

# Mefcom Capital Markets Ltd.

5<sup>th</sup> Floor, Sanchi Building, 77, Nehru Place, New Delhi-110 019.

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E-mail : info@mefcom.in Website: www.mefcom.in

CIN : L74899DL1985PLC019749

**Ref: MCM/SEC/BSE/09/17**

**September 18, 2017**

**The General Manager  
Dept. of Corporate Services  
Bombay Stock Exchange  
1<sup>st</sup> floor, New Trading Ring  
Rotunda Building,  
Phiroze Jeejeebhoy Towers  
Dalal Street, Forte  
Mumbai-400001**


**Sub: Reg. 34 of SEBI (LODR) Regulations, 2015 Filing An Annual Report For Year Ended 31.03.2017.**

Dear Sir/Madam,

Pursuant to regulation 34 of SEBI (Listing Obligation and Disclosure Requirements), 2015 the company is hereby filling an annual report for the year ended 31<sup>st</sup> March, 2017.

Kindly take it on Record.

Yours Faithfully  
**For Mefcom Capital Markets Limited**

  
**(Natasha Goyal)**  
**Company Secretary**



## MEFCOM CAPITAL MARKETS LIMITED

Registered office: Flat No.18, 5<sup>th</sup> Floor, 77, Sanchi Building, Nehru Place, New Delhi-110019  
(CIN: L74899DL1985PLC019749) Tel:91-011-46500500 E-mail:invest@mefcom.in

### NOTICE

NOTICE is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of **MEFCOM CAPITAL MARKETS LIMITED** will be held as under:-

DAY: Friday

DATE: September 1, 2017

TIME: 10.00AM

PLACE: E-15, Ansal Villas, Satbari, New Delhi-110030

to transact the following business:-

#### ORDINARY BUSINESS:

- To receive, consider and adopt:
  - the Audited Financial Statements of the Company including audited Balance Sheet and Statement of Profit and Loss Account for the Financial Year ended on 31<sup>st</sup> March, 2017, the reports of the Board of Directors and Auditors thereon; and
  - the Audited Consolidated Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2017.
- To appoint a Director in place of Mrs. Nisha Ashwani Kumar (DIN:01089668), who retires by rotation, and being eligible, offers herself for re-appointment.
- To appoint Auditors and their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:-

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee, M/s Doogar & Associates, Chartered Accountants, Firm Registration No.000561N) be appointed as Statutory Auditors of the Company for a period of 5 (five) years for auditing the accounts of the Company from the Financial Year 2017-18 to Financial Year 2021-22, in place of retiring auditors M/s V. K. Dhingra & Co., Chartered Accountants, (FRN 000250N), to hold office from the conclusion of this 32<sup>nd</sup> Annual General Meeting (AGM) until the conclusion of 36<sup>th</sup> Annual General Meeting at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.”

By Order of the Board of Directors  
For Mefcom Capital Markets Limited

Vijay Mehta

Managing Director  
(DIN: 00057151)

Place : New Delhi  
Date : 02.08.2017

#### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, IF ANY, INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY**

#### FOR ANY OTHER PERSON OR SHAREHOLDER.

**THE PROXY FORM DULY COMPLETED AND SIGNED MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE AGM. BLANK ATTENDANCE SLIP, PROXY FORM AND ROUTE MAP OF THE VENUE OF MEETING IS ATTACHED AND ALSO AVAILABLE ON THE COMPANY'S WEBSITE I.E. www.mefcom.in**

- The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, August 28, 2017 to Friday, September 1, 2017 (both days inclusive).**
- Since here is no Special Business to be conducted at this AGM, accordingly, there is no need to annex the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 to the Notice of AGM.
- Members who hold shares in physical form are requested to send all correspondence concerning registration of transfers, transmissions or any other shares related matter and / or change in address or bank account to R&TA of the Company and in case of shares held in electronic mode, to their respective Depository Participants.
- Corporate Members are requested to send/attach duly certified copy of Board Resolution/Authority Letter authorizing their representative to attend and vote on their behalf at the AGM, along with the Proxy Form / Attendance Slip.
- Members are requested to:**
  - Note that copies of Annual Report will not be distributed at the AGM and they will have to bring their copies of Annual Report;**
  - Bring the Attendance Slip at the venue duly filled and signed for attending the meeting, as entry to the AGM Hall will be strictly on the basis of the Entry Slip, which will be available at the counters at the meeting venue in exchange of the Attendance Slip.**
  - Quote their Folio / Client ID & DP ID Nos. in all correspondence with the Company / R&TA;**
  - Note that no gifts / coupons will be distributed at the AGM.**
- SEBI has made it mandatory for the transferee(s) to furnish a copy of PAN card to the Company / R&TA for registration of transfer and for securities market transactions and off market /private transactions involving transfer of shares in physical form of listed companies. Accordingly, members holding shares in physical mode should attach a copy of their PAN card for every transfer request to the Company/ R&TA.**
- Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its R&TA along with relevant Share Certificates. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to the R&TA of the Company in Form no.S -13 as prescribed in the Companies (Share Capital and Debentures) Rules, 2014. Blank Nomination form is available at the Registered Office of the Company. In case of shares held in dematerialized form, the nomination form has to be lodged directly with the respective Depository Participant (DP).

9. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries at the Registered Office of the company at least ten days prior to the date of the Annual General Meeting, so that the information required can be made available at the time of AGM.
10. The Companies Act, 2013 permits companies to send documents like Notice of Annual General Meeting, Annual Report and other documents through electronic means to its members at their registered email addresses besides sending the same in physical form. Accordingly, the Company proposes to send all documents viz. Notice, Audited Financial Statements, Board's Report and Auditors' Report etc in electronic form to the shareholders whose e-mail IDs are registered with the Company / R&TA. Please note that as a Member of the Company, you are entitled to receive above mentioned and all other documents required under law, free of cost, in physical form on receipt of your request in this regard.

**Members who have not registered their email address so far, are requested to register their email address with the R&TA of the Company / Depository Participant (DP) of respective member and take part in the 'Think Green Go Green' initiative of the Company.**

11. The Register of Directors and Key Managerial Personnel (KMP) and their Shareholding maintained under Section 170 of the Companies Act, 2013, Register of contracts and arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection by the Members at the Registered Office of the Company on all working days during business hours and at the time of AGM of the company at the venue of the Meeting.
12. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standard issued by ICSI, the Company is offering e-voting facility to the shareholders to enable them to cast their votes electronically on the items mentioned in the Notice. For this purpose, the Company has engaged the services of National Securities Depository Limited (NSDL) for providing e-voting facility to enable the Shareholders to exercise their right to vote through electronic means in respect of business to be transacted in the AGM. Those Shareholders, who do not opt to cast their vote through e-voting, may cast their vote through ballot paper at the AGM.

Members whose e-mail IDs are registered with the Company / R&TA will receive an e-mail from R&TA informing user ID and Password. All members are requested to read the following instructions and other information carefully before casting their vote electronically:

- A. In case of members' receiving an e-mail from NSDL;
  - (i) Open E-mail and PDF file viz. "ALT e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user id and password for e-voting. Please note that the password is an initial password.
  - (ii) Log on to e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - (iii) Click on "Shareholders" Login.
  - (iv) Put user id and password as initial password in step (i) above, Click Login.
  - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of Mefcom Capital Markets Limited.
  - (viii) Now you are ready for e-voting as Cast Vote page opens.

- (i) Cast your vote by selecting appropriate option and click on "Submit: and also click "Confirm" when prompted.

- ( ) Institutional Members (i.e. other than individuals, F, NRI etc are required to send scanned copy (PDF/ PG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail [invest@mefcom.in](mailto:invest@mefcom.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

(B) In case of members receiving physical copy of the Notice of AGM and attendance slip:

- i. Initial password is provided below the attendance slip.
- ii. Please follow all steps from Sl. No. (ii) to ( ) above, to cast vote.

13. If you are already registered with NSDL for e-voting then you can use your e voting user id and password for casting your vote.
14. The e-voting period commences on August 29, 2017 (10A.M.) and ends on August 31, 2017 (5P.M.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 1, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
15. The voting rights of Members shall be as per the number of equity share held by members as on the cut-off date of August 25, 2017.
16. Mr. Pawan Kumar Mishra, Practicing Company Secretary Proprietor of P. K. Mishra & Associates, Company Secretaries (Membership No.FCS-4305 and COP no.16222) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the ballot cast by the Members at the Annual General Meeting) in a fair and transparent manner.
17. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated Scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.
18. The results shall be declared by the Chairman or the person authorized by him in writing not later than three days of conclusion of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website ([www.mefcom.in](http://www.mefcom.in)) and on the website of NSDL ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)) immediately after the result is declared by the Chairman. Members may also note that the Notice of the 32<sup>nd</sup> AGM and the Annual Report 2017, will be available on the website of the Company and NSDL.

Any person who acquires shares of the Company and becomes members of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. August 25, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the company.

However, if you are already registered with NSDL for remote e-voting then you can use your e voting user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot user Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact at NSDL at the following Toll free no.:1800-222-990.

In case of any grievance connected with the facility for voting by electronic means, members can directly Mr. Rajiv Ranjan, Assistant Manager, NSDL, 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel,

Mumbai-400 013. E-mail Id: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rajivr@nsdl.co.in](mailto:rajivr@nsdl.co.in) Toll free no.:1800-222-990. Members may also write the Company at the Email Id: [invest@mefcom.in](mailto:invest@mefcom.in)

19. Electronic copy of the Annual Report and Notice of the 32<sup>nd</sup> AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose E-mail Ids are registered with the Company/Depository Participants(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report and Notice of the 32<sup>nd</sup> AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through the permitted mode.
20. The notice of AGM and the copies of Audited Financial Statements, Board's Report and Auditor's Report etc. will also be displayed on the website ([www.mefcom.in](http://www.mefcom.in)) of the Company.
21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN to the Company.
22. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or staying abroad or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holding should be obtained from the concerned Depository Participants and holdings should be verified.
23. Information under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Secretarial Standard-2 on General Meetings in respect of the Director seeking re-appointment at AGM, forms integral part of the notice. The concerned Director has furnished the requisite declarations for his/her re-appointment and her brief profile forms part of the notice.
24. Kindly register your email address and contact details with us, by writing to us addressed to the Secretarial Department at our Registered Office, or at our Email Id: [invest@mefcom.in](mailto:invest@mefcom.in). This will help us in prompt sending of notices, annual report and other shareholders communications in electronic form.
25. The route map of the venue for the AGM is attached herewith and also available on the website of the Company
26. As per Section 118(10) of the Companies Act, 2013, read with the Secretarial Standard 2 on General meetings issued by the Institute of Company Secretaries of India, **"No gifts, gift coupons or cash in lieu of gifts shall be distributed to members at or in connection with the Meeting"**.

**DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT/RE APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 & SECRETARIAL STANDARD 2 ON GENERAL MEETINGS:**

**Item No.2**

Mrs. Nisha Ashwani Kumar, aged 67 years, has been on Board w.e.f. 30.03.2015. She is having a degree in Graduate with Economics. She has more than 8 years of experience.

Name	Mrs. Nisha Ashwani Kumar
DIN	01089668
Date of Appointment	30.03.2015
Qualification	Graduate with Economics
Experience	More than 8 years of experience in Financial services.
Other Directorship	Mascot Insulators Pvt. Ltd.
Shareholding in Company	NIL
Relationship with any Director(s)	She is related to Managing Director of the Company

She has attended one Board Meeting during F.Y.2017.

She does not have inter-se relationship with any other Director of the Company except Mr. Vijay Mehta, Managing Director of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mrs. Nisha Ashwani Kumar & Vijay Mehta is concerned or interested in the resolution.

The Board of Directors recommends resolution set out at item no.2 for your consideration and approval.

**By Order of the Board of Directors  
For Mefcom Capital Markets Limited**

**Place :** New Delhi  
**Date :** 02.08.2017

**Vijay Mehta**  
Managing Director  
(DIN: 00057151)

## DIRECTORS' REPORT

### Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended March 31, 2017.

### Financial Results and performance of the company

The summarized working results for the Financial Year ended on 31<sup>st</sup> March, 2017 as compared with the previous year are as under:-

All figures are in Lacs except Earning per equity share

PARTICULARS	STANDALONE		CONSOLIDATED	
	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Gross Income	391.50	182.89	612.49	214.93
Total Expenses	343.71	179.22	473.96	217.20
Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional & Extra Ordinary Items	50.10	11.01	141.77	6.32
Exceptional Items	---	---	-52.44	---
Depreciation	1.48	5.17	2.21	6.40
Interest	0.83	2.17	1.03	2.19
Provision for Tax	---	---	---	---
Prior period expenses	---	---	--	---
Profit/ (Loss) before Tax	47.79	3.67	86.09	-2.27
Tax Expense-Current year	---	---	3.73	---
Tax Adjustments of earlier years	----	----	---	9.79
Profit / (Loss) after Tax	47.79	3.67	82.36	-12.06
Earning Per Equity Share – Basic	0.52	0.04	0.75	-0.06
Earning Per Equity Share – Diluted	0.52	0.04	0.75	-0.06

### Operation and Future Outlook

Your Company has earned a net profit of Rs.47.79 Lacs as on 31<sup>st</sup> March, 2017 against a profit of Rs.3.67 Lacs in the previous year ended on 31<sup>st</sup> March, 2016.

