPORATE GOVERNANCE REPORT
 ANNUAL DECLARATION OF COMPLIANCE OF CODE OF CONDUCT
 BY CHAIRMAN**

To,

The Board of Directors
 Mefcom Capital Markets Ltd.
 New Delhi-110019

1. The Code of Conduct has been laid down for all the Board members and Senior Management and other employees of the company.
2. The Code of Conduct has been posted on website of the Company.
3. The Board members and Senior management personnel have affirmed compliance with the code of conduct for the year 2012-13.

Place : New Delhi
 Dated : May 30, 2013

(Vijay Mehta)
 Chairman

**CERTIFICATE PURSUANT TO CLAUSE 49 (V) OF THE LISTING
 AGREEMENT**

To

The Board of Directors
 Mefcom Capital Markets Ltd.
 New Delhi.

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the

effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

- (d) We have indicated to the auditors and the Audit Committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

(A.N.Dubey)
 Manager Accounts & Taxation

(Vijay Mehta)
 Chairman

Place : New Delhi
 Date : May 30, 2013

Certificate of Company Secretary (In Whole Time Practice)

To

The Members
Mefcom Capital Markets Ltd.

We have examined the compliance of conditions of Corporate Governance by Mefcom Capital Markets Ltd. for the year ended 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures, implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company was complying with the conditions of Corporate Governance. As stipulated in the above mentioned Listing Agreement.

We further state that compliance is neither 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 Lalit K Agarwal & Company
 (Company Secretaries)

Place : New Delhi
 Date : May 30, 2013

Lalit Agarwal
 Proprietor
 C. P. No 5768

INDEPENDENT AUDITORS' REPORT



TO

The Members Of

MEFCOM CAPITAL MARKETS LIMITED**Report on the Financial Statements**

We have audited the accompanying financial statements of **MEFCOM CAPITAL MARKETS LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss and the 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.

Auditor's 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 appropriateness of accounting policies used and the reasonableness of 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 Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 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 Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of Order.
- As required by section 227 (3) of the Companies Act, 1956, we report that:
 - 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;
 - 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;
 - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement the books of account;
 - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - We have not received written representation from one of the directors i.e. Mr. T. R. Khare. Therefore, we are not able to comment whether he is disqualified as on 31st March, 2013 from being appointed as a director in term of clause (g) of subsection (1) of section 274 of the Companies Act, 1956, On the basis of written representations received from other directors of the Company as on 31st March, 2013 and taken on record by the Board of Directors, none of those directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **V.K. Dhingra & Co.**
Chartered Accountants
Firm Regn. No. : 000250N

(Sanjay Jindal)

Partner

M. No. 087085

Place : New Delhi

Dated : May 30, 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT



REFERRED TO IN PARAGRAPH (1) UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF MEFCOM CAPITAL MARKETS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2013

Name of Statute	Nature of Dues	Financial year to which the matter pertains	Amount	Forum where dispute is pending
Income Tax Act 1961	Income Tax	2009-10	Rs. 23,73,140/-	The Commissioner of Income Tax (Appeal)

1. a) The Company has maintained proper records showing full particulars including quantitative detail and situation of its fixed assets.
- b) As explained to us, physical verification of fixed assets was conducted by the management during the year. In our opinion, frequency of physical verification is reasonable having regard to the size of the company and the nature of its business. On the basis of explanation given to us, no discrepancy has been noticed on aforesaid verification.
- c) There was no disposal of fixed assets during the year.
2. The company is not dealing in any inventory as defined in Accounting Standard-2 on 'Inventory Valuation'. Accordingly, clause (ii) of para (4) of the Order is not applicable.
3. The Company has not granted / taken any loan, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Accordingly clause (iii) of Para (4) of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and for sale of services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) Based on the audit procedures applied by us and according to the information and explanations given by the management, we are of the opinion that the contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at relevant time.
6. The Company has not accepted any deposit from public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder.
7. In our opinion and as per information and explanations given to us, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. a) According to the records of the Company, the Company is generally regular in depositing undisputed dues of Provident Fund, Investor Education and Protection Fund, Employers' State Insurance, Income Tax, Cess and other statutory dues as applicable to the Company except for the non deposition of Income Tax amounting to Rs. 1,30,113/- on dividend declared for the year 1996-97 pertaining to unpaid dividend on partly paid-up shares, which has remained outstanding as on 31st March, 2013 for a period of more than six months from the date it became payable.
- b) According to the records of the Company and the information and explanation given to us there were no dues of Sales Tax, Income Tax, TDS, Service Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except for following:-
10. The accumulated losses of the Company at the end of the year have exceeded 50% of the net worth of the Company. The Company has incurred cash losses during the year ended on 31st March, 2013 and 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 of financial institutions and banks.
12. 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 and according to the information and explanations given to us the provisions of any special statute relating to chit fund / nidhi / mutual benefit fund/ societies were not applicable to the company during the year ended on 31st March, 2013.
14. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts of dealing or trading in shares, securities and other investments and timely entries have been made in those records. We also report that the Company has held the shares, securities and other investments in its own name.
15. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loan taken by the company from a bank has been applied for the purpose for which it was obtained.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment.
18. According to the information and explanations given to us no preferential allotment of shares was made during the year to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures. Accordingly, clause (xix) of para (4) of the Order is not applicable.
20. The company has not raised any money by public issue during the year. Accordingly, clause (xx) of para (4) of the Order is not applicable.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2013.

For **V.K. Dhingra & Co.**
Chartered Accountants
Firm Regn. No. : 000250N

(Sanjay Jindal)
Partner

M. No. 087085

Place : New Delhi
Dated : May 30, 2013

Mefcom Capital Markets Limited

Balance Sheet as at 31st March, 2013



(₹)

PARTICULARS	NOTE NO.	AS AT 31.03.2013	AS AT 31.03.2012
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	91,401,680.00	91,401,680.00
(b) Reserves and Surplus	3	1,891,665.29	3,038,833.92
2 Non-Current Liabilities			
(a) Long-Term Borrowings	4	600,181.73	904,921.81
(b) Long-Term Provisions	5	220,440.00	-
3 Current Liabilities			
(a) Short-Term Borrowings	6	1,023,427.25	10,982,484.75
(b) Short-Term Provisions	7	1,545.00	-
(c) Other Current Liabilities	8	1,182,618.14	1,804,732.16
TOTAL		96,321,557.41	108,132,652.64
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		2,380,286.71	3,107,130.02
(ii) Intangible Assets		-	1,247.07
(b) Non-Current Investment	10	52,381,373.59	73,291,373.59
(c) Long-Term Loans and Advances	11	3,472,740.10	3,299,103.10
2 Current Assets			
(a) Current Investment	12	8,323,656.25	23,136,289.42
(b) Stock-in-Trade	13	3,058,175.55	-
(c) Trade Receivables	14	2,579,666.84	99,270.00
(d) Cash and Cash Equivalents	15	534,329.51	518,184.54
(e) Short-Term Loans and Advances	16	13,067,544.00	4,680,054.90
(f) Other Current Assets	17	10,523,784.86	-
TOTAL		96,321,557.41	108,132,652.64
Significant Accounting Policies	1		

Notes attached form integral part of this Balance Sheet
As per our report of even date

for **V.K. Dhingra & Co.**
Chartered Accountants

(Sanjay Jindal)
Partner
M.No. 087085

(Vijay Mehta)
Chairman

(Shailendra Haruray)
Director

(Tarsem Garg)
Director

Place : New Delhi
Dated : May 30, 2013

Mefcom Capital Markets Limited
Statement of Profit and Loss for the year ended 31st March, 2013



(₹)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED ON 31.03.2013	FOR THE YEAR ENDED ON 31.03.2012
I. Revenue from Operations	18	32,850,423.66	3,512,755.38
II. Other Income	19	2,843,617.37	4,133,638.80
III. Total Revenue (I + II)		35,694,041.03	7,646,394.18
IV. Expenses:			
Purchase of Shares/ Securities (Stock-in-Trade)		27,875,633.19	-
Change in Inventory of Shares / Securities (Stock-in-Trade)		(3,058,175.55)	-
Employee Benefits Expense	20	3,844,823.00	5,402,063.00
Provisions	21	2,084,028.47	158,102.25
Finance Costs	22	542,981.24	2,933,489.27
Depreciation and Amortization		742,790.38	949,876.50
Other Expenses	23	4,805,345.93	5,104,805.44
Total Expenses		36,837,426.66	14,548,336.46
V. Profit/ (Loss) Before Tax (III- IV)		(1,143,385.63)	(6,901,942.28)
VI. Tax Expense:			
– Tax for earlier years		3,783.00	-
VII. Profit / (Loss) For the Year (V - VI)		(1,147,168.63)	(6,901,942.28)
VIII. Earnings Per Equity Share:			
Basic & Diluted (Face value per share ₹ 10/-)		(0.13)	(0.82)
Significant Accounting Policies	1		

Notes attached form integral part of this Balance Sheet
As per our report of even date

for **V.K. Dhingra & Co.**
Chartered Accountants

(Sanjay Jindal)
Partner
M.No. 087085

(Vijay Mehta)
Chairman

(Shailendra Haruray)
Director

(Tarsem Garg)
Director

Place : New Delhi
Dated : May 30, 2013



	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	(₹)	(₹)	(₹)	(₹)
[A] CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) after Tax		(1,143,385.63)		(6,901,942.28)
Adjustment for :				
- Depreciation & Amortisation	742,790.38		949,876.50	
- Loss / (Profit) on Sale of Investments (Net)	(9,606,467.97)		2,949,855.40	
- Provisions	2,084,028.47		158,102.25	
- Interest Paid	542,981.24		2,933,489.27	
- Bad Debts Recovered	(674,222.00)		(251,350.00)	
- Dividend Income on Investments	(1,400,000.00)	(8,310,889.88)	(3,868,532.00)	2,871,441.42
Operating Profit before Working Capital Changes		(9,454,275.51)		(4,030,500.86)
Adjustment for :				
- Stock in Trade	(3,058,175.55)		-	
- Trade and Other Receivables	(20,717,448.80)		4,969,479.30	
- Trade and Other Payables	290,950.66	(23,484,673.69)	(15,343.11)	4,954,136.19
		(32,938,949.20)		923,635.33
Direct Tax Refund/(Paid)		(177,420.00)		314,316.00
		-		251,350.00
NET CASH FROM OPERATING ACTIVITIES		(33,116,369.20)		1,489,301.33
[B] CASH FLOW FROM INVESTING ACTIVITIES				
- Purchase of Fixed Assets		(14,700.00)		-
- Purchase of Investments(including advances)		-		(5,122,726.76)
- Sale of Investments		43,245,072.67		7,891,899.92
- Dividend Received on Investments		1,400,000.00		3,868,532.00
NET CASH FROM INVESTING ACTIVITIES		44,630,372.67		6,637,705.16
[C] CASH FLOW FROM FINANCING ACTIVITIES				
- Interest Paid		(1,269,694.84)		(3,973,844.97)
- Issue of Share Capital/Convertible Share Warrants		-		9,375,000.00
- Secured Loans Repaid		(2,228,163.66)		(2,856,594.73)
- Unsecured Loans Repaid		(8,000,000.00)		(13,500,000.00)
NET CASH FROM FINANCING ACTIVITIES		(11,497,858.50)		(10,955,439.70)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		16,144.97		(2,828,433.21)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		518,184.54		3,346,617.75
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR		534,329.51		518,184.54

NOTES :-

- Figures in brackets represent cash outflows.
- Previous year's figures have been regrouped / reclassified wherever considered necessary to make them comparable with those of current year.

As per our report of even date

for **V.K. Dhingra & Co.**
Chartered Accountants**(Sanjay Jindal)**
Partner
M.No. 087085**(Vijay Mehta)**
Chairman**(Shailendra Haruray)**
Director**(Tarsem Garg)**
DirectorPlace : New Delhi
Dated : May 30, 2013

Note No.**1. SIGNIFICANT ACCOUNTING POLICIES**a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention on accrual basis in accordance with the applicable Accounting Standards and the provisions of the Companies Act, 1956 and Guidelines issued by the Reserve Bank of India.

b) FIXED ASSETS

Fixed Assets have been valued at cost less accumulated depreciation.

c) DEPRECIATION

i) Softwares are amortised on straight line basis in three years on pro-rata basis.

ii) Amount spent on renovation including extensions on office premises, taken on rent, is capitalised under the head 'Leased Premises Development' and amortised on straight line basis in nine years (being reasonably expected lease tenure) on pro-rata basis.

iii) Assets costing upto five thousand rupees are fully depreciated in the year of purchase.

iv) Depreciation on other assets has been provided on the written down value basis at rates provided by Schedule XIV to the Companies Act, 1956 on pro-rata basis.

d) INVESTMENTS

i) Investments in shares, debentures and other securities are classified into 'Current Investments' and 'Non-Current Investments'.

ii) Non-Current Investments are valued at cost. Adequate provision is made for a decline, other than temporary, in the value of Non-Current Investments.

iii) Current Investments i.e. the investments, which are not intended to be held for more than one year, are carried at lower of cost or market price. Where no market quotes are available the investments are valued at rupee one per company. Shortfall in the book value as compared to market value of investments is charged to Profit & Loss Account.

iv) Cost is arrived at on Weighted Average cost basis.

e) SHARES & OTHER SECURITIES HELD AS STOCK-IN-TRADE

Shares and other securities held as stock-in-trade are valued at lower of cost or market price. Where no market quotes are available value is taken at rupee one per company. Cost is arrived on Weighted Average cost basis. Cost of Bonus Shares acquired are taken as Nil.

In case of units of mutual fund held as Stock-in-Trade, net assets value is considered as fair value.

f) PROVISION FOR NON-PERFORMING ADVANCES

Provision for Non-performing advances i.e. Sub-Standard and Doubtful Advances is based on the management assessment of the degree of impairment of the loan assets and the level of provisioning required as per the prudential norms prescribed by Reserve Bank of India.

g) INCOME RECOGNITION

– Income from Merchant Banking Operations is accounted on accrual basis, when the right to receive is established in terms of the agreements with respective clients.

– In accordance with the prudential norms prescribed by the Reserve Bank of India, interest on loans and advances are not recognised on non-performing assets unless the same are actually realised.

h) RETIREMENT BENEFITS

i) Contribution to Provident Fund and Family Pension Fund are provided for on accrual basis and deposited in the Employees Provident Fund Account(s) administrated by the Central Government.

ii) Accrued liability in respect of gratuity is provided on the basis of actuarial valuation.

Actuarial gain / loss are recognized immediately in the Profit and Loss Account.

2 SHARE CAPITAL

2 (a) Number and Value of Authorised, Issued, Subscribed & Paid Up Share Capital

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	(₹)	Number	(₹)
Authorised				
Equity Shares of ₹ 10 Each	10,000,000	100,000,000.00	10,000,000	100,000,000.00
Issued				
Equity Shares of ₹ 10 Each	9,140,168	91,401,680.00	9,140,168	91,401,680.00
Subscribed & Paid Up				
Equity Shares of ₹ 10 Each Fully Paid	9,140,168	91,401,680.00	9,140,168	91,401,680.00
Total	9,140,168	91,401,680.00	9,140,168	91,401,680.00

2 (b) Reconciliation of Number of Shares Outstanding as at 31.03.2013

Particulars	Equity Shares	
	Number	(₹)
Shares outstanding at the beginning of the Year	9,140,168	91,401,680.00
Shares issued during the period upon conversion of Warrants	-	-
Shares bought back during the period	-	-
Shares outstanding at the end of the period	9,140,168	91,401,680.00

2 (c) List of Shareholders holding more than 5% Shares

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Vijay Mehta	5,180,000	56.67	5,180,000	56.67
Mr. Karan Mehta	725,000	7.93	725,000	7.93

2 (d) The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of shareholders except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

3 RESERVES & SURPLUS

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
A. Securities Premium Account		
Opening Balance	111,297,839.00	108,797,839.00
Add: On shares issued during the year	-	2,500,000.00
Closing Balance	111,297,839.00	111,297,839.00
B. Capital Reserve		
Opening Balance	15,416,689.50	12,916,689.50
Add: Amount forfeited on Convertible Warrants during the year	-	2,500,000.00
Closing Balance	15,416,689.50	15,416,689.50
C. Special Reserve		
Opening Balance	700,000.00	700,000.00
Closing Balance	700,000.00	700,000.00

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
D. General Reserve		
Opening Balance	1,100,000.00	1,100,000.00
Closing Balance	1,100,000.00	1,100,000.00
E. Surplus/(Deficit)		
Opening Balance	(125,475,694.58)	(118,573,752.30)
Add: Net Profit / (Loss) for the Current Year	(1,147,168.63)	(6,901,942.28)
Closing Balance	(126,622,863.21)	(125,475,694.58)
Total	1,891,665.29	3,038,833.92

4 LONG TERM BORROWINGS

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
Secured		
Term Loans		
From HDFC Bank	600,181.73	904,921.81
(Secured by way of Hypothecation of a Vehicle Terms of Repayment:- Repayable in equated Monthly Installments of ₹ 33,399/- each inclusive of interest @ 12.5% p.a. upto November, 2015)		
Total	600,181.73	904,921.81

5 LONG TERM PROVISIONS

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
Provision for Gratuity	2 20,440.00	-
Total	2 20,440.00	-

6 SHORT TERM BORROWINGS

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
Secured		
Loans and Advances		
From Body Corporate	1,023,427.25	2,982,484.75
(Secured by way of pledge of Shares in a designated Demat A/c)		
Unsecured		
Loans and Advances		
From Body Corporates	-	8,000,000.00
Total	1,023,427.25	10,982,484.75

7 SHORT TERM PROVISIONS

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
Provision for Gratuity	1,545.00	-
Total	1,545.00	-

8 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
Current Maturities of Long Term Borrowings	304,740.08	269,106.16
Interest Accrued but not due on Borrowings	104,974.12	831,687.72
Other Payables		
– Statutory Liabilities	161,842.00	233,180.00
– Liabilities for Expenses	399,263.94	270,758.28
– Advances from customers	211,798.00	200,000.00
Total	1,182,618.14	1,804,732.16

9 FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1st April, 2012	Additions during the Year	Balance as at 31st March, 2013	Upto 31st March, 2012	Depreciation charged for the Year	Upto 31st March, 2013	Balance as at 31st March, 2013	Balance as at 31st March, 2012
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
a. Tangible Assets								
Leasehold Premises Development	924,398.17	-	924,398.17	621,661.32	100,912.00	722,573.32	201,824.85	302,736.85
Furniture and Fixtures	1,024,925.88	-	1,024,925.88	782,221.61	43,929.47	826,151.08	198,774.80	242,704.27
Vehicles	3,371,337.00	-	3,371,337.00	1,437,464.55	500,679.58	1,938,144.13	1,433,192.87	1,933,872.45
Office Equipment	2,243,186.82	14,700.00	2,257,886.82	1,644,352.21	84,429.52	1,728,781.73	529,105.09	598,834.61
Computers	1,126,453.71	-	1,126,453.71	1,097,471.87	11,592.74	1,109,064.61	17,389.10	28,981.84
Total	8,690,301.58	14,700.00	8,705,001.58	5,583,171.56	741,543.31	6,324,714.87	2,380,286.71	3,107,130.02
Prevoius Year	8,690,301.58	-	8,690,301.58	4,636,953.87	946,217.69	5,583,171.56	3,107,130.02	4,053,347.71
b. Intangible Assets								
Software	853,690.00	-	853,690.00	852,442.93	1,247.07	853,690.00	-	1,247.07
Total	853,690.00	-	853,690.00	852,442.93	1,247.07	853,690.00	-	1,247.07
Prevoius Year	853,690.00	-	853,690.00	848,784.12	3,658.81	852,442.93	1,247.07	4,905.88