Merchant banking activities is improving 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.

### Consolidated Accounts

The Consolidated Financial Statements of your Company for the Financial Year 2016-17 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued there under, applicable Accounting Standards and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Consolidated Financial Statements have been prepared on the basis of Audited Financial Statements of your Company, its Subsidiary and Company, as approved by their respective Board of Directors.

### Dividend

Keeping in view conserve of profits of the Company, Directors do not recommend any dividend for the Financial Year 2016-17.

### Subsidiary Companies

The Company has one Subsidiary Company namely M/s Mefcom Securities Limited. There has been no material change in the nature

of the business of the subsidiary.

A separate statement containing the salient features of financial statements of the Subsidiary of your Company forms part of Consolidated Financial Statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013.

The Financial Statements of the Subsidiary Company and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Second Saturdays, Sundays and public holidays up to the date of the Annual General Meeting ('AGM') as required under Section 136 of the Companies Act, 2013. Any members desirous of obtaining a copy of the said Financial Statements may write to the Managing Director at the Registered Office of your Company. The Financial Statements including the Consolidated Financial Statements, Financial Statements of Subsidiary and all other documents required to be attached to this report have uploaded on the website of your Company i.e. [www.mefcom.in](http://www.mefcom.in)

### Corporate Governance

The compliance with the Corporate Governance provisions as specified in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall not apply to the Company because paid up equity share capital is less than Rs.10 Ten Crores and net worth is less than Rs.25 Crores as on the last day of the previous financial year. Accordingly report under these provisions is not given in the Director Report.

### Management Discussion and Analysis

The Management Discussion and Analysis forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's various businesses viz., the decorative business, international operations, industrial and home improvement business, internal controls and their adequacy, risk management systems and other material developments during the Financial Year 2016-17.

### Public Deposit

The Company has neither accepted nor renewed any deposits during the Financial Year 2016-17 within the meaning of Section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

### Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Nisha Ashwani Kumar is retire by rotation at the ensuing Annual General Meeting, but being eligible offers herself for re-appointment. The Board recommends her re-appointment.

Ms. Nipa Verma, Company Secretary of the Company has resigned w.e.f. 21.09.2016. The Board places on record her appreciation for the contribution made by her during her tenure.

As required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information on the particulars of the Directors proposed for appointment/re-appointment has been given in the Notice of the Annual General Meeting.

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carries out an evaluation of its own performance, the Directors individually as well as evolution of the working of its Audit Committee, Nomination and Remuneration Committee, the manner in which the evaluation has been carried out.

### Number of meetings of the Board of Directors

## MEFCOM CAPITAL MARKETS LIMITED

During the Financial Year 2016-17, the Board of Directors met 5 (Five) times on the following dates:

<b>April to June 2016</b>	30.05.2016
<b>July to September 2016</b>	06.08.2016, 11.08.2016
<b>October to December 2016</b>	14.11.2016
<b>January to March 2017</b>	11.02.2017

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board.

### Audit Committee

During the Financial Year 2016-17, four (4) Meetings of the Audit Committee of the Company were held i.e. on May 30, 2016, August 6, 2016, November 14, 2016 and February 11, 2017.

### Independent Directors' Meeting:

As per Clause 7 of the Schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent Directors) was held on March 28, 2017 inter-alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### Directors' Responsibility Statement

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013, the Directors to the best of their knowledge ability hereby state and confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- (b) the directors had selected such accounting policies and applied them consistently and made 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 at the end of the financial year and of the profit of the company for the period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the internal financial controls to be followed by the Company were laid down and such internal financial controls were adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements.

The Company has a robust and comprehensive Internal Financial Control System commensurate with the size, scale and complexity of its operations. The objective of these procedures is to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and due compliance of statutes and corporate policies and procedures. The system encompasses the major processes to ensure reliability of financial reporting, compliance with the policies, procedures, laws and regulations safeguarding assets and economical

and efficient use of resources. The policies and procedures adopted by the company ensure the orderly and efficient conduct of its business and adherence to the company's policies, prevention and detection of frauds and errors, accuracy and completeness of the records and timely preparation of reliable financial information.

The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Chairman and Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

### AUDITORS

#### Statutory Auditors

Pursuant to Section 139(2) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Company had appointed M/s. V. K. Dhingra & Company, Chartered Accountants (FRN- 085842) up to the conclusion of 32<sup>nd</sup> Annual General Meeting to be held in the year 2017. The present term of M/s. V. K. Dhingra & Company, Chartered Accountants, would expires at the conclusion of the ensuing Annual General Meeting.

On the basis of recommendation of Audit Committee, the Board of Directors of your Company has proposed the appointment of M/s Doogar & Associates, Chartered Accountants, (Firm Registration No.000561N) as the Statutory Auditors of the Company to hold office from the conclusion of this 32<sup>nd</sup> Annual General Meeting until the conclusion of 37<sup>th</sup> Annual General meeting.

#### Auditors' Report

The comments on the statement of accounts referred to in the report of the Auditors are self explanatory. As regard to the Auditor's observations, the relevant note in the significant Accounting Policies, notes on accounts and order disclosures are self explanatory and its reproduces as given in notes on accounts point no.29 (b) i.e. "Gratuity is provided on cash basis. During the year no gratuity was paid." Gratuity is accounted for on accrual basis up to 31.03.2013 and no provision for gratuity liability is made from 01.04.2013. During the year no gratuity was paid."

#### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s P. K. Mishra & Associates (CP No. 16222 & Membership no. F-4305) to undertake the Secretarial Audit of the Company for the Financial Year ended 31<sup>st</sup> March, 2017. The Secretarial Audit Report (in Form MR-3) is annexed as **Annexure-'C'** hereto and forms a part of this report.

Secretarial Auditors have made the observations and the responses of your Directors with respect to the same are as follows:

A) During the Period Company had not appointed the Company Secretary after Ms. Nipa Verma, Company Secretary has resigned w.e.f. 21.09.2016

The response of your Directors:

Your Directors would like to apprise you that the Company had made sincere efforts for appointment of the Company Secretary, but no suitable candidate is available. Your Directors ensure that the Company will appoint Company Secretary very soon.

#### Transfer of unclaimed dividend to Investor Education and Protection Fund

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

#### Transfer to Reserves

The company has not transferred any amount to General Reserve

## MEFCOM CAPITAL MARKETS LIMITED

Fund during the Financial Year under review.

### Change in the nature of business, if any

There was no Change in the nature of business of the Company during the Financial Year ended March 31, 2017.

### Share Capital

During the year under review, the Issued, Subscribed and paid up Equity Share Capital of the Company was Rs.9,14,01,680/-.

#### a. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

#### b. Sweat Equity

The Company has not issued any Sweat Equity shares in accordance with the provisions of Section 54 of the Companies Act, 2013 read with Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014 during the year under review.

#### c. Bonus Shares

The Company has not issued any Bonus shares in accordance with the provisions of Section 63 of the Companies Act, 2013 read with Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014 during the year under review.

#### d. Employees Stock Option Plan

The Company has not provided any Stock Option Scheme to its employees during the year under review.

### Material Changes and Commitment if any affecting the Financial Position of the company occurred between the end of the Financial Year to which this Financial Statements relate and the date of this Report.

No material changes and commitments affecting the financial position of your Company have occurred between the end of the Financial Year to which the Financial Statements relate and on the date of this report.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided herein below:-

#### Conservation of Energy

- The Company is engaged in providing the financial services and such operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve 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 distribution information in electronic form.
- Minimizing Air conditioning usage.
- Shutting off all the lights when not in use.
- Education and awareness programs for the employee.

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 advancement. During the year under review the Company has installed several software and this efforts will reduce the unnecessary usage of paper and manpower.

### Foreign Exchange Earnings and outgo

During the year under review, the Company did not have any Foreign Exchange Earnings and Outgo.

### Statement concerning development and implementation of Risk Management Policy of the Company

In today's economic environment, Risk Management is very important part of the business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risk for the business. Your Company recognizes risk management as an integral component of good corporate governance. The company has developed and adopted a risk management policy.

### Details of policy developed and implemented by the Company on its Corporate Social Responsibility initiatives

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable.

### Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013

The Company has given loans, guarantees and investments made during the financial year under review in compliance with the provisions of Section 186 of the Companies Act, 2013

### Subsidiaries, Associates and Joint Venture Company

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

The Company does not have any Associates and Joint Venture Company during the year under review.

### Particulars of Contracts or Arrangements made with Related Party Transactions

All related party transactions that were entered into during the Financial Year were on arm's length basis and were in the ordinary course of the business. There was no materially significant related party transaction made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

The particulars of Contracts or Arrangements with Related Parties referred in Section 188 (1) of the Companies Act, 2013 in Form No. AOC-2 are attached as **Annexure-B**

Suitable disclosure as required by Accounting Standards (AS-18) has been made in the Notes to the Financial Statements.

### Details of significant and Material Orders passed by the Regulators, Courts and Tribunal:

No significant and material order has been passed by the Regulators, Courts and Tribunals impacting the going concern status and Company's operations in future.

### Annual Return

The details forming part of the extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure-A** of this Report.

### Particulars of Employees and related disclosures

There was no employee in the Company who was in receipt of the remuneration in excess of Rs.60 Lacs, if employed throughout the year or Rs.5 Lacs per month, if employed for the part of the financial year or received remuneration in excess of that drawn by the Managing Director / Whole Time Director / Manager and holding 2% or more equity share capital of the company (himself along with and dependent children), and therefore, no disclosure is required to be made under Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### Ratio of remuneration

## MEFCOM CAPITAL MARKETS LIMITED

The Company has not paid any remuneration to its Directors, and therefore, information relating to ratio remuneration of Directors of the Company as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

### Declaration by Independent Director(s):

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149 (6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

### Criteria for Evaluation of Directors

For the purpose of proper evaluation, the Directors of the Company have been divided in 3 (three) categories i.e. Independent, Non-Independent and Non-Executive and Executive.

The criteria for evaluation includes factors such as engagement, strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, team work abilities, result/achievements, understanding and awareness, motivation/ commitment/ diligence, integrity/ ethics/ value and openness/ receptivity.

### Listing

The securities of the company are listed on Bombay Stock Exchange Limited. The listing fees under Regulation 14 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been paid to Bombay Stock Exchange Limited for the Financial Year 2016-17.

### Disclosure as per Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. No complaint has been received for sexual harassment of women at work place by the Company during the financial year 2016-17

### Acknowledgements

The Board places on record its appreciation for the continued co-operation and support extended to the Company by customers, vendors, bankers, stock exchange, other regulatory authorities, depositories, auditors, legal advisors, consultants business associates, state government, local bodies and all the employees with whose help, co-operation and hard work the Company is able to achieve the results.

The Board deeply acknowledges the trust and confidence placed by the customers of the Company and all its shareholders.

**By Order of the Board of Directors  
For Mefcom Capital Markets Limited**

**Place** : New Delhi  
**Date** : 02.08.2017

**Vijay Mehta**  
Managing Director  
(DIN: 00057151)



## ANNEXURE TO DIRECTOR'S REPORT

Annexure-'A'  
Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2017  
of Mefcom Capital Markets Limited

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

CIN	:	L74899DL1985PLC019749
Registration Date	:	02.01.1985
Name of the Company	:	MEFCOM CAPITAL MARKETS LIMITED
Category of the Co	:	COMPANY LIMITED BY SHARES
Sub-Category of the Co	:	INDIAN NON-GOVERNMENT COMPANY
Address of the Registered office	:	FLAT NO. 18, 5TH FLOOR, 77, SANCHI BUILDING, NEHRU PLACE, NEW DELHI-110019
Whether listed company	:	YES
Name, Address and Contact details of Registrar and Transfer Agent	:	BEETAL FINANCIAL & COMPUTER SERVICES P. LTD. BEETAL HOUSE, 99, MADANGIR, NEW DELHI-110062.

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Sale of shares	99715990	88.83%
2.	Income from Merchant Banking Activities	-	3.26%
3.	Income from Interest	-	7.91%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Mefcom Securities Ltd	U67120DL1977PLC008476	Subsidiary	59.98	2(87)(ii)

## IV. SHARE HOLDING PATTERN

Equity Share Capital Breakup as percentage of Total Equity

(i) Category - wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	As on 31-March-2016				As on 31-March-2017				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	5183500	-	5183500	56.71%	5446387	-	5446387	59.58%	2.87%
b) Central Govt	-	-	-	0.00%	-	-	-	-	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	-	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	-	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	-	0.00%
f) Any other	-	-	-	0.00%	-	-	-	-	0.00%
<b>Sub Total (A) (1)</b>	<b>5183500</b>	<b>-</b>	<b>5183500</b>	<b>56.71%</b>	<b>5446387</b>	<b>-</b>	<b>5446387</b>	<b>59.58%</b>	<b>2.87%</b>
<b>(2) Foreign</b>									
a) NRI Individuals	725000	-	725000	7.93%	725000	-	725000	7.93%	0.00%
b) Other	-	-	-	0.00%	-	-	-	-	0.00%
Individuals									
c) Bodies Corp.	-	-	-	0.00%	-	-	-	-	0.00%
d) Any other	-	-	-	0.00%	-	-	-	-	0.00%

**MEFCOM CAPITAL MARKETS LIMITED**

<b>Sub Total (A) (2)</b>	725000	-	725000	<b>0.00%</b>	725000	-	725000	-	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>5908500</b>	-	<b>5908500</b>	<b>64.64%</b>	<b>6171387</b>	-	<b>6171387</b>	<b>67.51%</b>	<b>2.87%</b>
<b>B. Public</b>									
<b>Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	200	200	0.00%	-	200	200	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	-	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	-	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	-	0.00%
e) Venture Capital	-	-	-	0.00%	-	-	-	-	0.00%
Funds									
f) Insurance	-	-	-	0.00%	-	-	-	-	0.00%
Companies									
g) FIs	-	-	-	0.00%	-	-	-	-	0.00%
h) Foreign Venture	-	-	-	0.00%	-	-	-	-	0.00%
Capital Funds									
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	<b>200</b>	<b>200</b>	<b>0.00%</b>	-	<b>200</b>	<b>200</b>	<b>0.00%</b>	<b>0.00%</b>
<b>2. Central Govt./</b>	8540	-	8540	0.09%	8540	-	8540	0.09%	0.00%
<b>state Govt./</b>									
<b>President of India</b>									
<b>Sub-total (B)(2)</b>	<b>8540</b>	-	<b>8540</b>	<b>0.09%</b>	<b>8540</b>	-	<b>8540</b>	<b>0.09%</b>	<b>0.00%</b>
<b>3. Non-Institutions</b>									
a) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	664183	230150	894333	9.78%	651852	228050	879902	9.63%	0.15%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1652868	-	1652868	18.08%	1430698	-	1430698	15.65%	2.43%
b) NBFC Registered with RBI	-	-	-	-	-	-	-	-	-
c) Employees Trust	-	-	-	-	-	-	-	-	-
d) Overseas Depository Holding DRs	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Other- Body Corp	505932	39450	545382	5.97%	479920	40550	520470	5.69%	0.28%
Other-Foreign Body Corp	-	15000	15000	0.16%	-	15000	15000	0.16%	-
Other-NRI	8427	69775	78202	0.85%	8777	69275	78052	0.85%	0.00%
Other- Individual HUF	37143	-	37143	0.41%	35919	-	35919	0.39%	0.02%
<b>Sub-total (B)(3):-</b>	<b>2868553</b>	<b>354375</b>	<b>3222928</b>	<b>35.26%</b>	<b>2607166</b>	<b>352875</b>	<b>2945041</b>	<b>32.36%</b>	<b>2.88%</b>
<b>Total Public (B) (1)+(B) (2)+(B)(3)</b>	<b>2877093</b>	<b>354575</b>	<b>3231668</b>	<b>35.36%</b>	<b>2615706</b>	<b>353075</b>	<b>2968781</b>	<b>32.48%</b>	<b>2.88%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>8785593</b>	<b>354575</b>	<b>9140168</b>	<b>100%</b>	<b>8787099</b>	<b>353075</b>	<b>9140168</b>	<b>100%</b>	<b>5.75%</b>

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			Shares of % change in shareholding during the
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares year of the Company	% of Shares Pledged / encumbered to total shares	
1.	Priyanka Mehta	3500	0.04	-	3500	0.04	-	0.00%
2.	Karan Mehta	725000	7.93	-	725000	7.93	-	0.00%
3.	Vijay Mehta	5180000	56.67	-	5442887	59.55%	-	2.88%
	<b>Total</b>	<b>5908500</b>	<b>64.64</b>	-	<b>6171387</b>	<b>67.52%</b>	-	<b>2.88%</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year		5908500	64.64%	5908500	64.64%
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		262887 (Transfer)	2.88%	262887	2.88%
3.	At the End of the year		6171387	67.52%	6171387	67.52%

**(iv) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Shareholding at the beginning of the year		Date	Increase / (Decrease) in Shareholding	Reason	Shareholding at the End of the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Shaleen Toshniwal	457500	5.01	-	NIL	-	457500	5.01
2.	Ravindra Kumar Toshniwal	332500	3.64	-	NIL	-	332500	3.64
3.	Cityon Nano Technology Pvt Ltd	201227	2.20	-	NIL	-	201227	2.20
4.	Radhika Toshniwal	200000	2.19	-	NIL	-	200000	2.19
5.	Big Brokers House Stocks Ltd.	145418	1.59	-	NIL	-	145418	1.59
6.	Navnita Mehra	100000	1.09	-	NIL	-	100000	1.09
7.	Kavita Soni	100000	1.09	-	NIL	-	100000	1.09
8.	Prem Toshniwal	100000	1.09	-	NIL	-	100000	1.09
9.	Sonal Toshniwal	100000	1.09	-	NIL	-	100000	1.09
10.	Dr Sharma( Dhani Ram)	31608	0.34	30/06/2017	Increases	Purchase	42798	0.47
	<b>Total</b>	<b>1768253</b>	<b>19.33</b>	-	-	-	<b>1779443</b>	<b>19.46</b>

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl No	Name of the shareholders	Reason	Shareholding at the beginning of the year		Shareholding at the end of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Vijay Mehta	Purchase	5180000	56.67	5442887	59.59%	5442887	59.59%

**V. INDEBTEDNESS (Rs. In Lakhs)**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs./Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (2016-17)</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year (2016-17)</b>				
Addition	-	-	-	-
Reduction	-	-	-	-

**MEFCOM CAPITAL MARKETS LIMITED**

Net Change	-	-	-	-
<b>Indebtedness At the end of the financial year (2016-17)</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole- time Directors and/or Manager: (Rs. In Lakhs)**

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1.	<b>Gross salary</b>	--	--
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit		
	- others, specify...		
5.	Others, please specify	-	-
	Total (A)	--	--
	Ceiling as per the Act	Not applicable	Not applicable

**B. Remuneration to other Directors (Sitting Fees): (Amount in Rs.) :**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Tarsem Garg	Mr. Shailendra Haruray	Mr. Sham Nijhawan	Smt. Nisha Ashwani Kumar	
1.	Independent Directors	6,000	8000	6,000		20,000
	Fee for attending Board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>6,000</b>	<b>8,000</b>	<b>6,000</b>	<b>-</b>	<b>20,000</b>
2.	Other Non-Executive Directors		-	-	2000	2000
	Fee for attending Board / committee meetings		-	-	-	-
	Commission		-	-	-	-
	Others, please specify		-	-	-	-
	<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>2000</b>	<b>2000</b>
	<b>Total (B)=(1+2)</b>	<b>6,000</b>	<b>8,000</b>	<b>6,000</b>	<b>2,000</b>	<b>22,000</b>
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

\*As per the Provisions of sub section (2) read with sub section (5) of section 197 of the Companies Act, 2013, sitting fees paid to the Directors are to be excluded while calculating the overall managerial remuneration.

**C. Remuneration to KEY Managerial Personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Name	Mr. Anup Kumar Verma	Ms Pinky Jha* And Ms. Nipa Verma**	
	Designation	CEO	CFO	CS	
1	Gross salary	-	4166123	Pinky Jha - 28000 Nipa Verma -156365	4350488

**MEFCOM CAPITAL MARKETS LIMITED**

	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	285678	Pinky Jha -28000 Nipa Verma-156365	470043
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	4166123	Pinky Jha -28000 Nipa Verma-156365	4350488

\* Ms. Pinky Jha has resigned as an Key Managerial Personnel (CS) w.e.f. 23/04/2016

\*\*Ms. Nipa Verma resigned as an key managerial personnel (CS) w.e.f.21.09.2016

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER</b>					
<b>OFFICERS IN</b>					
<b>DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure-‘B’  
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto.**

1. Details of contracts or arrangements or transactions not at arm’s length basis - **NIL**
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts / arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) Date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
  
2. Details of material contracts or arrangement or transactions at arm’s length basis
  - (a) Name(s) of the related party and nature of relationship **Vijay Mehta, Managing Director and shareholder**
  - (b) Nature of contracts/arrangements/transactions **Lease Agreement**
  - (c) Duration of the contracts / arrangements/transactions **Ongoing**
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:  
Rent is being paid for the registered office of the company **Rs. 11,20,120/-** per annum. (previous year Rs.11,90,634/-).
  - (e) Date(s) of approval by the Board, if any: 13.02.2016
  - (f) Amount paid as advances, if any: **NIL**

**For and on behalf of Board of Directors of  
Mefcom Capital Markets Limited**

<b>Shailendra Haruray</b>	<b>Tarsem Garg</b>
<b>Director</b>	<b>Director</b>
<b>DIN-00075083</b>	<b>DIN-00454657</b>
<b>Place: New Delhi</b>	
<b>Date: 02.08.2017</b>	

Form No. MR-3

SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31st March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

**Mefcom Capital Markets Limited,**  
Flat No.18, 5<sup>th</sup> Floor,  
77, Sanchi Building, Nehru Place,  
New Delhi-110019

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Mefcom Capital Markets Limited**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon we report that:-

- a. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. We have followed the Audit Practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- d. Wherever required, we have obtained the management representation about the compliance of law, rules and regulations and happening of events etc.
- e. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to verification of procedures on test basis.
- f. The Secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Based on our verification of the **Mefcom Capital Markets Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Mefcom Capital Markets Limited**, (“the Company”) for the Financial Year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;  
**- During the period under audit, the Company has not appointed Company Secretary;**

Also, the Company has filed some E forms with ROC with additional fee for delay submissions.

- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under were duly complied for the period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under were duly complied for the period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable on the Company for the Financial Year 2016-17 as disclosed by the management of the Company.
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) to the extent applicable to the Company:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; The Company has filed all disclosure within prescribed time and duly complied all the provisions as disclosed by the management of the company.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; The Company has duly complied with all the provisions as disclosed by the Management of the Company.
  - (c) The Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2009; **(Not Applicable as the company has not issued any further capital under the regulations during the period under review).**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended up to date);  
**(Not Applicable as the company has not issued any securities under the regulations during the period under review).**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the company has not issued and listed any debt securities under the regulations during the period under review).**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the company is not registered as Registrar to issue and Share Transfer Agent during the period under review).**

## MEFCOM CAPITAL MARKETS LIMITED

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **(Not Applicable as the company is still listed on BSE and not applied for delisting during the period under review.)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable as the company has not bought back / proposed to buy-back any of its securities during the financial year under review.)**
  - (i) The company has complied with the requirements under the Equity Listing Agreements entered with the Bombay Stock Exchange Limited (BSE) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (j) The Memorandum and Articles of Association.
- (v) **OTHER APPLICABLE ACTS,**
- (a) Income Tax Act, 1961 and Indirect Tax Laws.

### **We have also examined compliance with the applicable clauses of the following:**

- i) Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2) w.e.f. 01.07.2015.
- ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

### **We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notices were given to all directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda items were sent at least seven days in advance, and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Company has obtained all necessary approvals under the various provisions of the Act; and there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules and Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

- As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the period, there were no instances of:

- (i) Public / Rights / Preferential Issue of Shares / Debentures / Sweet Equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation /reconstruction etc.
- (iv) Foreign technical collaboration.

**Date: 01.08.2017**  
**Place: New Delhi**

**FOR P.K. MISHRA & ASSOCIATES**  
**COMPANY SECRETARIES**

**PAWAN KUMAR MISHRA**  
**PROPRIETOR**  
**Membership No.FCS-4305**  
**COP No.16222**



## MANAGEMENT DISCUSSION AND ANALYSIS

### Forming part of Directors Report

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Abstract- Industry Overview:

The relevant industry for the Company is financial service sector, which is considered as a touchstone of socio economic development of the country. Indian markets were one of the best performing markets globally in 2016. The BSE Sensex and NSE Nifty jumped 30% buoyed by hopes of a better economy and reforms by the present government. India also emerged as one of the strongest economy and reforms by the present government. India also emerged as one of the strongest economies amongst the emerging markets. India has a diversified financial sector, which is undergoing rapid expansion. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The financial sector in India is predominantly a banking sector with commercial banks accounting for more than 60 per cent of the total assets held by the financial system.