10 NON-CURRENT INVESTMENT**(LONG TERM INVESTMENTS)**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
A. Trade Investments (Refer A below)		
Investment in Equity Shares	32,291,323.59	32,291,323.59
B. Other Investments (Refer B below)		
Investment in Equity Shares	20,090,400.00	41,000,400.00
Grand Total (A + B)	52,381,723.59	73,291,723.59
Less : Provision for dimunition in the value of Investments	350.00	350.00
Total	52,381,373.59	73,291,373.59

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
Aggregate amount of quoted investments (Market value of ₹ 2,33,97,500/- (Previous Year ₹ 6,90,50,000/-)	20,090,000.00	41,000,000.0
Aggregate amount of unquoted investments	32,291,723.59	32,291,723.59

A Details of Trade Investments (Valued at Cost)

Name of the Body Corporate	Face Value	No. of Shares / Units		Extent of Holding (%)		Amount (₹)	
		2013	2012	2013	2012	2013	2012
Investment in Unquoted Fully Paid Up Equity Shares of Subsidiaries							
Mefcom Securities Ltd.	10	2,999,900	2,999,900	60	60	32,291,323.59	32,291,323.59
Total						32,291,323.59	32,291,323.59

B Details of Other Investments (Valued at Cost)

Name of the Body Corporate	Face Value	No. of Shares / Units		Amount (₹)	
		2013	2012	2013	2012
Investment in Quoted Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Banswara Syntex Ltd.	10	490,000	1,000,000	20,090,000.00	41,000,000.00
Investment in Unquoted Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Mefcom Infrastructure Projects Ltd.	10	40	40	400.00	400.00
Total				20,090,400.00	41,000,400.00

11 LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
(Unsecured, Considered Good)		
Advance Tax/ TDS (Net)	1,722,740.10	1,549,103.10
Security Deposits		
- Due from related parties (refer Note No. 31)	1,750,000.00	1,750,000.00
Total	3,472,740.10	3,299,103.10

12 CURRENT INVESTMENT (Valued at Lower of Cost or Market Price)

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
Investment in Equity Shares	18,244,445.24	30,973,049.94
Less : Provision for diminution in the value of Investments	9,920,788.99	7,836,760.52
Total	8,323,656.25	23,136,289.42

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
Aggregate amount of quoted investments (Market value of ₹ 83,23,656.25(Previous Year ₹ 2,44,01,685/-)	18,244,445.24	30,953,360.57
Aggregate amount of unquoted investments	-	19,689.37

Details of Current Investments

Name of the Body Corporate	Face Value	No. of Shares		Amount (₹)	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012
Investment in Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Quoted Shares					
Banswara Syntex Ltd.	10	100,000	150,000	6,523,000.00	9,784,500.00
IDBI Bank Ltd.	10	-	20,000	-	3,539,000.00
Jindal Southwest Holdings Ltd.	10	2,500	2,500	2,280,823.00	2,280,823.00
JSLStainless Ltd.	2	20,000	20,000	3,023,551.20	3,023,551.20
KLG Systel Ltd.	10	9,500	9,500	1,916,910.00	1,916,910.00
LKP Finance Ltd.	10	-	8,000	-	1,004,160.00
Orient Refractories Ltd.	1	-	27,200	-	301,515.05
Orient Abrasive Ltd.	1	18,000	27,200	428,760.00	647,839.65
Satyam Computers Services Ltd.	2	-	40,000	-	2,917,600.00
Tata Elxsi Ltd.	10	-	5,000	-	1,485,750.00
Tele Data Marine Solutions Ltd.	2	625	-	19,689.37	-
Zen Technologies Ltd.	10	20,000	20,000	4,051,711.67	4,051,711.67
Unquoted Shares					
Tele Data Marine Solutions Ltd.	2	-	625	-	19,689.37
Total		170,625	330,025	18,244,445.24	30,973,049.94

13 STOCK IN TRADE

Particulars	Face Value	No. of Shares		Amount (₹)	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012
- Equity Shares (Quoted)					
(At cost or market value, whichever is lower)					
Heidelberg Cement India Ltd.	10	6,000	-	220,500.00	-
Lakshmi Machine Works Ltd.	10	1,000	-	1,845,800.00	-
Orient Abrasives Ltd.	1	2,000	-	18,225.55	-
P.C. Jewellers Ltd.	10	5,000	-	571,750.00	-
Ricoh India Ltd.	10	4,000	-	135,400.00	-
Spice Jet Ltd.	10	10,000	-	266,500.00	-
Total		28,000	-	3,058,175.55	-

14 TRADE RECEIVABLES

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
(Unsecured Considered Good)		
- Outstanding for a period exceeding six months	-	-
- Others*	2,579,666.84	99,270.00
Total	2,579,666.84	99,270.00

*Include Rs.2,497,277.84 (P.Y.: Nil) due from related party (refer Note No.31)

15 CASH & CASH EQUIVALENTS

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
Balances with Banks		
- In Current Accounts	382,831.51	480,391.54
Cash in Hand	151,498.00	37,793.00
Total	534,329.51	518,184.54

16 SHORT TERM LOANS & ADVANCES

Particulars	As at 31st March, 2013		As at 31 March, 2012	
	(₹)	(₹)	(₹)	(₹)
(Unsecured, considered good)				
(a) Due from related parties (Refer Note No. 31)		-		1,938,731.90
(b) Due from Others				
- Inter Corporate Deposits	13,000,000.00		3,000,000.00	
Less : Provision for Sub-Standard Assets	300,000.00	12,700,000.00	300,000.00	2,700,000.00
- Other Advances		367,544.00		41,323.00
Total		13,067,544.00		4,680,054.90

17 OTHER CURRENT ASSETS

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
- Interest Accrued on ICD	266,301.00	-
- Unbilled Revenue	10,257,483.86	-
Total	10,523,784.86	-

18 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2013	For the year ended 31 March, 2012
	(₹)	(₹)
Sale of Shares/ Securities (Stock-in-Trade)	24,128,050.35	-
Income from Merchant Banking Activities	1,445,000.00	2,565,000.00
Profit/ (Loss) on Sale of Shares/Securities (Non-Delivery) (Net)	71,384.95	(1,813.40)
Profit/ (Loss) on Sale of Current Investments (Net)	(733,442.09)	(2,500,755.40)
Profit/ (Loss) on Sale of Long Term Investments (Net)	10,339,910.06	(449,100.00)
Profit/ (Loss) Loss on Dealing in Equity / Index Derivatives (Net)	(2,400,479.61)	(1,102,010.36)
Profit/ (Loss) on Dealing in Commodities (Non- Delivery) (Net)	-	5,001,434.54
Total	32,850,423.66	3,512,755.38

19 OTHER INCOME

Particulars	For the year ended 31st March, 2013	For the year ended 31 March, 2012
	(₹)	(₹)
Interest Earned (TDS deducted ₹ 71,342/-, Previous Year ₹ Nil)	713,424.00	13,035.00
Bad Debts Recovered	674,222.00	251,350.00
Dividend on Shares		
- On Current Investments	350,000.00	868,532.00
- On Non-Current Investments	1,050,000.00	3,000,000.00
Other Income	55,971.37	721.80
Total	2,843,617.37	4,133,638.80

20 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	(₹)	(₹)
Salaries and other benefits	2,324,823.00	2,380,063.00
Staff Welfare Expenses	20,000.00	22,000.00
Director Remuneration	1,500,000.00	3,000,000.00
Total	3,844,823.00	5,402,063.00

21 PROVISIONS

Particulars	For the year ended 31st March, 2013	For the year ended 31 March, 2012
	(₹)	(₹)
Provision for Diminution in Value of		
- Current Investments	2,084,028.47	337,752.25
- Long Term Investments	-	(479,650.00)
Provision for Non Performing (Advances)	-	300,000.00
Total	2,084,028.47	158,102.25

22 FINANCE COST

Particulars	For the year ended 31st March, 2013	For the year ended 31 March, 2012
	(₹)	(₹)
Interest Paid to Bank	130,280.24	161,911.27
Interest Paid to Others	412,701.00	2,771,578.00
Total	542,981.24	2,933,489.27

23 OTHER EXPENSES

Particulars	For the year ended 31st March, 2013	For the year ended 31 March, 2012
	(₹)	(₹)
Rent	1,174,392.00	1,152,852.00
Electricity Charges	253,350.00	211,275.00
Printing & Stationery	20,896.00	28,951.00
Conveyance & Travelling	184,968.00	383,734.88
Postage and Telephone Expenses	61,833.76	58,231.09
Fees & Subscription	271,959.00	270,240.00
Insurance	40,028.09	54,818.00
Professional Charges	1,381,096.00	1,683,785.00
Repair & Maintenance		
- Building	687,034.00	651,274.00
- Others	358,024.18	170,412.39
Advertisement & Publication Expenses	90,821.00	97,731.00
Security Transaction Charges	118,173.00	142,523.00
Business Promotion Expenses	32,306.17	30,799.52
Audit Fees	68,315.00	67,063.00
Bank Charges	767.61	11,561.49
Prior Period Expenses	10,194.00	-
General Expenses	51,188.12	89,554.07
Total	4,805,345.93	5,104,805.44

24 CONTINGENT LIABILITIES

- a) Unpaid calls on Investments: ₹ 1,25,02,500/- (Previous Year : ₹ 1,25,02,500/-).
- b) Disputed demand under Income Tax Act, 1961 : ₹ 23,73,140/- (Previous Year : ₹ Nil)
- c) Corporate Guarantee issued to the banker of Mefcom Securities Ltd. (subsidiary company) for securing guarantee issued by their banker ₹ 1,00,00,000/- (Previous Year ₹ 1,00,00,000/-).

25 PROVISION FOR TAXATION

- a) Provision for Income-tax has been made in accordance with the provisions of the Income-tax Act, 1961.
- b) The Company has carry forward losses under tax laws. In absence of virtual certainty of sufficient future taxable income, net deferred tax asset has not been recognized in accordance with the Accounting Standard – 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India.