India's services sector has always served the country's economy well, accounting for about 57 per cent of the gross domestic product (GDP). In this regard, the financial services sector has been an important contributor.

The Government of India has introduced reforms to liberalize, regulate and enhance this industry. At present, India is undoubtedly one of the world's most vibrant capital markets. Challenges remain, but the future of the sector looks good. The advent of technology has also aided the growth of the industry. About 75 per cent of the insurance policies sold by 2020 would, in one way or another, be influenced by digital channels during the pre-purchase, purchase or renewal stages, as per a report by Boston Consulting Group (BCG) and Google India.

#### Market Size:

The size of banking assets in India reached US\$ 1.8 trillion in FY17 and is expected to touch US\$ 28.5 trillion by FY25. The Association of Mutual Funds in India (AMFI) data show that assets of the mutual fund industry have hit an all-time high of about Rs 12 trillion (US\$ 189.83 billion). Equity funds had inflows of Rs 5,217 Crore (US\$ 825.49 million), taking total inflows on a year-to-date basis to Rs 61,089 Crore (US\$ 9.66 billion). Income funds and liquid funds account for the largest proportion of AUM, with Income funds accounting for Rs 5.22 trillion (US\$ 82.59 billion) and equity funds accounting for Rs 3.06 trillion (US\$ 48.41 billion).

#### Government initiatives:

Several measures have been outlined in the Union Budget 2016-17 that aim at reviving and accelerating investment which, inter alia, include fiscal consolidation with emphasis on expenditure reforms and continuation of fiscal reforms with rationalization of tax structure; fillip to industry and infrastructure, fiscal incentives and concrete measures for transport, power, and other urban and rural infrastructure; measures for promotion of foreign direct investment (FDI) in selected sectors, including defense manufacturing and insurance; and, steps to augment low cost long-term foreign borrowings by Indian companies. Fiscal reforms have been bolstered further by the recent deregulation of diesel prices. The launch of 'Make in India' global initiative is intended to invite both domestic and foreign investors to invest in India. The aim of the programme is to project India as an investment destination and develop, promote and market India as a leading manufacturing destination and as a hub for design and information. The programme further aims to radically improve the Ease of Doing Business, open FDI regime, improve the quality of infrastructure and make India a globally competitive manufacturing destination.

#### Segment wise Reporting:

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

The segment wise information can be viewed in the notes to accounts statement annexed with the financial statement for the year ended March 31st, 2017.

#### Operations and Future Outlook:

India is today one of the most vibrant global economies, on the back of robust banking and insurance sectors. The country is projected to become the fifth largest banking sector globally by 2020 (as per a joint report by KPMG-CII). The report also expects bank credit to grow at a compound annual growth rate (CAGR) of 17 per cent in the medium term leading to better credit penetration over the next few years for the financial services segment. Over the coming quarters there could be a series of joint venture deals between global insurance giants and local players.

The Company has shown a net profit of Rs. 4.78 Lacs in the year 2016-17. Your Company has decreased its income from Merchant Banking activities to Rs. 12.75 Lacs for the financial year 2016-17 in comparison to previous year 2015-16 where we had income of Rs. 38.00 Lacs only.

The Company has various SME issues in pipeline to be listed on SME platform of NSE and BSE Limited in the coming financial year. Further, it is expected that the Capital market will do better in the future, hence it is expected that it will enlighten the growth prospects of the Company.

#### Risks & Concerns:

Your Company being an Investment Banking Company seeks opportunities in the Capital Market. The volatility in the stock indices in the financial year under report represents both an opportunity and challenge for the Company. Capital Market activities in which most of our activities depend on is also influence by global events and hence there is an amount of uncertainty in the near term outlook of the market.

The present risks and anticipated future risks are reviewed by the management of your Company at regular intervals. Based on its past experiences, the management tries to remain vigilant about all prospective risks and takes suitable preventive measures to adequately safeguard its resources like men, machine & money, so that the business continues as usual even during difficult situations.

#### Financial performance with respect to the operational performance:

During the year under review, turnover & profits has been increases as compare to previous year, the management is in the process of better utilization of available resources and proper implementation of business strategies. The small and medium enterprises have now got a separate SME platform to list their shares so now even small companies can now go for IPO which will enhance the profitability and market share of your Company.

It is expected that the Company is having good future prospects and will give better results as the capital market is also expected an upward trend in future.

#### Caution Statement:

Statements in foregoing paragraphs of this report describing the current industry structure, outlook, opportunities, etc., may be construed as "forward looking statements", based on certain assumptions of future events over which the Company exercises no control. Therefore, there can be no guarantee as to their accuracy. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those that may be implied by these forward looking statements. Such risks and uncertainties include, but are not limited to: growth, competition, domestic & international economic conditions affecting demand, supply & price conditions, changes in Government regulations, tax regimes and other statutes.

**BY ORDER OF THE BOARD  
FOR MEFCOM CAPITAL MARKETS LIMITED**

Place: New Delhi  
Date: 04.08.2017

(Vijay Mehta)  
Managing Director

**Declaration Affirming Compliance of Provisions of code of conduct**

**DECLARATION**

In accordance with the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 with the Stock Exchange and according to information provided/available, this is to confirm that all members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended, March 31, 2017

Place: New Delhi  
Date: 04.08.2017

**(Vijay Mehta)**  
Managing Director

**CEO/CFO CERTIFICATION**

The Board of Directors

Mefcom Capital Markets Limited

- A. I have reviewed financial statements and the cash flow statement for the financial year 2016-2017 and certify that these statements to the best of our knowledge and belief:
1. Do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. 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 volatile of the Company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the Auditors and the Audit Committee:
1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
- E. To the best of our knowledge and belief, there are no instances of significant fraud of which I 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.

Place: Delhi  
Date: 04.08.2017

**(Anup Verma)**  
(CFO)

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF MEFCOM CAPITAL MARKETS LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying Standalone financial statements of MEFCOM CAPITAL MARKETS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by 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 financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 qualified audit opinion on the standalone financial statements.

**Basis for Qualified Opinion**

Provision for actuarial liability towards gratuity payable to employees has not been worked out and accounted for on accrual basis as required under Accounting Standard-15 "Employees Benefits" specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The impact thereof on the financial statements is not ascertainable. {Refer note 2(b)}

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profits and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and, except for the matter described in paragraph on Basis for Qualified Opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) Except for the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of those directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of sub-Section (2) of Section 164 of the Act;
  - f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigation which would impact its financial position;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 Based on audit procedure and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management. Refer Note 33 to the standalone financial statements.

**For V.K. DHINGRA & CO.,**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration No. 000250N  
 (LALIT AHUJA)  
 PARTNER  
 M. No. 085842

**PLACE: NEW DELHI**  
**DATE: 30.5.2017**

**ANNEXURE-‘A’ TO THE INDEPENDENT AUDITORS’ REPORT**

**ANNEXURE REFERRED TO IN OUR INDEPENDENT AUDITORS’ REPORT OF EVEN DATE TO THE MEMBERS OF MEFCOM CAPITAL MARKETS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017**

- (i) a) The company has maintained proper records showing full particulars including quantitative details and situation of 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. No discrepancy has been noticed on the aforesaid verification.
- c) The company does not have any immovable property. Accordingly, the provisions of Clause 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company is not dealing in any inventory as defined in Accounting Standard-2 on 'Inventory Valuation'. Accordingly, the provisions of Clause 3(ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loan-secured or unsecured to a party covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
- (iv) In respect of loans, investments, guarantees, and security the provisions of Section 185 and Section 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013. Accordingly, the provisions of Clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) According to the records of the Company, the Company is generally regular in depositing undisputed dues including Service Tax, Income Tax, Cess and other statutory dues as applicable to the Company.
- According to the information and explanations given to us, no material undisputed amount payable in respect of Income Tax, Service Tax, Cess and other statutory dues were in arrears
- (b) According to the records of the Company and the information and explanation given to us there were no dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute.
- (viii) The Company has not taken any loan or borrowing from any bank or financial institution. The Company has not issued any debenture.
- (ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and as represented by the management, we have not come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration for which any approval mandated by the provisions of Section 197 read with Schedule V to the Act is required.
- (xii) As the Company is not Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non cash transactions with its directors or persons connected with them as covered under Section 192 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For V.K. DHINGRA & CO.,**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No. 000250N

**(LALIT AHUJA)**  
PARTNER  
M. No. 085842

PLACE: NEW DELHI  
DATE: 30.5.2017

## Annexure-‘B’ To the Independent Auditor’s Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of MEFCOM CAPITAL MARKETS LIMITED (“the Company”) as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the standalone financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V.K. DHINGRA & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 000250N

PLACE: NEW DELHI  
DATE: 30.5.2017

(LALIT AHUJA)  
PARTNER  
M. No. 085842

## BALANCE SHEET AS AT 31ST MARCH, 2017

				(₹)
PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' Funds</b>				
(a) Share Capital	2	91,401,680.00	91,401,680.00	
(b) Reserves and Surplus	3	13,738,662.85	8,959,422.22	
<b>2 Non-Current Liabilities</b>				
(a) Long-Term Provisions	4	221,985.00	221,985.00	
<b>3 Current Liabilities</b>				
(a) Other Current Liabilities	5	405,588.07	635,060.95	
<b>TOTAL</b>		<b>105,767,915.92</b>	<b>101,218,148.17</b>	
<b>II. ASSETS</b>				
<b>1 Non-Current Assets</b>				
(a) Fixed Assets				
Tangible Assets	6	428,735.22	520,213.20	
Intangible Assets		5,455.74	-	
(b) Non-Current Investment	7	50,741,373.59	52,381,373.59	
(c) Long-Term Loans and Advances	8	2,263,669.00	6,398,215.10	
<b>2 Current Assets</b>				
(a) Current Investment	9	5,517,724.29	7,787,761.25	
(b) Stock-in-Trade	10	18,544,553.39	3,492,837.00	
(c) Trade Receivables	11	-	272,500.00	
(d) Cash and Cash Equivalents	12	84,373.19	1,592,503.75	
(e) Short-Term Loans and Advances	13	26,118,805.00	28,231,560.17	
(f) Other Current Assets	14	2,063,226.50	541,184.11	
<b>TOTAL</b>		<b>105,767,915.92</b>	<b>101,218,148.17</b>	
<b>Significant Accounting Policies</b>	<b>1</b>	-	-	
<b>Other Notes to Accounts</b>	<b>21-33</b>			

The Notes form an integral part of these financial statements.

For and on behalf of the Board of Directors

As per our report of even date attached  
For V.K. Dhingra & Co.  
Chartered Accountants  
FRN.: 000250N

(Vijay Mehta)  
Managing Director  
DIN: 00057151

(Shailendra Haruray)  
Director  
DIN: 00075083

(Anup Kumar Verma)  
CFO

(Lalit Ahuja)  
Partner  
M.NO.085842

Place : New Delhi  
Dated : May 30, 2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED ON 31.03.2017	FOR THE YEAR ENDED ON 31.03.2016
I. Revenue From Operations	15	31,078,125.09	14,846,457.28
II. Other Income	16	8,072,063.89	3,442,809.00
<b>III. Total Revenue (I + II)</b>		<b>39,150,188.98</b>	<b>18,289,266.28</b>
<b>IV. Expenses:</b>			
Purchase of Shares/ Securities (Stock-in-Trade)		41,257,951.40	9,580,331.50
Change in Inventory of Shares / Securities (Stock-in-Trade)		(15,051,716.39)	937,948.00
Employee Benefits Expense	17	2,032,435.00	1,941,687.00
Provisions	18	(2,460,909.00)	(609,659.74)
Finance Costs	19	83,414.00	217,058.18
Depreciation and Amortization	6	148,222.24	516,701.61
Other Expenses	20	8,361,551.10	5,338,447.33
<b>Total Expenses</b>		<b>34,370,948.35</b>	<b>17,922,513.88</b>
<b>V. Profit Before Tax (III- IV)</b>		<b>4,779,240.63</b>	<b>366,752.40</b>
<b>VI. Tax Expense:</b>			
- Provision for Tax		-	-
<b>VII. Profit For the Year (V - VI)</b>		<b>4,779,240.63</b>	<b>366,752.40</b>
<b>VIII. Earnings Per Equity Share:</b>			
Basic & Diluted (Face value per share ` 10/-)		0.52	0.04
Significant Accounting Policies	1		
Other Notes to Accounts	21-33		

The Notes form an integral part of these financial statements.

For and on behalf of the Board of Directors

As per our report of even date attached  
For V.K. Dhingra & Co.  
Chartered Accountants  
FRN.: 000250N

(Vijay Mehta)  
Managing Director  
DIN: 00057151

(Shailendra Haruray)  
Director  
DIN: 00075083

(Anup Kumar Verma)  
CFO

(Lalit Ahuja)  
Partner  
M.NO.085842

Place : New Delhi  
Dated : May 30, 2017

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
	(Rs.)	(Rs.)
<b>[A] CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	4,779,240.63	366,752.40
<b>Adjustment for :</b>		
- Depreciation & Amortisation	148,222.24	516,701.61
- Loss / (Profit) on Sale of Investments (Net)	(7,811,325.66)	(1,620,088.49)
- Loss / (Profit) on Sale of Fixed Assets	0	(11,508.00)
- Bad Debts written off	3299500	
- Provisions	(2,460,909.00)	(609,659.74)
- Interest Paid	83414	217,058.18
- Dividend Income on Investments	<b>(1,085,850.00)</b>	<b>(712,500.00)</b>
<b>Operating Profit before Working Capital Changes</b>	<b>(3,047,707.79)</b>	<b>(1,853,244.04)</b>
<b>Adjustment for :</b>		
- Stock in Trade	(15,051,716.39)	937,948.00
- Trade and Other Receivables	563,712.78	(1,172,553.28)
- Trade and Other Payables	<b>(229,472.93)</b>	<b>(166,561.05)</b>
	(17,765,184.33)	(2,254,410.37)
Direct Tax Refund/(Paid)	1,134,546.10	(550,658.00)
<b>NET CASH (USED)/ FROM OPERATING ACTIVITIES</b>	<b>(16,630,638.23)</b>	<b>(2,805,068.37)</b>
<b>[B] CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Purchase of Fixed Assets	(62,200.00)	(44,500.00)
- Sale of Fixed Assets	-	50,000.00
- Sale of Investments	14,933,367.03	5,688,039.23
- Purchase of Investments	(751,095.36)	-
- Dividend Received on Investments	1,085,850.00	712,500.00
<b>NET CASH (USED) /FROM INVESTING ACTIVITIES</b>	<b>15,205,921.67</b>	<b>6,406,039.23</b>
<b>[C] CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Interest Paid	(83,414.00)	(218,386.77)
- Secured Loans Received (net) / (Paid)	-	(2,301,739.97)
<b>NET CASH (USED) / FROM FINANCING ACTIVITIES</b>	<b>(83,414.00)</b>	<b>(2,520,126.74)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	(1,508,130.56)	1,080,844.12
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	1,592,503.75	511,659.63
<b>CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR</b>	84,373.19	1,592,503.75

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.
- Cash Flow Statement is prepared using Indirect Method as set out in AS-3 as prescribed by Central Government.

The Notes form an integral part of these financial statements.

For and on behalf of the Board of Directors

As per our report of even date attached  
For V.K. Dhingra & Co.  
Chartered Accountants  
FRN.: 000250N

(Vijay Mehta)  
Managing Director  
DIN: 00057151

(Shailendra Haruray)  
Director  
DIN: 00075083

(Anup Kumar Verma)  
CFO

(Lalit Ahuja)  
Partner  
M.NO.085842

Place : New Delhi  
Dated : May 30, 2017



**NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET  
AS AT 31st MARCH, 2017 AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON  
THAT DATE.**

**NOTE NO.****1. SIGNIFICANT ACCOUNTING POLICIES****a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The accompanying financial statements are prepared under the historical cost convention on accrual basis in accordance with the applicable mandatory Accounting Standards as per the Companies (Accounts) Rules, 2014 prescribed by the Central Government of India and relevant presentational requirements of the Companies Act, 2013.

**b) FIXED ASSETS**

Fixed Assets have been valued at cost less accumulated depreciation.

**c) DEPRECIATION AND AMORTISATION**

- i) 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.
- ii) Depreciation on other fixed assets has been provided on the written down value method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 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 the Statement of Profit & Loss.
- 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 is taken as nil.

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

**f) 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.
- Dividend income is recognised when the right to receive payment is established.
- Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

**g) 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. Gratuity is accounted for on cash basis.

**h) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of economic resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

**i) EARNINGS PER SHARE**

In determining earnings per share, the Company considers net profit after tax. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. There are no dilutive equity shares.

**j) TAXES ON INCOME**

A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions.

Deferred tax assets are recognised for all deductible timing differences and carried forward to the extent there is reasonable certainty that sufficient future taxable profit will be available against which such deferred tax assets can be realised. Deferred tax assets to the extent they pertain to brought forward losses and unabsorbed depreciation, are recognised only if there is virtual certainty of realisation, based on expected profitability in the future as estimated by the Company.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date.

Minimum alternative tax (MAT) is paid in accordance with the provisions of Income Tax Act, 1961. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay the normal income tax during the specified period.

## 2 SHARE CAPITAL

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of ₹ 10 Each	10,000,000	100,000,000.00	10,000,000	100,000,000.00
<b>Issued</b>				
Equity Shares of ₹ 10 Each	9,140,168	91,401,680.00	9,140,168	91,401,680.00
<b>Subscribed &amp; Paid Up</b>				
Equity Shares of ₹ 10 Each Fully Paid	9,140,168	91,401,680.00	9,140,168	91,401,680.00
<b>Total</b>	<b>9,140,168</b>	<b>91,401,680.00</b>	<b>9,140,168</b>	<b>91,401,680.00</b>

## 2 (b) Reconciliation of Number of Shares Outstanding as at 31.03.2016

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, 2017		As at 31st March, 20156	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Vijay Mehta	5,442,887	59.55	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 &amp; SURPLUS

Particulars	As at	As at
	31st March, 2017	31st March, 2016
	₹	₹
<b>A. Securities Premium Account</b>		
Opening Balance	111,297,839.00	111,297,839.00
Add: Additions	-	-
Less: Deletions	-	-
Closing Balance	111,297,839.00	111,297,839.00
<b>B. Capital Reserve</b>		
Opening Balance	15,416,689.50	15,416,689.50
Add: Additions	-	-
Less: Deletions	-	-
Closing Balance	15,416,689.50	15,416,689.50
<b>C. Special Reserve</b>		
Opening Balance	700,000.00	700,000.00
Add: Additions	-	-
Less: Deletions	-	-
Closing Balance	700,000.00	700,000.00

## MEFCOM CAPITAL MARKETS LIMITED

<b>D. General Reserve</b>		
Opening Balance	795,199.33	795,199.33
Less: Adjustment relating to fixed assets	-	
Closing Balance	<b>795,199.33</b>	<b>795,199.33</b>
<b>E. Surplus/(Deficit)</b>		
Opening Balance	(119,250,305.61)	(119,617,058.01)
Add: Net Profit for the Current Year	4,779,240.63	366,752.40
Closing Balance	(114,471,064.98)	(119,250,305.61)
<b>Total</b>	<b>13,738,662.85</b>	<b>8,959,422.22</b>

### 4 LONG TERM PROVISIONS

Particulars	As at	As at
	31st March, 2017	31st March, 2016
	Rs.	Rs.
Provision for Gratuity	221,985.00	221,985.00
<b>Total</b>	<b>221,985.00</b>	<b>221,985.00</b>

### 5 SHORT TERM BORROWINGS

Particulars	As at	As at
	31st March, 2017	31st March, 2016
	Rs.	Rs.
<b>Other Payables</b>		
- Statutory Liabilities	149,605.00	167,262.10
- Liabilities for Expenses	234,443.09	467,798.85
-ILFS	21,539.98	-
<b>Total</b>	<b>405,588.07</b>	<b>635,060.95</b>

## 6 FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at 1st April, 2016	Additions during the period	Sale / Adjustment for the period	Balance as at 31st March, 2017	Upto 31st March, 2016	Depreciation charged for the period	Deduction/ Adjustment	Upto 31st March 2017	Balance as at 31st March 2017	Balance as at 31st March, 2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>a Tangible Assets</b>										
Leasehold Premises Development	924,398.17	-	-	924,398.17	924,398.17	-	-	924,398.17	-	-
Furniture and Fixtures	1,024,925.88	-	-	1,024,925.88	998,296.91	272.30	-	998,569.21	26,356.67	26,628.97
Vehicles	2,601,500.00	-	-	2,601,500.00	2,298,977.83	81,041.14	-	2,380,018.97	221,481.03	302,522.17
Office Equipment	2,272,776.82	-	-	2,272,776.82	2,155,700.49	2,852.57	-	2,158,553.06	114,223.76	117,076.33
Computers	1,252,453.71	54,900.00	-	1,307,353.71	1,218,967.61	39,764.13	-	1,258,731.74	48,621.97	33,486.10
Laptop	44,500.00	-	-	44,500.00	4,000.37	22,447.84	-	26,448.21	18,051.79	40,499.63
<b>b Intangible Assets</b>										
Software	-	7,300.00	-	7,300.00	-	1,844.26	-	1,844.26	5,455.74	-
TOTAL	8,120,554.58	62,200.00	-	8,182,754.58	7,600,341.38	148,222.24	-	7,748,563.62	434,190.96	520,213.20
Previous Year's Figure	<b>8,845,891.58</b>	<b>44,500.00</b>	<b>769,837.00</b>	<b>8,120,554.58</b>	<b>7,814,984.77</b>	<b>516,701.61</b>	<b>731,345.00</b>	<b>7,600,341.38</b>	<b>520,213.20</b>	<b>-</b>

**MEFCOM CAPITAL MARKETS LIMITED**
**7 NON-CURRENT INVESTMENT  
(LONG TERM INVESTMENTS)**

Particulars	As at	As at
	31st March, 2017	31st March, 2016
	₹	₹
<b>A Trade Investments (Refer A below)</b>		
Investment in Equity Shares	32,291,323.59	32,291,323.59
<b>B Other Investments (Refer B below)</b>		
Investment in Equity Shares	18,450,400.00	20,090,400.00
Grand Total (A + B)	50,741,723.59	52,381,723.59
Less : Provision for dimunition in the value of Investments	350.00	350.00
<b>Total</b>	<b>50,741,373.59</b>	<b>52,381,373.59</b>

Particulars	As at	As at
	31st March, 2017	31st March, 2016
	Rs.	Rs.
Aggregate amount of quoted investments Market value of ₹7,24,50,000/- (Previous Year ₹ 4,39,28,500/-)	18,450,000.00	20,090,000.00
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 (%)		Rs.	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Investment in Unquoted Fully Paid Up Equity Shares of Subsidiaries							
Mefcom Securities Ltd.	10	2999900	2999900	60	60	32,291,323.59	32,291,323.59
<b>Total</b>		<b>2999900</b>	<b>2999900</b>			<b>32,291,323.59</b>	<b>32,291,323.59</b>

**B Details of Other Investments (Valued at Cost)**

Name of the Body Corporate	Face Value	No. of Shares / Units		Rs.	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
Investment in Quoted Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Banswara Syntex Ltd.	10	450000	490000	18,450,000.00	20,090,000.00
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
<b>Total</b>		<b>450040</b>	<b>490040</b>	<b>18,450,400.00</b>	<b>20,090,400.00</b>

**8 LONG TERM LOANS AND ADVANCES**

Particulars	As at	As at
	31st March, 2017	31st March, 2016
	Rs.	Rs.
(Unsecured, Considered Good)		
Capital Advances		
-Due from related parties	-	3,000,000.00
Advance Tax/ TDS ( Net)	2,263,669.00	3,398,215.10
<b>Total</b>	<b>2,263,669.00</b>	<b>6,398,215.10</b>

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

Particulars	As at	As at
	31st March, 2017	31st March, 2016
	Rs.	Rs.
Investment in Equity Shares	6,337,688.26	11,068,634.22
Less : Provision for diminution in the value of Investments	819,963.97	3,280,872.97
<b>Total</b>	<b>5,517,724.29</b>	<b>7,787,761.25</b>

Particulars	As at	As at
	31st March, 2017	31st March, 2016
	Rs.	Rs.
Aggregate amount of quoted investments Market value of ₹ 13583801.00/- (Previous Year ₹ 1,66,86,653.50/- )	6,337,688.26	11,068,634.22