- 26 The Company has identified that there is no material impairment of assets and as such no provision is required in terms of Accounting Standard-28 issued by the Institute of Chartered Accountants of India.

Segment wise information is as under:-

Particulars	Investments in Share & Securities	Short Term Trading in Shares / Securities	Equity/Index Derivatives	Merchant Banking Service	Dealing in Commodity Exchange	Financing	Total (₹)
- Segment Revenues	1,10,06,467.97 <i>9,18,676.60</i>	2,41,99,435.30 <i>(1,813.40)</i>	(24,00,479.61) <i>(11,02,010.36)</i>	14,45,000.00 <i>26,11,350.00</i>	- <i>50,01,434.54</i>	14,37,646.00 <i>2,05,000.00</i>	3,56,88,069.66 <i>76,32,637.38</i>
- Segment Result	85,95,263.49 <i>(23,87,406.72)</i>	(9,73,711.08) <i>(1,813.40)</i>	(24,37,838.61) <i>(12,33,589.36)</i>	(10,21,582.00) <i>(3,11,985.00)</i>	- <i>50,01,294.54</i>	14,32,356.00 <i>(1,06,110.00)</i>	55,94,487.80 <i>9,60,390.06</i>
- Unallocable Expenses net of Unallocable Incomes							(67,37,893.43) <i>(78,62,332.34)</i>
- Net Profit / (Loss)							(11,43,385.63) <i>(69,01,942.28)</i>
- Segment Asset	7,09,62,513.70 <i>9,74,95,272.97</i>	55,55,453.39 -	- <i>8,76,383.94</i>	4,23,942.00 <i>1,07,034.00</i>	- -	1,29,66,301.00 <i>27,00,000.00</i>	8,99,08,210.09 <i>10,11,78,690.91</i>
- Segment Liabilities	1,136.80 <i>1,18,84,240.75</i>	11,40,263.04 -	- -	3,79,791.00 <i>3,75,567.00</i>	- -	- -	15,21,190.84 <i>1,22,59,807.75</i>
- Unallocable Asset							64,13,347.32 <i>69,53,961.73</i>
- Unallocable Liabilities							15,07,021.28 <i>14,32,330.97</i>

Figures in italics pertain to previous year.

31 RELATED PARTY DISCLOSURE

Related Party Disclosure in accordance with the Accounting Standards (AS-18) on 'Related Party Disclosures' issued by the Institute of Chartered Accountant of India are as under:

- i) Related Parties :

Key Management Personnel:

Mr. Vijay Mehta – Chairman

Subsidiaries:

Mefcom Securities Ltd.

Note: Related party relationship is as identified by the company and relied upon by the Auditors.

ii. Summary of Transaction with Related Parties :

(₹)

Nature of Transaction	Key Personnel	Subsidiaries	Total
Directors Remuneration			
- Mr. Vijay Mehta	15,00,000 <i>30,00,000</i>	- -	15,00,000 <i>30,00,000</i>
Rent Paid			
- Mr. Vijay Mehta	11,74,392 <i>11,52,852</i>	- -	11,74,392 <i>11,52,852</i>
Profit / (Loss) on Sale of Shares (Net) – Non-Delivery			
- Mefcom Securities Ltd.	- -	71,385 <i>(1,813)</i>	71,385 <i>(1,813)</i>
Profit / (Loss) on Dealing in derivatives			
- Mefcom Securities Ltd.	- -	(24,00,480) <i>(11,02,010)</i>	(24,00,480) <i>(11,02,010)</i>
Purchase of Shares			
- Mefcom Securities Ltd.	- -	55,99,408 <i>44,16,687</i>	55,99,408 <i>44,16,687</i>
Sale of Shares			
- Mefcom Securities Ltd.	- -	4,58,29,743 <i>40,71,855</i>	4,58,29,743 <i>40,71,855</i>
Balance as on 31.03.2013			
- Mefcom Securities Ltd	- -	Dr.24,97,278 <i>Dr.19,38,732</i>	Dr.24,97,278 <i>Dr.19,38,732</i>
- Mr. Vijay Mehta (Security Deposit)	Dr.17,50,000 <i>Dr. 17,50,000</i>	- -	Dr.17,50,000 <i>Dr. 17,50,000</i>

Figures in italics pertain to previous year.

iii. There is no provision for bad and doubtful debt or amounts written off or written back during the year in respect of dues from or to related parties.

32 EARNING PER SHARE

In accordance with Accounting Standard – 20 on 'Earning Per Share' issued by The Institute of Chartered Accountants of India, the required disclosures are given below:

1. Calculation of Basic Earning Per Share:

Sr. No.	Particulars		2012-13	2011-12
a)	Net Profit / (Loss) for the year	(₹)	(11,47,168.63)	(69,01,942.28)
b)	Weighted Average Number of Equity Shares	(Nos.)	91,40,168	84,68,037
c)	Nominal Value per Equity Shares	(₹)	10.00	10.00
d)	Earning Per Share (Basic)	(₹)	(0.13)	(0.82)

2. Calculation of Diluted Earning Per Share :

There are no dilutive potential equity shares outstanding as on 31st March, 2013.

33 EMPLOYEES BENEFITSa) Defined Contribution Plan

There was no employee in the company who was eligible for contribution to Provident Fund or any other Fund.

b) Defined Benefit Plan

The Company has following defined benefit plans which are unfunded

a) Gratuity

In accordance with Accounting Standard 15, an actuarial valuation was carried out in respect of the aforesaid defined benefit plan based on the following principal actuarial assumptions:-

Particulars	Gratuity (Unfunded)
i) Discounting Rate	7.95%
ii) Rate of Increase in Compensation Level*	9%
iii) Expected rate of return on plan assets	N.A.

*Based on inflation, seniority, promotions and other relevant factors.

Change in Present Value of Obligation

Particulars	Gratuity (Unfunded) (₹)
a) Liability at the beginning of the year	--
b) Interest cost	--
c) Past service cost	--
d) Current service cost	60,509
e) Benefits paid	--
f) Actuarial (gain)/loss on obligation	1,61,476
g) Liability at the end of the year	2,21,985*

*Including short term liability of ₹ 1,545/-

Amount included in Balance Sheet:

Particulars	Gratuity (Unfunded) (₹)
a) Liability at the end of the year	2,21,985
b) Fair Value of Plan assets at the end of the year	--
c) Difference	(2,21,985)
d) Unrecognised Past Service Cost	--
e) Unrecognised transitional Liability	--
f) Amount taken in Balance Sheet	2,21,985

Amount recognised in Profit & Loss Account:

Particulars	Gratuity
a) Current service cost	60,509
b) Interest cost	--
c) Net actuarial (gain)/ loss recognized in the period	1,61,476
d) Expenses recognized in Profit & Loss Account	2,21,985

Method of valuation of accrued liability for retirement benefits has been changed from 'cash basis' in the previous year to 'accrual basis' according to 'actuarial valuation' in the current year as per Accounting Standard- 15. This change in the method of valuation of liability for retirement benefits has resulted into increase in Loss for the year by Rs 2,21,985/- and a corresponding increase in Provisions.

- c) The company does not have practice of carry forward and encashment of unavailed leaves. Therefore, no disclosures are required in this regard.

34 EXPENDITURE IN FOREIGN CURRENCY

(₹)

Particulars	Current Year	Previous Year
- Travelling Expenses	-	1,38,997.18

35 PAYMENTS MADE TO AUDITORS

(₹)

Particulars	2012-2013	2011-2012
- Statutory Audit Fee	68,315/-	67,063/-
- Tax Audit Fee	6,405/-	6,287/-
- In Other Capacity	19,100/-	7,721/-

36. Balances of some of the parties are subject to confirmations.

37. Figures in brackets pertain to previous year.

38. Previous year figure have been regrouped / reclassified to make them comparable with those of current year.

for **V.K. Dhingra & Co.**
Chartered Accountants

(Sanjay Jindal)
Partner
M.No. 087085

(Vijay Mehta)
Chairman

(Shailendra Haruray)
Director

(Tarsem Garg)
Director

Place : New Delhi
Dated : May 30, 2013

INDEPENDENT AUDITORS' REPORT



To

The Board of Directors of

Mefcom Capital Markets Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Mefcom Capital Markets Limited** (The "Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statements of Profit and Loss and the 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

2. 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 consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this 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

3. 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.
4. 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 judgement, including the assessment of the risks of material misstatement of consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view 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

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiary 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 Group as at March 31, 2013;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

6. We did not audit the financial statements of the subsidiary company whose financial statements reflect total assets(net) of Rs 500.81 lacs as at 31st March, 2013 and total revenues of Rs 30.41 lacs and net cash flows amounting to Rs. 59.71 lacs for the year then ended. These financial statements have been audited by other auditor whose report has been furnished to us by the management, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.

Our opinion is not qualified in respect of other matter.