## Details of Current Investments

Name of the Body Corporate	Face Value	No. of Shares		Rs.	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
Investment in Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Quoted Shares					
Banswara Syntex Ltd.	10	40,300	78,000	2,861,402.11	5,087,940.00
JSL Stainless Ltd.	2	10,000	10,000	1,511,775.60	1,511,775.60
JSL Stainless Ltd. (HISSAR)	2	-	10,000	-	-
KLG Systel Ltd.	10	-	9,500	-	1,916,910.00
Tele Data Marine Solutions Ltd.	2	625	625	19,689.37	19,689.37
Zen Technologies Ltd	1	96,000	125,000	1,944,821.18	2,532,319.25
<b>Total</b>		<b>146,925</b>	<b>233,125</b>	<b>6,337,688.26</b>	<b>11,068,634.22</b>

## 10 STOCK IN TRADE

Particulars	Face Value	No. of Shares		Rs.	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
<b>- Equity Shares (Quoted)</b>					
(At cost or market value, whichever is lower)					
BHARAT HEAVY ELECTRICALS LTD.	2	20,000	-	3,262,000.00	-
FILATEX INDIA LTD.	10	5,000	-	601,500.00	-
GUJARAT APOLLO INDUSTRIES LTD.	10	8,000	-	1,146,400.00	-
IDFC BANK	10	5,500	-	326,150.00	-
INOX WIND LTD.	10	3,000	-	510,000.00	-
INTENSE TECHNOLOGIES LTD.	2	20,000	-	3,104,000.00	-
JM FINANCIAL LTD.	1	20,000	-	1,725,619.35	-
CHENNAI PETRO. CORP. LTD.	10	-	5,000	-	996,000.00
KARUR VYSYA BANK LTD.	2	5,000	-	552,750.00	-
KLG SYSTEL LTD.	10	-	5,500	-	1.00
MAJESTIC RESEARCH SERVICES AND SOLUTIONS LTD.	10	6,000	-	1,173,000.00	-
MINDA INDUSTRIES LTD.	2	2,000	-	880,901.49	-
RURAL ELECT. CORP. LTD.	10	5,000	-	904,750.00	-
SPICEJET LTD	10	30,000	10,000	2,876,146.55	639,500.00
ZEN TECH. LTD.	1	25,000	25,000	1,481,336.00	1,481,336.00
LYCOS INTERNET LTD.	2	-	20,000	-	376,000.00
<b>TOTAL</b>		<b>154,500</b>	<b>65,500.00</b>	<b>18,544,553.39</b>	<b>3,492,837.00</b>

**MEFCOM CAPITAL MARKETS LIMITED**
**11 TRADE RECEIVABLES**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
(Unsecured Considered Good)		
- Outstanding for a period, exceeding six months	-	272,500.00
<b>Total</b>	<b>-</b>	<b>272,500.00</b>

**12 CASH & CASH EQUIVALENTS**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Balances with Banks		
- In Current Accounts	80,373.19	1,274,470.75
Cash on Hand	4,000.00	318,033.00
<b>TOTAL</b>	<b>84,373.19</b>	<b>1,592,503.75</b>

**13 SHORT TERM LOANS & ADVANCES**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
(Unsecured, considered good)		
(a) Due from Related Party	750,000.00	750,000.00
(b) Due from Others		
- Inter Corporate Deposits	25,000,000.00	23,000,000.00
- Other Advances	368,805.00	2,731,560.17
- Security Deposits Given (To Related Party)	-	1,750,000.00
<b>Total</b>	<b>26,118,805.00</b>	<b>28,231,560.17</b>

**14 OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
- Service Tax Input	35,056.60	2,664.11
- Krishi Kalyan Cess Input	1,320.90	-
- Interest Accrued on ICD	2,026,849.00	538,520.00
<b>Total</b>	<b>2,063,226.50</b>	<b>541,184.11</b>

**15 REVENUE FROM OPERATIONS**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Rs.	Rs.
Sale of Shares/ Securities (Stock-in-Trade)	25,959,293.46	9,849,454.75
Income from Merchant Banking Activities	1,275,000.00	3,800,000.00
Profit/ (Loss) on Sale of Shares/Securities (Non-Delivery) (Net)	1,530.00	-
Profit/ (Loss) on Sale of Current Investments (Net)	3,942,425.66	1,620,088.49
Profit/ (Loss) Loss on Dealing in Equity / Index Derivatives (Net)	(100,124.03)	(423,085.96)
<b>Total</b>	<b>31,078,125.09</b>	<b>14,846,457.28</b>

## 16 OTHER INCOME

Particulars	For the year ended	For the year ended
	31st March, 2017	31st March, 2016
	Rs.	Rs.
Income from Sale of Shares in Long Term Investment	3,868,900.00	-
Interest Earned (TDS deducted ₹ 2,90,794 /-, Previous Year ₹ 2,40,658/-)	3,095,411.90	2,412,771.00
Dividend on Shares		
Current Investments	14,000.00	222,500.00
Non-Current Investments	1,034,000.00	490,000.00
Trading Investments	37,850.00	
Other Income	21,901.99	317,538.00
<b>Total</b>	<b>8,072,063.89</b>	<b>3,442,809.00</b>

## 17 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended	For the year ended
	31st March, 2017	31st March, 2016
	Rs.	Rs.
Salaries and other benefits	1,992,745.00	1,623,487.00
Staff Welfare Expenses	39,690.00	18,200.00
Director Remuneration	-	300,000.00
<b>Total</b>	<b>2,032,435.00</b>	<b>1,941,687.00</b>

## 18 PROVISIONS

Particulars	For the year ended	For the year ended
	31st March, 2017	31st March, 2016
	Rs.	Rs.
Provision for Diminution in Value of		
- Current Investments	(2,460,909.00)	(609,659.74)
<b>Total</b>	<b>(2,460,909.00)</b>	<b>(609,659.74)</b>

## 19 FINANCE COST

Particulars	For the year ended	For the year ended
	31st March, 2017	31st March, 2016
	Rs.	Rs.
Interest Paid to Bank		9,588.41
Interest Paid to Others	83,414.00	207,469.77
<b>Total</b>	<b>83,414.00</b>	<b>217,058.18</b>

## 20 OTHER EXPENSES

Particulars	For the year ended	For the year ended
	31st March, 2017	31st March, 2016
	Rs.	Rs.
Rent	1,201,120.00	1,190,634.00
Electricity Charges	241,812.00	216,644.00
Printing & Stationery	43,325.00	36,713.00
Conveyance & Travelling	81,273.78	200,677.24
Bad Debts W/off	3,299,500.00	-
Postage and Telephone Expenses	29,501.00	759.00
Fees & Subscription	553,372.00	544,892.00



## MEFCOM CAPITAL MARKETS LIMITED

Insurance	17,973.00	18,849.00
Professional Charges	903,786.00	1,412,387.00
Repair & Maintenance		
-Building	712,586.00	651,407.00
-Others	437,695.34	431,144.27
Advertisement & Publication Expenses	25,267.00	86,596.01
Sponsorship Fee	250,000.00	-
Security Transaction Charges	91,347.95	28,173.00
Business Promotion Expenses	47,624.88	79,441.43
Audit Fees	80,500.00	96,212.00
Director's Sitting Fee	30,000.00	16,000.00
Bank Charges	3,241.10	1,732.60
Prior Period Expenses	-	53,164.00
General Expenses	311,626.05	273,021.78
<b>Total</b>	<b>8,361,551.10</b>	<b>5,338,447.33</b>

### 21. CONTINGENT LIABILITIES

- Corporate Guarantee issued to the banker of Mefcom Securities Ltd. (subsidiary company) for securing guarantee issued by their banker Rs. 70,00,000/- (Previous Year Rs. 1,00,00,000/-).
- Capital Commitments: Estimated amount of contracts to be executed on capital account but not provided for - NIL (Previous Year-Rs. 2,70,00,000/-)

### 22. PROVISION FOR TAXATION

- Provision for Income-tax has been made in accordance with the provisions of the Income-tax Act, 1961.
- 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'.

23. 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 on "Impairment of Assets".

24. No amount was due to the suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31<sup>st</sup> March, 2017.

### 25. 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 include the respective amount identifiable to each segment and also amount allocated on a reasonable basis. Assets, Liabilities, Incomes 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:-

(Rs.)

Particulars	Investments in Share & Securities	Trading in Shares / Securities	Equity/Index Derivatives	Merchant Banking Service	Financing	Total
- Segment Revenues	50,28,275.66 23,32,588.49	2,98,29,723.46 98,49,454.75	(1,00,124.03) (4,23,085.96)	12,75,000.00 38,00,000.00	30,95,411.90 24,16,001.00	3,91,28,286.99 1,79,74,958.28
- Segment Results	74,60,218.15 29,38,350.23	33,98,128.54 (9,86,320.52)	(3,10,559.56) (4,27,334.96)	(8,38,322) 25,59,435.00	95,411.90 24,16,001.00	98,04,877.03 65,00,130.75
- Unallocable Expenses net of Unallocable Incomes						(50,25,636.40) (61,33,378.35)
- Net Profit / (Loss)						47,79,240.63 3,66,752.40
- Segment Assets	5,62,59,097.88 6,01,69,134.84	1,85,44,553.39 34,92,837.00	- -	- 2,72,500.00	2,53,25,805.00 2,36,25,522.00	10,01,29,456.27 8,75,59,993.84

**MEFCOM CAPITAL MARKETS LIMITED**

Particulars	Investments in Share & Securities	Trading in Shares / Securities	Equity/Index Derivatives	Merchant Banking Service	Financing	Total
- <i>Segment Liabilities</i>	<b>21,539.98</b> 3,02,800.00	-	-	-	-	<b>21,539.98</b> 3,02,800.00
- <i>Unallocable Assets</i>						<b>56,38,459.65</b> 1,36,58,154.33
- <i>Unallocable Liabilities</i>						<b>6,06,033.09</b> 8,57,045.95

Figures in italics pertain to previous year.

**26. RELATED PARTY DISCLOSURE**

Related Party Disclosure in accordance with the Accounting Standards (AS-18) on "Related Party Disclosures" are as under:

- i) Related Parties : List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Key Managerial Personnel:	Subsidiary:
Mr. Vijay Mehta - Chairman	Mefcom Securities Ltd.

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

- ii) Summary of Transactions with Related Parties :

(Rs.)

Nature of Transaction	Key managerial Personnel	Subsidiary	Total
<b>Directors Remuneration</b>			
- Mr. Vijay Mehta	- 3,00,000	- -	- 3,00,000
<b>Rent Paid</b>			
- Mr. Vijay Mehta	<b>11,20,120</b> 11,90,634	- -	<b>11,20,120</b> 11,90,634
<b>Profit / (Loss) on Sale of Shares(Net) – Non-Delivery</b>			
- Mefcom Securities Ltd.	- -	<b>1530</b> -	<b>1530</b> -
<b>Profit / (Loss) on Dealing in derivatives</b>			
- Mefcom Securities Ltd.	- -	<b>(100,124.03)</b> (4,23,085.96)	<b>(100,124.03)</b> (4,23,085.96)
<b>Purchase of Shares</b>			
- Mefcom Securities Ltd.	- -	<b>2,88,28,627.13</b> 8,93,129.75	<b>2,88,28,627.13</b> 8,93,129.75
<b>Sale of Shares</b>			
- Mefcom Securities Ltd.	- -	<b>2,51,24,202.91</b> 39,36,558.65	<b>2,51,24,202.91</b> 39,36,558.65
<b>Unsecured Loan Paid</b>			
-Mefcom Securities Limited	- -	- 1,00,000	- -
<b>Unsecured Loan Received</b>			
-Mefcom Securities Limited	- -	<b>10,00,000</b>	- -
<b>Balance as on 31.03.2017</b>			
- Mefcom Securities Ltd	- -	<b>Dr.7,50,000</b> Dr. 7,50,000	<b>Dr.7,50,000</b> Dr.7,50,000
- Mr. Vijay Mehta (Security Deposit)	- Dr. 17,50,000	- -	- Dr. 17,50,000

Figures in italics pertain to previous year.

## MEFCOM CAPITAL MARKETS LIMITED

### 27. EARNING PER SHARE

In accordance with Accounting Standard – 20 on “Earning Per Share”, the required disclosures are given below:

Sr. No.	Particulars		2016-17	2015-16
a)	Net Profit for the year	(₹)	47,79,240.63	3,66,752.40
b)	Weighted Average Number of Equity Shares	(Nos.)	91,40,168	91,40,168
c)	Nominal Value per Equity Shares	(₹)	10.00	10.00
d)	Earning Per Share (Basic & Diluted)	(₹)	0.52	0.04

### 28. EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	Year Ended March 31, 2017 (Rs.)	Year Ended March 31, 2016 (Rs.)
Travelling Expenses	-	56,340.24

### 29. EMPLOYEES BENEFITS

#### i. 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

Gratuity is being provided on cash basis. During the year no gratuity was paid.

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

### 30. PAYMENTS MADE TO AUDITORS

(Rs.)