For **V. K. Dhingra & Co.**
Chartered Accountants
Firm Regn. No. : 000250N

(Sanjay Jindal)

Partner

M.No.087085

Place : New Delhi
Dated : May 30, 2013



Consolidated Balance Sheet of Mefcom Capital Markets Limited
and its Subsidiary as at 31st March, 2013

Consolidated Profit and Loss Statement of Mefcom Capital Markets Limited
and its Subsidiary as at 31st March, 2013

PARTICULARS	NOTE NO.	(₹)	
		AS AT 31.03.2013	AS AT 31.03.2012
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	91,401,680.00	91,401,680.00
(b) Reserves and Surplus	4	11,006,698.33	103,392.97
2 Minority Interest		12,517,382.36	16,184,134.00
3 Non-Current liabilities			
(a) Long-Term Borrowings	5	600,181.73	904,921.81
(b) Other Long-Term Liabilities	6	541,268.00	357,200.00
(b) Long-Term Provisions	7	1,018,462.00	-
4 Current Liabilities			
(a) Short-Term Borrowings	8	1,023,427.25	10,982,484.75
(b) Trade Payables		1,618,426.25	3,964,068.28
(c) Other Current Liabilities	9	2,218,307.64	4,953,178.65
(d) Short-Term Provisions	10	75,944.00	-
TOTAL		<u>122,021,777.56</u>	<u>128,851,060.46</u>
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		3,313,185.67	4,817,547.66
(ii) Intangible Assets		268,055.51	309,511.31
(b) Goodwill			
- Arised from Consolidation		10,407,738.54	10,407,738.54
(c) Non-Current Investment	12	30,065,763.00	46,044,050.00
(d) Long-Term Loans and Advances	13	13,040,873.21	13,390,938.50
(e) Other Non-Current Assets	14	13,366,722.62	4,444,711.77
2 Current Assets			
(a) Current Investment	15	8,323,656.25	23,136,289.42
(b) Stock-in-Trade	16	3,058,175.55	-
(c) Trade Receivables	17	1,652,349.34	624,611.82
(d) Cash and Bank Balances	18	7,026,041.67	13,215,209.04
(e) Short-Term Loans and Advances	19	20,941,966.79	12,422,844.36
(f) Other Current Assets	20	10,557,249.41	37,608.04
TOTAL		<u>122,021,777.56</u>	<u>128,851,060.46</u>
Significant Accounting Policies	2		

PARTICULARS	NOTE NO.	(₹)	
		FOR THE YEAR ENDED ON 31.03.2013	FOR THE YEAR ENDED ON 31.03.2012
I. Revenue from Operations	21	30,439,696.76	8,551,839.10
II. Other Income	22	3,794,475.63	5,187,847.80
III. Total Revenue (I + II)		<u>34,234,172.39</u>	<u>13,739,686.90</u>
IV. Expenses:			
Purchase of Shares/Securities (Stock In Trade)		27,875,633.19	1,424,038.25
Change in Inventories of Shares / Securities (Stock in Trade)		(3,058,175.55)	-
Employee Benefits Expense	23	7,909,016.00	7,763,461.00
Provisions	24	2,084,028.47	158,102.25
Finance Costs	25	542,981.24	2,938,266.27
Depreciation and Amortization		1,064,444.38	1,563,224.98
Other Expenses	26	8,068,991.39	9,722,176.54
Total Expenses		<u>44,486,919.12</u>	<u>23,569,269.29</u>
V. Profit Before Tax (III- IV)		<u>(10,252,746.73)</u>	<u>(9,829,582.39)</u>
VI. Tax Expense:			
- Tax for earlier years		61,301.00	-
- Deferred Tax		-	1,973,315.00
VII. Profit / (Loss) before Minority Interest (V-VI)		<u>(10,314,047.73)</u>	<u>(11,802,897.39)</u>
VIII. Minority Interest in Profits / (Losses)		<u>(3,666,751.64)</u>	<u>(1,960,382.04)</u>
IX. Profit / (Loss) For the Year (VII-VIII)		<u>(6,647,296.09)</u>	<u>(9,842,515.35)</u>
X. Earnings Per Equity Share:			
Basic & Diluted (Face Value per share ₹ 10/-)		(0.73)	(1.16)
Significant Accounting Policies	2		

Notes attached form integral part of this Balance Sheet
As per our report of even date

for V.K. Dhingra & Co.
Chartered Accountants

(Sanjay Jindal) (Vijay Mehta) (Shailendra Haruray) (Tarsem Garg)
Partner Chairman Director Director
M.No. 087085

Place : New Delhi
Dated : May 30, 2013

Notes attached form integral part of this Statement of Profit & Loss
As per our report of even date

for V.K. Dhingra & Co.
Chartered Accountants

(Sanjay Jindal) (Vijay Mehta) (Shailendra Haruray) (Tarsem Garg)
Partner Chairman Director Director
M.No. 087085

Place : New Delhi
Dated : May 30, 2013

Consolidated Cash Flow Statement of Mefcom Capital Markets Limited and its Subsidiary
for the year ended 31st March, 2013

Notes annexed to and forming part of Consolidated Financial Statements of Mefcom Capital Markets Limited and its Subsidiary for the year ended on 31st March, 2013

	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
	(₹)	(₹)
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax and minority interests	(10,252,746.73)	(9,829,582.39)
Adjustment for		
- Depreciation & Amortisation	1,064,444.38	1,563,224.98
- Loss/ (Profit) on Sale of Investments (Net)	(5,138,806.51)	2,945,791.15
- Provisions	2,084,028.47	
- Write off / Diminution in value of Investments and Stock-in-Trade (Net)	-	158102.25
- Dividend Income on Investments	(1,700,182.50)	(4,068,792.31)
- Interest Paid	542,981.24	2,938,266.27
- Impairment of Goodwill	-	69,963.00
- Bad Debts Recovered	(674,222.00)	(251,350.00)
Operating Profit before Working Capital Changes	(14,074,503.65)	(6,474,377.05)
Adjustment for		
- Stock of Shares & Securities	(3,058,175.55)	-
- Trade and Other Receivables	(18605235.64)	13372406.85
- Trade and Other Payables	(4,085,731.82)	(2,811,861.25)
	(39,823,646.66)	10,560,545.60
Less : Direct Tax Refund/(Paid)	(234938.00)	288918.46
NET CASH FROM OPERATING ACTIVITIES	(40,058,584.66)	4,375,087.01
[B] CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(14,700.00)	-
- Purchase of Investments (including advances)	-	(5,122,726.76)
- Sale of Investments	43,915,661.21	10,157,161.79
- Dividend Received on Investments	1,700,182.50	4,068,792.31
NET CASH FROM INVESTING ACTIVITIES	45,601,143.71	9,103,227.34
[C] CASH FLOW FROM FINANCING ACTIVITIES		
- Secured Loans Taken/(Repaid)	(2,228,163.66)	(2,965,796.73)
- Unsecured Loans Taken/(Repaid)	(8,000,000.00)	(13,500,000.00)
- Interest Paid	(1,269,694.84)	(3,978,621.97)
- Issue of Share Capital/Convertible Share Warrants	0.00	9375000.00
NET CASH FROM FINANCING ACTIVITIES	(11497858.50)	(11069418.70)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(5,955,299.45)	2,408,895.65
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9,392,009.12	7,218,625.39
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	3,436,709.67	9,627,521.04

NOTES:-

- Figures in brackets represent cash outflows.
- Previous year figures have been reclassified, wherever considered necessary to made them comparable with current year's classification.
- Other than balances of Mefcom Commodity Brokers Ltd which has ceased to be subsidiary during the year 2012-13.

As per our report of even date

for **V.K. Dhingra & Co.**
Chartered Accountants

(Sanjay Jindal)	(Vijay Mehta)	(Shailendra Haruray)	(Tarsem Garg)
Partner	Chairman	Director	Director
M.No. 087085			

Place : New Delhi
Dated : May 30, 2013

Note No.

1. CORPORATE INFORMATION

Consolidated financial statements comprise the financial statements of Mefcom Capital Markets Ltd. being parent company and its one subsidiary, both incorporated in India, as listed below:-

S. No.	Name of Company	Relationship	Proportion (%) of shareholding as on 31.03.2013	Proportion (%) of Shareholding as on 31.03.2012
1.	Mefcom Securities Ltd.	Subsidiary	60.00	60.00
2.	Mefcom Commodity Brokers Ltd.	Wholly owned Subsidiary of Mefcom Securities Ltd. till 04.04.2012	-	60.00

During the year 2012-2013, Mefcom Commodity Brokers Ltd. has ceased to be subsidiary of Mefcom Securities Ltd. Hence, current year's figures are not comparable with corresponding figures of previous year.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis for Preparation of Financial Statements

The Consolidated Financial Statements of the group have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the mandatory accounting standards and the provisions of the Companies Act, 1956 and other applicable laws.

ii) Principles applied for Consolidation of Financial Statements

The Financial Statements of the parent company and the subsidiary have been combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions including unrealised profits in full as per Accounting Standard-21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India (ICAI).

Accounting Policies between group companies are consistent.

The excess of cost to parent company of its investment in subsidiaries, over its portion of equity is recognised in the financial statements as Goodwill. The excess of parent company's portion of equity of the subsidiaries and associates, over cost of its investment is treated as Capital Reserve. This has been calculated, presuming such investments being made on the last date of the respective years, irrespective of the actual date of such investments.

The results of operations of a subsidiary are included in the consolidated statements of Profit and Loss until the date of cessation of the parent-subsubsidiary relationship. Wherever it is impracticable, it is presumed that the cessation of such relation has taken place on the first day of the accounting period.

iii) Fixed Assets

All fixed assets are valued at historical cost less accumulated depreciation.

iv) Depreciation

- Software are amortised in three years on straight line method on pro-rata basis.
- Depreciation on other assets has been provided on the written down value basis at rates provided by Schedule XIV to the Companies Act, 1956 on pro-rata basis.
- Amount spent on renovation including extensions on office premises, taken on rent, is capitalized under the head 'Leased Premises Development' and amortised on straight line basis in nine years (being reasonably expected lease tenure) on pro-rata basis.

d) Assets costing upto five thousand rupees are fully depreciated in the year of purchase.

e) No depreciation is provided on Stock Exchange Membership

v) Investments

a) Investments in shares, debentures and other securities are classified into 'Current Investments' and 'Non-Current Investments'.

b) Non-Current Investments are valued at cost. Adequate provision is made for a decline, other than temporary, in the value of Non-Current Investments.

c) Current Investments i.e. the investments, which are not intended to be held for more than one year, are carried at lower of cost or market price. Where no market quotes are available the investments are valued at rupee one per company. Shortfall in the book value as compared to market value of investments is charged to Profit & Loss Account.

d) Cost is arrived at on Weighted Average cost basis.

vi) Shares & Other Securities held as Stock-In-Trade

Shares and other securities held as stock-in-trade are valued at lower of cost or market price. Where no market quotes are available value is taken at rupee one per company. Cost is arrived on Weighted Average cost basis. Cost of Bonus Shares acquired are taken as Nil.

In case of units of mutual fund held as Stock-in-Trade, net assets value is considered as fair value.

vii) Provision for Non-Performing Advances

Provision for Non-performing advances i.e. Sub-Standard and Doubtful Advances is based on the management assessment of the degree of impairment of the loan assets and the level of provisioning required as per the prudential norms prescribed by Reserve Bank of India.

viii) Revenue Recognition

a) Income from Merchant Banking Operations is accounted on accrual basis, when the right to receive is established in terms of the agreements with respective clients.

b) In accordance with the prudential norms prescribed by the Reserve Bank of India, interest on loans and advances are not recognised on non-performing assets unless the same are actually realised.

c) Brokerage income from Secondary Market operations is recognised on completion of issuance of bill.

d) Brokerage income from Primary Market Operations is recognised at the stage of completion of assignments / as per the terms of related agreements.

ix) Retirement Benefits

a) Contribution to Provident Fund and Family Pension Fund are provided for on accrual basis and deposited in the Employees Provident Fund Account(s) administered by the Central Government.

b) Accrued liability in respect of gratuity is provided on the basis of actuarial valuation.

Actuarial gain / loss are recognized immediately in the Profit and Loss Account.

x) Taxes on Income

a) Current Tax is provided in accordance with the applicable provisions of Income Tax Act, 1961.

b) Deferred Tax Liabilities and Assets are recognized for the tax effect on the difference between taxable income and accounting income which are not permanent in nature subject to the consideration of prudence in the case of deferred tax assets.

3 SHARE CAPITAL

3(a) Number and Value of Authorised, issued Subscribed & Paid Up Share Capital

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	(₹)	Number	(₹)
Authorised				
Equity Shares of ₹ 10 Each	10,000,000	100,000,000.00	10,000,000	100,000,000.00
Issued				
Equity Shares of ₹ 10 Each	9,140,168	91,401,680.00	9,140,168	91,401,680.00
Subscribed & Paid Up				
Equity Shares of ₹ 10 Each Fully Paid	9,140,168	91,401,680.00	9,140,168	91,401,680.00
Total	9,140,168	91,401,680.00	9,140,168	91,401,680.00

3(b) Reconciliation of Number of Shares Outstanding as at 31.03.2013

Particulars	Equity Shares	
	Number	(₹)
Shares outstanding at the beginning of the Year	9,140,168	91,401,680.00
Shares issued during the year upon conversion of Warrants	-	-
Shares bought back during the Year	-	-
Shares outstanding at the end of the Year	9,140,168	91,401,680.00

3(c) List of Shareholders holding more than 5% Shares

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vijay Mehta	5,180,000	56.67	5,180,000	56.67
Karan Mehta	725,000	7.93	725,000	7.93

3(d) The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of shareholders except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

4 RESERVES & SURPLUS

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(₹)	(₹)	(₹)	(₹)
A. Securities Premium Account				
Opening Balance	111,297,839.00	108,797,839.00		
Add: On shares issued during the year	-	2,500,000.00		
Closing Balance	111,297,839.00	111,297,839.00		
B. Capital Reserve				
Opening Balance*	15,443,460.83	12,943,460.83		
Add: Amount forfeited on Convertible Warrants	-	2,500,000.00		
Closing Balance	15,443,460.83	15,443,460.83		
* Includes ₹ 26,771.33 (Previous Year ₹ 26,771.33) arisen on Consolidation.				
C. Special Reserve				
Opening Balance	700,000.00	700,000.00		
Closing Balance	700,000.00	700,000.00		
D. General Reserve				
Opening Balance	1,100,000.00	1,100,000.00		
Closing Balance	1,100,000.00	1,100,000.00		
E. Deficit				
Opening Balance	(128,437,906.86)	(118,881,989.13)		
Less: Adjustment on account of Mefcom Infrastructure Projects Ltd. ceased to be Subsidiary Co.	-	(286,597.62)		

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(₹)	(₹)	(₹)	(₹)
Less: Adjustment on account of Mefcom Commodity Brokers Ltd. ceased to be Subsidiary Co. of Mefcom Securities Ltd. (Refer Note No. 34)	(17,550,601.45)	-		
Add: Net Profit / (Loss) for the Current Year	(6,647,296.09)	(9,842,515.35)		
Closing Balance	(117,534,601.50)	(128,437,906.86)		
Total	11,006,698.33	103,392.97		

5 LONG TERM BORROWINGS

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(₹)	(₹)	(₹)	(₹)
Secured				
Term Loans				
From HDFC Bank (Secured by way of Hypothecation of a Vehicle Terms of Repayment:- Repayable in equated Monthly Installments of ₹ 33,399/- each inclusive of interest @12.50% p.a. upto November, 2015)	600,181.73	904,921.81		
Total	600,181.73	904,921.81		

6 OTHER LONG TERM LIABILITIES

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(₹)	(₹)	(₹)	(₹)
Security Deposits Received	541,268.00	357,200.00		
Total	541,268.00	357,200.00		

7 LONG TERM PROVISIONS

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(₹)	(₹)	(₹)	(₹)
Provision for Gratuity	1,018,462.00	-		
Total	1,018,462.00	-		

8 SHORT TERM BORROWINGS

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(₹)	(₹)	(₹)	(₹)
Secured				
Loans and Advances	1,023,427.25	2,982,484.75		
From Body Corporate (Secured by way of pledge of Shares in a designated Demat A/c)				
Unsecured				
Loans and Advances	-	8,000,000.00		
From Body Corporates				
Total	1,023,427.25	10,982,484.75		

9 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(₹)	(₹)	(₹)	(₹)
Current Maturities of Long Term Debt	304,740.08	269,106.16		
Interest Accrued but not due on Borrowings	104,974.12	831,687.72		
Security Deposits Received	181,035.50	2,180,180.60		
Other Payables				
- Statutory Liabilities	187,644.00	266,661.00		
- Liabilities for Expenses	1,228,115.94	1,205,543.17		
- Advances from customers	211,798.00	200,000.00		
Total	2,218,307.64	4,953,178.65		

10 SHORT TERM PROVISIONS

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(₹)	(₹)	(₹)	(₹)
Provision for Gratuity	75,944.00	-		
Total	75,944.00	-		

11 FIXED ASSETS

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1st April, 2012	Additions during the Year	Adjustments for the Year*	Balance as at 31st March, 2013	Upto 31st March, 2012	Depreciation charged for the Year	Adjustments for the Year*	Upto 31st March, 2013	Balance as at 31st March, 2013	Balance as at 31st March, 2012
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
a. Tangible Assets										
Leasehold Premises Development	924,398.17	-	-	924,398.17	621,661.32	100,912.00	-	722,573.32	201,824.85	302,736.85
Furniture and Fixtures	3,792,229.88	-	1,333,920.00	2,458,309.88	2,775,025.07	112,679.09	939,051.64	1,948,452.52	509,857.36	1,017,204.81
Vehicles	5,414,229.00	-	-	5,414,229.00	3,150,689.31	586,030.42	-	3,736,719.73	1,677,509.27	2,263,539.69
Office Equipment	3,229,810.82	14,700.00	-	3,244,510.82	2,348,530.55	123,717.70	-	2,472,248.25	772,262.57	881,280.27
Computers	8,025,170.61	-	166,500.00	7,858,670.61	7,672,384.57	101,154.42	66,600.00	7,706,938.99	151,731.62	352,786.04
Total	21,385,838.48	14,700.00	-	19,900,118.48	16,568,290.82	1,024,493.63	-	16,586,932.81	3,313,185.67	4,817,547.66
Previous Year	21,219,338.48	166,500.00	-	21,385,838.48	15,074,234.16	1,494,056.66	-	16,568,290.82	4,817,547.66	6,145,104.32
b. Intangible Assets										
Stock Exchange Membership [Refer Note No. 2 (iv) (e)]	210,000.00	-	-	210,000.00	-	-	-	-	210,000.00	210,000.00
Software	1,759,244.00	-	21,473.00	1,737,771.00	1,659,732.69	39,950.75	19,967.95	1,679,715.49	58,055.51	99,511.31
Total	1,969,244.00	-	21,473.00	1,947,771.00	1,659,732.69	39,950.75	-	1,679,715.49	268,055.51	309,511.31
Previous Year	1,969,244.00	-	-	1,969,244.00	1,590,564.37	69,168.32	-	1,659,732.69	309,511.31	378,679.63

*Adjustment on account of Mefcom Commodity Brokers Limited ceased to be fellow subsidiary.

12 NON-CURRENT INVESTMENT

(LONG TERM INVESTMENTS)

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
A. Other than Trade Investments (Refer A below)		
Investment in Equity Shares	30,066,113.00	46,044,400.00
Less : Provision for diminution in the value of Investments	350.00	350.00
Total	30,065,763.00	46,044,050.00

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
Aggregate amount of quoted investments (Market value of ₹ 2,33,97,500/- (Previous Year ₹ 6,90,50,000/-))	2,00,90,000.00	41,000,000.00
Aggregate amount of unquoted investments	99,76,113.00	5,044,000.00

A Details of Other than Trade Investments (Valued at Cost)

Name of the Body Corporate	Face Value	No. of Shares / Units		Amount (₹)	
		2013	2012	2013	2012
Investment in Quoted Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Banswara Syntex Ltd.	10	499,000	1,000,000	20,090,000.00	41,000,000.00
Investment in Unquoted Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Delhi Stock Exchange Ltd.	1	40,000	40,000	40,000.00	40,000.00
Bombay Stock Exchange Ltd.	1	50,000	50,000	5,004,000.00	5,004,000.00
Mefcom Infrastructure Projects Ltd.	10	40	40	400.00	400.00
Mefcom Commodity Brokers Ltd.	10	489,500	-	4,931,713.00	-
Total				30,066,113.00	46,044,400.00