	2016-2017	2015-2016
- Statutory Audit Fee*	80500/-	96212/-
- Tax Audit Fee	8,050/-	8015/-
- In Other Capacity	-	-

\*Statutory Audit Fee (in 2015-16) includes Rs. 10,337/- which pertains to previous year 2014-15.

31. 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 disclosed properly.

32. Previous years' figures have been regrouped / rearranged wherever considered necessary to conform to current years' classification.

33. During the year, the company had Specified Bank Notes(SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(e), dated 31<sup>st</sup> March 2017. The details of SBNs held and transacted during the period from November 8, 2016 to 30 December 2016, the denomination-wise SBNs and other notes as per the notification are as follows:-

	SBN	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	34,000.00	236,400.00	270,400.00
(+) Permitted receipts		240,000.00	240,000.00
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	34,000.00	-	34,000.00
Closing cash in hand as on 30.12.2016	-	476,400.00	476,400.00

For and On Behalf of the Board

(Vijay Mehta)  
Managing Director  
DIN: 00057151

(Anup Kumar Verma)  
CFO

(Shailendra Harurrray)  
Director  
DIN: 00075083

For V.K.Dhingra & Co.  
Chartered Accountants  
FRN: 000250N

(Lalit Ahuja)  
Partner  
M.No:-085842

Place : New Delhi  
Dated : May 30, 2017

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MEFCOM CAPITAL MARKETS LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **MEFCOM CAPITAL MARKETS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

#### Basis for Qualified Opinion

Provision for actuarial liability towards gratuity payable to employees has not been worked out and accounted for on accrual basis as required under Accounting Standard-15 "Employees Benefits" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules, 2014. The impact thereof on the financial statements is not ascertainable. {Refer Note 37 (ii)}.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Emphasis of Matters

In the Independent Auditor's Report of subsidiary of the Holding Company, the other auditor who audited the Financial Statements (Consolidated) of that subsidiary has reported the following:-

We draw your attention to the following matters in the notes to the financial statements:

- a) The investment of 4,89,500 equity shares of ₹ 10/- each for which cost as per accounts is at ₹ 49,31,713/- of associate company Mefcom Commodities Brokers Ltd is set off against each other on consolidation on line by line basis. However as per note no. 11.3 in the standalone Financial Statement of Parent Company "Mefcom Securities Ltd", there is a permanent impairment in the value of shares of the associate company for which there is no provision made in the accounts.

Our opinion is not modified in respect of these matters".

#### Other Matters

We did not audit the Financial Statements (Consolidated) of Mefcom Securities Limited, a subsidiary, whose Financial Statements (Consolidated) reflect total assets (net) of ₹ 334.42 lacs as at 31st March, 2017, total revenues of 220.99 lacs and net cash flows amounting to ₹ 14.07 lacs for the year ended on that date, as considered in the consolidated financial statements of MEFCOM CAPITAL MARKETS LIMITED. These Financial Statements (Consolidated) have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements of MEFCOM CAPITAL MARKETS LIMITED, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements of MEFCOM CAPITAL MARKETS LIMITED, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and, except for the possible effect of the matter described in paragraph of the Basis for Qualified Opinion above, obtained all the information

## MEFCOM CAPITAL MARKETS LIMITED

- and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph and Emphasis of Matters paragraph above, proper books of account as required by law maintained by the Holding Company and its subsidiary company including relevant records relating to the preparation of the aforesaid Consolidated Financial Statement have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors in respect of entities audited by them.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiary company including relevant records relating to the preparation of the Consolidated Financial Statement as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors in respect of entities audited by them.
- (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion and emphasis of matters paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The going concern matter described in sub-paragraph (a) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the associate company.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to adequacy of internal financial controls over financial reporting of the group and the operating effectiveness of such controls refer to our separate report in Annexure A.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There were no pending litigations which would impact the consolidated financial position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.
  - iv. The Group has provided requisite disclosures in its consolidated financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedure and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Group and as produced to us by the management. Refer Note 45 to the consolidated financial statements.

PLACE: NEW DELHI  
DATE: MAY 30, 2017

For V.K. DHINGRA & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 000250N

(LALIT AHUJA)  
PARTNER  
M. No. 085842

## Annexure-‘A’ To the Independent Auditor’s Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of consolidated financial statement of the company as of and for the year ended on March 31st, 2017, we have audited the internal financial controls over financial reporting of MEFCOM CAPITAL MARKETS LIMITED (“hereinafter referred to as the Holding Company”) and its Subsidiary Company, which are companies incorporated in India, as of that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the standalone financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Holding Company and its Subsidiary Company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary company (Consolidated) which is company incorporated in India, is based on the corresponding report of the auditor of that company.

For V.K. DHINGRA & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 000250N

PLACE: NEW DELHI  
DATE: MAY 30, 2017

(LALIT AHUJA)  
PARTNER  
M. No. 085842

**Consolidated - Mefcom Capital Market Limited**  
**Balance Sheet as at 31st March, 2017**

(₹)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholders' Fund</b>			
(a) Share Capital	2	91,401,680	91,401,680
(b) Reserves and Surplus	3	7,997,471	1,148,200
<b>(2) Minority Interest</b>		11,473,824	10,093,804
<b>(3) Non-Current Liabilities</b>			
(a) Other Long Term Liabilities	4	273,566	540,268
(b) Long-Term Provisions	5	221,985	1,020,007
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	-	250,000
(b) Trade Payables	7	1,804,083	753,608
(c) Other Current Liabilities	8	3,404,175	3,178,644
(d) Short-Term Provisions	9	-	197,019
<b>Total</b>		<b>116,576,783</b>	<b>108,583,230</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		1,044,938	1,178,389
(ii) Intangible Assets		5,456	210,000
(b) Goodwill (Arised from Consolidation)		10,407,739	10,407,739
(c) Non-current Investments	11	18,490,401	25,134,400
(d) Long-Term Loans and Advances	12	7,454,250	15,154,014
<b>(2) Current Assets</b>			
(a) Current Investments	13	5,517,724	7,787,761
(b) Inventories	14	25,240,669	3,492,837
(c) Trade Receivables	15	3,274,957	4,717,212
(d) Cash and Bank Balances	16	6,989,177	7,090,093
(e) Short-Term Loans and Advances	17	36,114,796	32,839,213
(f) Other Current Assets	18	2,036,677	571,574
<b>Total</b>		<b>116,576,783</b>	<b>108,583,230</b>
<b>Significant Accounting Policies</b>			
<b>Notes to Accounts</b>			
	1-46		

As per our Report of even date attached

For V.K. Dhingra & Co.  
Chartered Accountants  
FRN.: 000250N

For and on behalf of the Board of Directors

Lalit Ahuja  
(Partner)  
M. No.: 085842

(Shailendra Haruray)  
Director  
DIN:00075083

(Anup Kumar Verma)  
CFO

(Vijay Mehta)  
Managing Director  
DIN:00057151

Place : New Delhi  
Date : May 30th 2017

**Consolidated - Mefcom Capital Market Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2017**

(₹)

S. NO.	PARTICULARS	Note No.	For the year ended March 2017	Figures as at the end of Previous reporting period
<b>Income</b>				
I.	Revenue from operations	19	37,347,682	15,074,548
II.	Other Income	20	23,901,214	6,418,934
III.	<b>Total Revenue</b>		<b>61,248,896</b>	<b>21,493,482</b>
<b>IV. Expenditure</b>				
	Purchase of Stock in Trade	21	55,954,067	9,580,332
	Changes in Inventory of Stock in Trade	22	(21,747,832)	937,948
	Employees' Benefit Expense	23	3,634,841	3,459,858
	Provision	24	(2,460,909)	(609,660)
	Finance Costs	25	103,045	218,613
	Depreciation and amortization expenses	26	220,712	640,430
	Other Expenses	27	11,691,856	7,492,565
	<b>Total Expenses</b>		<b>47,395,780</b>	<b>21,720,086</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		13,853,115	(226,604)
VI.	Exceptional Items (Prior Period Adjustment)		(5,244,000)	
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>8,609,115</b>	<b>(226,604)</b>
VIII.	Extraordinary Items			-
IX.	<b>Profit before tax (VII - VIII)</b>		<b>8,609,115</b>	<b>(226,604)</b>
<b>X. Tax Expenses</b>				
	(1) Current Tax		373,436	-
	(2) Deferred Tax		-	-
	(3) Tax Adjustments of earlier years		-	978,864
XI.	<b>Profit/(Loss) for the period from Continuing Operations (IX - X)</b>		<b>8,235,679</b>	<b>(1,205,468)</b>
XII.	Minority Interest in Profits / (Losses)		1,382,575	(628,888)
XIII.	<b>Profit/(Loss) for the Period (XI - XII)</b>		<b>6,853,104</b>	<b>(576,580)</b>
<b>XIV. Earning per Share</b>				
	(1) Basic	38	0.75	(0.06)
	(2) Diluted		0.75	(0.06)
	Significant Accounting Policies			
	Notes to Accounts	1-46		

As per our Report of even date attached

**For V.K. Dhingra & Co.**  
**Chartered Accountants**  
**FRN.: 000250N**

For and on behalf of the Board of Directors

**Lalit Ahuja**  
**(Partner)**  
**M. No.: 085842**

**(Shailendra Haruray)**  
**Director**  
**DIN:00075083**

**(Anup Kumar Verma)**  
**CFO**

**(Vijay Mehta)**  
**Managing Director**  
**DIN:00057151**

**Place : New Delhi**  
**Date : May 30th 2017**



**Mefcom Capital Markets Limited**  
**Cash Flow Statement for the year ended 31st March, 2017**

	For the year ended March 2017 (Amount in ₹)	For the year ended March 2016 (Amount in ₹)
<b>[A] CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax and Extraordinary items	8,609,115	(181,643)
<b>Adjustment for :</b>		
Depreciation	220,711	605,917
Dividend Income	(1,348,350)	(1,137,500)
(Profit) / Loss on Sale of Fixed Assets	50,074	(11,508)
(Profit) / Loss on Sale of Investment	(17,350,865)	(1,620,088)
Bad Debts written off	3,299,500	-
Provisions	(2,460,909)	(609,660)
Interest Received	(256,592)	(635,576)
Prior Period Expenses	5,244,000	(978,864)
Interest Paid	83,414	217,058
	<b>(12,519,016)</b>	<b>(4,170,221)</b>
	<b>(3,909,902)</b>	<b>(4,351,864)</b>
<b>Operating Profit before Working Capital Changes</b>		
increase/(Decrease)Other Long Term Liabilities	(266,702)	(6,000)
increase/(Decrease)Long-Term Provisions	(798,022)	-
increase/(Decrease) in Trade and other Payables	821,002	(11,439,861)
increase/(Decrease) Short Term Provision	(197,019)	-
increase/(Decrease) Other Current Liabilities	455,004	1,765,238
(increase)/Decrease Long Term Loan & Advances	4,699,764	5,705,944
(increase)/Decrease Trade Receivables	1,733,466	(1,172,553)
(increase)/Decrease in Inventories	(21,747,830)	937,948
(increase)/Decrease Short Term Loan & Advances	(5,541,426)	(1,155,403)
increase/(Decrease) in Other Current Assets	23,226	7,696
	(20,818,538)	(5,356,991)
	(24,728,439)	(9,708,855)
Less : Direct Tax Paid / Refund received	186,263	
Income Tax	-	(575,147)
<b>Net Cash From/(used in) Operating Activities</b>	<b>(24,914,702)</b>	<b>(10,284,002)</b>
<b>[B] CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend Received	1,348,350	1,137,500
Interest received	256,592	635,576
Sale of Investment	24,472,906	5,688,039
Written off Stock Exchange (OTCEI Membership)	210,000	-
Security Deposit VSAT (BSE)	(240,000)	-
Purchases of Fixed Assets	(213,550)	(44,500)
Purchase of investments	(751,095)	-
Sale of Fixed Assets	63,998	50,000
<b>Net Cash From/(used in) Investing Activities</b>	<b>25,147,201</b>	<b>7,466,615</b>
<b>[C] CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(83,414)	(218,387)
Secured Loans Received (net)/(Paid)	-	(2,301,740)
increase/(Decrease) in Short-Term Borrowings	(250,000)	(650,000)
	-	(650,000)
<b>Net Cash From/(used in) Financing Activities</b>	<b>(333,414)</b>	<b>(3,170,127)</b>
<b>Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)</b>		
	(100,916)	(5,987,514)
<b>Cash And Cash Equivalents At The Beginning Of The Year</b>	7,090,093	13,077,607
<b>Cash And Cash Equivalents At The Close Of The Year</b>	6,989,178	7,090,093

- NOTES:-
- Figures in brackets represent cash outflows.
  - Previous year figure's have been reclassified wherever considered necessary to make them comparable with current year's classification.
  - Cash flow Statement is prepared using Indirect Method as set out in AS-3 as prescribed by Central Government.