13 LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
(Unsecured, Considered Good)		
Advance Tax/TDS (Net)	2,013,623.64	1,813,688.93
Security Deposits		
- Due from related parties [Refer Note No. 38 (ii)]	3,175,000.00	3,175,000.00
- Due from Others	6,852,249.57	7,402,249.57
Other Loans & Advances		
- Advances to Clearing Member (Future & Options)	1,000,000.00	1,000,000.00
Total	13,040,873.21	13,390,938.50

14 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
(Unsecured, Considered Good)		
Long Term Trade Receivables*	13,366,722.62	4,444,711.77
Total	13,366,722.62	4,444,711.77

*Includes Rs. 8,922,011/- (P.Y. : NIL) due from related party (refer Note No. 38)

15 CURRENT INVESTMENT (Valued at Lower of Cost or Market Price)

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
Investment in Equity Shares	18,244,445.24	30,973,049.94
Less : Provision for diminution in the value of Investments	9,920,788.99	7,836,760.52
Total	8,323,656.25	23,136,289.42

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(₹)	(₹)
Aggregate amount of quoted investments (Market value of ₹ 83,23,656.25 (Previous Year ₹ 2,44,01,685/-))	18,244,445.24	30,953,360.57
Aggregate amount of unquoted investments	-	19,689.37

Details of Current Investments

Name of the Body Corporate	Face Value	No. of Shares		Amount (₹)	
		31.03.13	31.03.12	31.03.13	31.03.12
Investment in Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Equity Shares (Quoted)					
Banswara Syntex Ltd.	10	100,000	150,000	6,523,000.00	9,784,500.00
IDBI Bank Ltd.	10	-	20,000	-	3,539,000.00
Jindal Southwest Holdings Ltd.	10	2,500	2,500	2,280,823.00	2,280,823.00
JSL Stainless Ltd.	2	20,000	20,000	3,023,551.20	3,023,551.20
KLG Systel Ltd.	10	9,500	9,500	1,916,910.00	1,916,910.00
LKP Finance Ltd.	10	-	8,000	-	1,004,160.00
Orient Refractories Ltd.	1	-	27,200	-	301,515.05
Orient Abrasive Ltd.	1	18,000	27,200	428,760.00	647,839.65
Satyam Computers Services Ltd.	2	-	40,000	-	2,917,600.00
Tata Elxsi Ltd.	10	-	5,000	-	1,485,750.00
Tele Data Marine Solutions Ltd.	2	625	-	19,689.37	-
Zen Technologies Ltd.	10	20,000	20,000	4,051,711.67	4,051,711.67
Equity Shares (Unquoted)					
Tele Data Marine Solutions Ltd.	2	-	625	-	19,689.37
Total		170,625	330,025	18,244,445.24	30,973,049.94

16 STOCK IN TRADE

Particulars	Face Value	No. of Shares		Amount (₹)	
		31.03.13	31.03.12	31.03.13	31.03.12
Equity Shares (Quoted)					
Heidelberg Cement India Ltd.	10	6,000	-	2,20,500.00	-
Lakshmi Machine Works Ltd.	10	1,000	-	1,845,800.00	-
Orient Abrasive Ltd.	1	2,000	-	18,225.55	-
P.C. Jewellers Ltd.	10	5,000	-	571,750.00	-
Ricoh India Ltd.	10	4,000	-	135,400.00	-
Spice Jet Ltd.	10	10,000	-	266,500.00	-
Total		28,000	-	3,058,175.55	-

17 TRADE RECEIVABLES

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(₹)	(₹)	(₹)	(₹)
(Unsecured Considered Good)				
- Outstanding for a period exceeding six months	-	-	-	-
- Others	1,652,349.34	-	624,611.82	-
Total	1,652,349.34	-	624,611.82	-

18 CASH & BANK BALANCES

Particulars	As at 31st March, 2013		As at 31 March, 2012	
	(₹)	(₹)	(₹)	(₹)
Cash & Cash Equivalents				
Balances with Banks				
- In Current Accounts	3,166,235.72	-	4,571,147.09	-
- In Fixed Deposits	-	-	5,000,000.00	-
Cash in Hand	270,473.95	-	56,373.95	-
Other Bank Balances				
- In Fixed Deposits*	3,589,332.00	-	3,587,688.00	-
Total	7,026,041.67	-	13,215,209.04	-

* Includes Fixed Deposits of ₹ 35,00,000/- (Previous Year ₹ 35,00,000/-) under Bank Lien for guarantees given with maturity of more than twelve months. [Refer Note No. 27(d)]

19 SHORT TERM LOAN & ADVANCES

Particulars	As at 31st March, 2013		As at 31 March, 2012	
	(₹)	(₹)	(₹)	(₹)
(Unsecured Considered Good)				
Inter Corporate Deposits	13,000,000.00	-	3,000,000.00	-
Less : Provision for Sub-Standard Assets	300,000.00	-	300,000.00	-
Other Advances*	-	8,241,966.79	-	9,722,844.36
Total	2,094,966.79	8,241,966.79	12,422,844.36	9,722,844.36

* Includes Share Application Money Paid ₹ 75,00,000/- (Previous Year ₹ 75,00,000/-) (Pending Allotment)

20 OTHER CURRENT ASSETS

Particulars	As at 31st March, 2013		As at 31 March, 2012	
	(₹)	(₹)	(₹)	(₹)
- Unbilled Revenues	10,257,483.86	-	-	-
- Interest Accrued on deposits	2,99,765.55	-	37,608.04	-
Total	10,557,249.41	-	37,608.04	-

21 REVENUE FROM OPERATION

Particulars	For the year ended	
	31st March, 2013	31 March, 2012
	(₹)	(₹)
Income from Merchant Banking Operations	1,445,000.00	2,565,000.00
Brokerage Income from Secondary Market	1,997,330.10	1,858,620.94
Sale of Shares / Securities	24,133,227.31	1,442,576.50
Profit/ (Loss) on Sale of Shares/Securities (Non-Delivery) (Net)	71,384.95	(2,577.15)
Profit/ (Loss) on Sale of Current Investments (Net)	(722,053.55)	(2,496,691.15)
Profit/ (Loss) on Sale of Long Term Investments (Net)	5,860,860.06	(449,100.00)
Profit/ (Loss) on Dealing in Equity / Index Derivatives (Net)	(2,346,052.11)	(1,039,826.11)
Profit/ (Loss) on Dealing in Commodity (Non-Delivery) (Net)	-	6,673,836.07
Total	30,439,696.76	8,551,839.10

22 OTHER INCOME

Particulars	For the year ended	
	31st March, 2013	31 March, 2012
	(₹)	(₹)
Interest Earned (TDS deducted ₹ 1,08,689.86) (P.Y.: ₹ 25,397.54)	1,095,108.68	278,353.39
Bad Debts Recovered	674,222.00	251,350.00
Dividend on Shares	-	-
- On Current Investments	350,000.00	868,532.00
- On Non-Current Investments	1,350,182.50	3,200,000.00
- On Inventories	-	260.31
Unclaimed Liabilities Written Off	-	56,747.67
Other Income	324,962.45	532,604.43
Total	3,794,475.63	5,187,847.80

23 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended	
	31st March, 2013	31 March, 2012
	(₹)	(₹)
Salaries and other benefits	5,324,647.00	4,593,479.00
Contribution to Provident Fund & E.S.I.	79,029.00	76,113.00
Staff Welfare Expenses	105,340.00	93,869.00
Director Remuneration	2,400,000.00	3,000,000.00
Total	7,909,016.00	7,763,461.00

24 PROVISIONS

Particulars	For the year ended	
	31st March, 2013	31 March, 2012
	(₹)	(₹)
Provision for Diminution in Value of		
- Current Investments	2,084,028.47	337,752.25
- Long Term Investments	-	(479,650.00)
Provision for Non-Performing (Advances)	-	300,000.00
Total	2,084,028.47	158,102.25

25 FINANCE COST

Interest Paid to Bank	130,280.24	166,688.27
Interest Paid to Others	412,701.00	2,771,578.00
Total	542,981.24	2,938,266.27

26 OTHER EXPENSES

Rent	2,035,992.00	2,348,952.00
Electricity Charges	422,804.00	391,544.00
Printing & Stationery	52,988.00	94,986.00
Conveyance & Travelling	252,879.00	496,746.88
Postage and Telephone Expenses	225,038.08	196,824.73
Fees & Subscription	356,079.00	574,238.90
Insurance	62,670.09	79,378.00
Professional Charges	1,475,771.00	2,169,585.00
Repair & Maintenance		
- Building	759,459.00	728,031.00
- Others	755,801.51	558,319.54
Advertisement & Publication Expenses	90,821.00	97,731.00
Security Transaction Charges	118,173.00	151,776.00
Business Promotion Expenses	99,175.44	63,097.69
Audit Fees	108,315.00	113,063.00
Bank Charges	101,563.77	131,241.62
Sub-Brokerage Paid	653,045.72	810,264.57
Stamp Duty Paid	12,240.00	9,718.00
F.O. Clearing Charges (NSE)	9,075.19	15,072.24
Stock Exchange Charges	245,158.35	355,325.11
SEBI Turnover Fees	2,479.00	3,696.00
Impairment of Goodwill	-	69,963.00
Prior Period Expenses	10,194.00	22,906.46
General Expenses	219,269.24	239,715.80
Total	8,068,991.39	9,722,176.54

27 CONTINGENT LIABILITIES

- Unpaid calls on Investments: ₹ 1,25,02,500/- (Previous Year: ₹ 1,25,02,500/-).
- Disputed demand under Income Tax Act, 1961: ₹ 27,75,052/- (Previous Year: ₹ 10,88,912/-).
- Corporate Guarantee issued to the banker of Mefcom Securities Ltd. (Subsidiary Company) for securing guarantee issued by their banker : ₹ 1,00,00,000/- (Previous Year : ₹ 1,00,00,000/-).
- Guarantees given by Banks to Stock Exchanges for ₹ 70,00,000/- (Previous Year: ₹ 70,00,000/-) against pledging of FDRs of ₹ 35,00,000/- (Previous Year: ₹ 35,00,000/-).

28. In the opinion of the management, Current Assets, Loans and Advances shall have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made and contingent liabilities have been disclosed properly.

29. PROVISION FOR TAXATION

- Provision for income-tax has been made in accordance with provisions of the Income-tax Act, 1961.
- Some of the companies in the group have unabsorbed depreciation and carry forward losses under Tax Laws. In the absence of virtual certainty of sufficient future taxable income, net Deferred Tax Asset has not been recognised in accordance with the Accounting Standard-22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India.

30. Balances of some of the parties are subject to confirmation.

31. 'Special Reserve' was created in earlier years as prescribed by Reserve Bank of India..

32. No amount was due to the suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2013.

33. The Company has identified that there is no material impairment of assets and as such no provision is required in terms of Accounting Standard-28 issued by the Institute of Chartered Accountants of India.

34. During the year one of the Fellow Subsidiary Company i.e. Mefcom Commodity Brokers Ltd. ceased to be a Subsidiary Company and the losses incurred upto the previous year amounting to ₹ 1,75,50,601.45 has been adjusted in the opening balance 'Deficit in Reserves & Surplus'.

35. DIRECTORS' REMUNERATION

- ₹ 24,00,000/- (Previous Year: ₹ 30,00,000/-) has been paid to the directors of group companies as a minimum remuneration in terms of resolution passed by shareholders read with the provisions of Schedule XIII to the Companies Act, 1956.
- Directors have waived-off their right to Sitting Fee.

36. SEGMENT REPORTING

The company has considered business segment as the primary segment. Segments have been identified taking into account the nature of the activities, the differing risks and returns, the organisation structure and internal reporting system.

There are no reportable geographical segments. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities includes the respective amount identifiable to each segment and also amount allocated on a reasonable basis. Assets, Liabilities and Expenses that can not be allocated between the segments are shown as part of Unallocable Assets, Liabilities, Incomes and Expenses respectively.

Segment wise information is as under:-

Particulars	Investments in Share & Securities	Trading in Shares & Securities	Equity/Index Derivatives	Dealing in Commodity Exchange	Financing	Brokerage	Merchant Banking Service	Total
Revenue	68,38,989	2,43,11,290	(23,46,053)	-	14,37,646	19,97,330	14,45,000	3,36,84,202
External Revenue	11,22,741	14,40,260	(10,39,826)	66,73,835	2,05,000	24,37,736	26,11,350	1,34,51,096
Result	44,27,077	(8,61,856)	(23,83,411)	-	14,32,356	(9,54,074)	(10,21,582)	6,38,510
Segment Result	(21,84,088)	5,457	(11,71,405)	65,27,516	(1,06,110)	(13,82,412)	(3,11,985)	13,76,973
Unallocated Exp. net of unallocated income								(1,09,52,558)
Net Profit / (Loss)								(1,03,14,048)
								(1,18,02,897)
Other Information								
Segment Assets	4,86,46,903	30,58,176	-	-	1,29,66,301	2,97,77,933	4,23,942	9,48,73,255
Unallocated Assets	6,92,42,177	-	8,76,384	9,53,405	27,00,000	2,15,94,742	1,07,034	9,54,73,742
Segment Liabilities	1,137	11,40,263	-	-	-	30,45,122	3,79,791	45,66,313
Unallocated Liabilities	1,18,84,241	-	-	25,000	-	73,15,041	3,75,567	1,95,99,849
								25,29,704
								15,62,005

Figures in **Bold** indicates Current Year.

37. EXPENDITURE IN FOREIGN CURRENCY

Particulars	Current Year	Previous Year
- Travelling Expenses	-	138,997.18

38. RELATED PARTY DISCLOSURE

Related Party Disclosure in accordance with the Accounting Standards (AS-18) on 'Related Party Disclosures' issued by the Institute of Chartered Accountant of India are as under :

i) **Related Parties :**

Key Management Personnel	Entities over which Key Management Personnel can exercise significant influence.
Mr. Vijay Mehta – Chairman	
Relatives	
Mr. Karan Mehta – Son of Mr. Vijay Mehta	Mefcom Commodity Brokers Ltd.

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

ii) **Summary of Transactions with Related Parties :**

Nature of Transactions	Key Personnel	Relatives	Entities over which Key Management Personnel can exercise significant influence	Total
Remuneration Paid				
-Mr. Vijay Mehta	24,00,000	-	-	24,00,000
	30,00,000	-	-	30,00,000
Rent Paid				
-Mr. Vijay Mehta	20,35,992	-	-	20,35,992
	23,48,952	-	-	23,48,952
Purchase of Shares				
Mr. Vijay Mehta	3,27,163	-	-	3,27,163
	33,35,286	-	-	33,35,286
Mr. Karan Mehta	-	5,16,247	-	5,16,247
	-	-	-	-
Sale of Shares				
-Mr. Vijay Mehta	6,37,500	-	-	6,37,500
	43,26,584	-	-	43,26,584
-Mr. Karan Mehta	-	31,87,596	-	31,37,596
	-	13,40,808	-	13,40,808

Nature of Transactions	Key Personnel	Relatives	Entities over which Key Management Personnel can exercise significant influence	Total
Balances payable	-	-	-	-
	-	-	-	-
Balance Receivable	31,75,000	1,10,324	89,22,011	1,22,07,335
	31,75,000	-	-	31,75,000

Figures in **Bold** indicate Current Year.

- iii) There is no provision for bad and doubtful debt or amounts written off or written back during the year in respect of dues from or to related parties.
39. Details of the subsidiary is given in aggregate as per the General Circular No. 51/12/2007-CL-III dated 8th February, 2011 issued by the Government of India, Ministry of Corporate Affairs, New Delhi :

	Mefcom Securities Ltd.
Capital	5,00,00,000.00
Reserve & Surplus	(64,83,999.55)
Total Assets	5,00,81,083.04
Total Liabilities	5,00,81,083.04
Details of Investment (Excluding subsidiary)	99,75,713.00
Turnover	30,40,881.36
Profit before Taxation	(91,09,361.10)
Provision for Taxation	57,518.00
Profit after Taxation	(91,66,879.10)
Proposed Dividend	Nil

40. EMPLOYEES BENEFITS

i) Defined Contribution Plan

Contribution to Provident Fund & E.S.I. : ₹ 79,029/- (Previous Year : ₹ 76,113/-).

ii) Defined Benefit Plan

The Company has following defined benefit plans which are unfunded.

a) Gratuity

In accordance with Accounting Standard 15, an actuarial valuation was carried out in respect of the aforesaid defined benefit plans based on the following principal actuarial assumptions:-

Particulars	Gratuity (Unfunded)
i) Discounting Rate	7.95%
ii) Rate of Increase in Compensation Level*	9%
iii) Expected Rate of return on plan assets	N.A.

*Based on inflation, seniority, promotions and other relevant factors.

Change in Present Value of Obligation

Particulars	Gratuity (Unfunded)
a) Liability at the beginning of the year	--
b) Interest cost	--
c) Past service cost	--
d) Current service cost	1,23,311
e) Benefits paid	--
f) Actuarial (gain)/loss on obligation	9,71,095
g) Liability at the end of the year	10,94,406*

* Including short term liability of ₹ 75,944/-

Amount included in Balance Sheet :

Particulars	Gratuity (Unfunded)
a) Liability at the end of the year	10,94,406
b) Fair Value of Plan assets at the end of the year	--
c) Difference	(10,94,406)
d) Unrecognised Past Service Cost	--
e) Unrecognised transitional Liability	--
f) Amount taken in Balance Sheet	10,94,406

Amount Recognized in Profit and Loss Account

Particulars	Gratuity
a) Current service cost	1,23,311
b) Interest cost	--
c) Net actuarial (gain)/ loss recognized in the period	9,71,095
d) Expenses recognized in Profit & Loss Account	10,94,406

Method of valuation of accrued liability for retirement benefits has been changed from 'cash basis' in the previous year to accrual basis according to 'actuarial valuation' in the current year as per Accounting Standard-15. This change in the method of valuation of liability for retirement benefits has resulted into increase in Loss for the year by Rs 10,94,406/- and a corresponding increase in Provisions.

b) The company does not have practice of carry forward and encashment of unavailed leaves. Therefore, no disclosures are required in this regard .

41. EARNING PER SHARE

In accordance with Accounting Standard – 20 on 'Earning Per Share' issued by The Institute of Chartered Accountants of India, the Earning Per Share has been computed as under :

1. Calculation of Basic Earning Per Share:

Particulars		2012-2013	2011-2012
a) Net Profit / (Loss) @	₹	(66,47,296.09)	(98,42,515.35)
b) Number of Equity Shares	(Nos.)	91,40,168	84,68,037
c) Nominal Value per Equity Shares	₹	10.00	10.00
d) Earning Per Share (Basic & Diluted)	₹	(0.73)	(1.16)

@ After taking into account share of Profit/Loss of minority interest in subsidiary company's Profits / (Losses).

2. Calculation of Diluted Earning Per Share :

There are no dilutive potential equity shares outstanding as on 31st March, 2013.

42. PAYMENTS MADE TO AUDITORS

Particulars	2012-2013	2011-2012
- Statutory Audit Fee	1,08,315/-	1,13,063/-
- Tax Audit Fee	16,405/-	16,287/-
- In Other Capacity	21,100/-	16,721

43. The Mefcom Securities Ltd is holding investment in Mefcom Comodity Brokers Ltd which was its subsidiary upto 04.04.2012 and thereafter cease to be its subsidiary. The said company has accumulated losses of Rs.1,75,50,601.45 as on 31.03.2012 which required adjustment for the profit or loss for the year 31.03.2013. The audited accounts for year ended 31.03.2013 of Mefcom Comodity Brokers Ltd were not available to the auditors of Mefcom Securities Ltd.

for V.K. Dhingra & Co.

Chartered Accountants

(Sanjay Jindal)

Partner

M.No. 087085

Place : New Delhi

Dated : May 30, 2013

(Vijay Mehta)

Chairman

(Shailendra Haruray)

Director

(Tarsem Garg)

Director