As per our Report of even date attached

For V.K. Dhingra & Co.  
Chartered Accountants  
FRN.: 000250N

For and on behalf of the Board of Directors

Lalit Ahuja  
(Partner)  
M. No.: 085842

(Shailendra Haruray)  
Director  
DIN:00075083

(Anup Kumar Verma)  
CFO

(Vijay Mehta)  
Managing Director  
DIN:00057151

Place : New Delhi  
Date : May 30th 2017

**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, 2017**

**SHAREHOLDERS' FUND****2 Equity Share Capital**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Authorised Share Capital</b>		
1,00,00,000 Equity Shares of ₹ 10/- each (Previous Year 1,00,00,000 Equity Share of ₹ 10 each)	10,000,000	10,000,000
<b>Total</b>	<b>10,000,000</b>	<b>10,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>		
1,00,00,000 Equity Shares of ₹ 10/- each fully paid up (Previous Year 1,00,00,000 Equity Share of ₹ 10/- each fully paid up)	91,401,680	91,401,680
<b>Total</b>	<b>91,401,680</b>	<b>91,401,680</b>

**2.1 Shares in the Company held by each shareholder holding more than 5%**

Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No of Shares held	% of Holding	No of Shares held	% of Holding
Vijay Mehta	5,442,887	59.55%	5,180,000	56.67%
Karan Mehta	725,000	7.93%	725,000	7.93%

**2.2 Reconciliation of No. of Shares at the beginning and at the end is set below :**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	9,140,168	9,140,168
Add : Share issued during the year	-	
<b>Equity Shares at the end of the year</b>	<b>9,140,168</b>	<b>9,140,168</b>

**2.3 Rights, Preferences and restriction attached to equity Shares**

The company has one class of equity Shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share held. The dividend (if any) proposed by the Board of Director is subject to the approval of the shareholders in ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the company after distribution of all preferential amount in proportion to their shareholding.

**3 Reserves & Surplus**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Securities Premium Account</b>		
Opening Balance	111,297,839	111,297,839
Add: On shares issued during the year		
<b>Total</b>	<b>111,297,839</b>	<b>111,297,839</b>
<b>Capital Reserve</b>		
Opening Balance*	15,443,461	15,443,461
Add: Amount forfeited on Convertible Warrants		
* Includes ₹ 26,771.33 (Previous Year ₹ 26,771.33) arisen on Consolidation.		
<b>Total</b>	<b>15,443,461</b>	<b>15,443,461</b>
<b>Special Reserve</b>		
Opening Balance	700,000	700,000
<b>Total</b>	<b>700,000</b>	<b>700,000</b>
<b>General Reserve</b>		
Opening Balance	795,199	795,199
<b>Total</b>	<b>795,199</b>	<b>795,199</b>
<b>Profit &amp; Loss Account</b>		
<b>Mefcom</b>		
As at the commencement of year	(127,088,299)	(113,220,831)

## MEFCOM CAPITAL MARKETS LIMITED

Less: Opening Adjustment(Refer Note 41)	-	(13,448,324)
Add: Net Profit/(Loss) for the Current Year	6,853,104	(576,580)
Add: Depreciation Adjustment as per Subsidiary (Holding Share)	(3,833)	157,436
<b>Total</b>	<b>(120,239,028)</b>	<b>(127,088,299)</b>
<b>Balance carried to Balance Sheet</b>	<b>7,997,471</b>	<b>1,148,200</b>

### NON-CURRENT LIABILITIES

#### 4 Other Long Term Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
Security Deposit	273,566	540,268
<b>Total</b>	<b>273,566</b>	<b>540,268</b>

#### 5 LONG TERM PROVISIONS

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Employee benefits (Gratuity)	221,985	1,020,007
<b>Total</b>	<b>221,985</b>	<b>1,020,007</b>

- 5.1 During the year provision for Gratuity as outstanding as on 31 st March 2016 of ₹ 7,98,022 has been written back as other income. as none of the employees remaining at present are eligible for Gratuity as per the opinion of the management, as such no provisions is required for Gratuity.

### CURRENT LIABILITIES

#### 6 Short-Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
Un-Secured		
From a Director		250,000
<b>Total</b>	<b>-</b>	<b>250,000</b>

#### 7 Trade Payables

Particulars	As at 31st March, 2017	As at 31st March, 2016
Micro, small and Medium Enterprises	-	-
Other Trade payables	1,804,083	753,608
<b>Total</b>	<b>1,804,083</b>	<b>753,608</b>

#### 8 Other Current Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
Other Liabilities		
- Statutory Dues	182,389	218,146
- Margin from Client	2,634,437	1,999,445
- ILFS margin funding	21,540	-
- Other Liabilities	565,809	961,053
<b>Total</b>	<b>3,404,175</b>	<b>3,178,644</b>

- 8.1 Other Liabilities include Employees' Balances, and Other Expenses Payable.

#### 9 Short-term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Employees Retirement Benefits	-	197,019
<b>Total</b>	<b>-</b>	<b>197,019</b>

- 9.1 During the year provision for Gratuity as outstanding as on 31 st March 2016 of ₹ 74,399 has been written back as other income. as none of the employees remaining at present are eligible for Gratuity as per the opinion of the management, as such no provisions is required for Gratuity.

## 10 FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1st April, 2016	Additions during the period	Sale / Adjustment for the period	Balance as at 31st March 2017	Upto 31st March, 2016	Depreciation charged for the period	Deduction/ Adjustment	Upto 31st March 2017	Balance as at 31st March 2017	Balance as at 31st March, 2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets</b>										
Leasehold Premises Development	924,398	-	-	924,398	924,398	-	-	924,398	-	-
Computers	7,984,671	206,250	-	8,190,921	7,608,185	46,355	(6,389)	7,660,929	529,991	376,485
Furniture and Fixtures	3,111,264	-	39,320	3,071,944	2,927,722	48,971	-	2,976,693	95,251	183,542
Vehicles	4,644,392	-	1,502,485	3,141,907	4,233,643	97,163	1,427,361	2,903,445	238,462	410,749
Office Equipment	2,564,607	-	-	2,564,607	2,432,939	2,853	-	2,435,792	128,815	131,668
Air Conditioners	389,295	-	-	389,295	369,830	-	-	369,830	19,465	19,465
EPBX & Intercom System	305,499	-	-	305,499	289,519	1,078	-	290,597	14,902	15,980
Laptop	44,500	-	-	44,500	4,000	22,448	-	26,448	18,052	40,500
<b>TOTAL (A)</b>	<b>19,968,625</b>	<b>206,250</b>	<b>1,541,805</b>	<b>18,633,070</b>	<b>18,790,237</b>	<b>218,868</b>	<b>1,420,972</b>	<b>17,588,133</b>	<b>1,044,938</b>	<b>1,178,389</b>
<b>Intangible Assets</b>										
Stock Exchange (OTCEI Membership)	210,000	-	210,000	-	-	-	-	-	-	210,000
Computer Software	884,081	7,300	-	891,381	884,081	1,844	-	885,925	5,456	-
<b>TOTAL (B)</b>	<b>1,094,081</b>	<b>7,300</b>	<b>210,000</b>	<b>891,381</b>	<b>884,081</b>	<b>1,844</b>	<b>-</b>	<b>885,925</b>	<b>5,456</b>	<b>210,000</b>
<b>Grand Total</b>	<b>21,062,706</b>	<b>213,550</b>	<b>1,751,805</b>	<b>19,524,451</b>	<b>19,674,318</b>	<b>220,712</b>	<b>1,420,972</b>	<b>18,474,058</b>	<b>1,050,393</b>	<b>1,388,389</b>
<b>Previous Year's Figure</b>	<b>22,635,509</b>	<b>44,500</b>	<b>769,837</b>	<b>21,910,172</b>	<b>20,786,660</b>	<b>676,424</b>	<b>993,739</b>	<b>20,469,345</b>	<b>1,440,827</b>	<b>-</b>

## MEFCOM CAPITAL MARKETS LIMITED

### Non-Current Assets

#### 11 Non - Current Investments

Particulars	As at 31st March, 2017			As at 31st March, 2016	
	F.V.	Qty .(Nos.)	Amount	Qty .(Nos.)	Amount
<b>Other Investments</b>					
<b>Unquoted Equity Shares - At Cost - Fully Paid up Shares</b>					
Delhi Stock Exchange Ltd.	1	40,000	40,000	40,000	40,000
<b>Quoted Equity Shares - At Cost - Fully Paid up Shares*</b>					
Bombay Stock Exchange Limited ( Refer Not- 11.2)	2	12,500	1	50,000	5,004,000
Banswara Syntex Ltd.	10	450,000	18,450,000	490,000	20,090,000
<b>In Shares of Associate Company</b>					
<b>Unquoted Equity Shares - At Cost - Fully Paid up Shares</b>					
Mefcom Infrastructure Projects Ltd.	10	40	400	40	400
<b>Total</b>			<b>18,490,401</b>		<b>25,134,400</b>

#### 11.1 Aggregate book value of un-quoted investments

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Qty	Amount in (₹)	Qty	Amount in (₹)
<b>Aggregate market value of un-quoted investments</b>				
Delhi Stock Exchange Ltd.	40,000	40,000	40,000	40,000
Bombay Stock Exchange Limited			50,000	5,004,000
Bombay Stock Exchange Limited	12,500	12,220,625		
Banswara Syntex Ltd.	450,000	72,855,000	450,000	40,342,500
<b>In shares of an Associate Company</b>				
<b>Unquoted Equity Shares - At Cost - Fully Paid up shares</b>				
Mefcom Infrastructure Projects Ltd.	40	400	40	400
		<b>85,116,025</b>		<b>45,386,900</b>

- 11.2 a) BSE Ltd. in its Restructuring as Advised by The Govt. had given 10,000 equity shares of BSE Ltd. to every Broker member during the financial year 2005-2006. The value of these equity shares as on 31st March 2006 was ₹ 1.30 crores as per Books of Account.
- b) In the financial year of 2007-2008 it had sold 4,562 equity shares and the balance equity shares were reduced to 5,438 with the value of ₹ 70,74,838/- as on 31st March 2008
- c) Against in the holding of 5,438 equity, the company was allotted bonus shares in the ratio of 12:1 i.e. total 65,256 bonus shares during financial year 2008-2009. The total holding of equity shares was 70,694 equity shares with the value at ₹ 70,74 838/- as on 31st March 2009
- d) The during the financial year 2009-2010 the company had sold 20,694 equity shares ( which included 5,438 originally allotted shares, and balance 15,256 out of bonus shares). As on 31st March 2010, the company held 50,000 bonus shares for which value was shown at ₹ 50,04,000 on the basis of Avg. Cost in the books of accounts, where as it should have been shown as NIL value. The total effect was not taken in to Balance Sheet as on 31st March 2010. This has been corrected during the year and the said amount of ₹ 50,04,000/- have been transferrd to prior period adjustment account.
- e) That during the financial year 2016-17, BSE Ltd. had consolidated their shares of ₹ 1 each into sharres of ₹ 2 each as per initial public offer. Thus the shares held in BSE Ltd. got converted to 25,000 shares of ₹ 2 each
- f) The company has transferred/ sold 12,500 shares of ₹ 2 each during the year under considration at value of ₹ 1,00,75000 and declared the profit/capital gain on such equity shares sold in the books of account.

In order to make the accounts compliant with the Accounting Standards, the value of the balance 12,500 shares of ₹ 2/- each held which are Bonus shares only; they are depicted at a nominal value of the value of ₹ 1 in books. The differential value has adjusted in the accounts as prior period adjustment account.

- 11.3 The company is holding 4,89,500 shares of ` 10 each of Mefcom Commodity Brokers Ltd., at cost of ₹ 49,13,713 in its Balance Sheet. which indicates that the unquoted equity share of associate company- Mefcom Commodity Brokers Limited, is being valued at cost ₹ 49,31,713/- in the books of account, whereas the net worth of associate company as per the last audited balance sheet as on 31.03.2017 is negative for which no provision has been made in the diminution in the value of these shares.

## 12 Long-term Loans &amp; Advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Unsecured, Considered Good</b>		
Capital Advances- Due from related party	-	3,000,000
Other Deposits	29,250	324,250
Membership Deposits ( NSE)	5,000,000	5,000,000
Capital Adequacy ( Cash & F&O) with NSE & BSE	1,425,000	1,425,000
Other Advances	-	4,404,764
Advances to Clearing Member (Future & Option)	1,000,000	1,000,000
<b>Total</b>	<b>7,454,250</b>	<b>15,154,014</b>

## CURRENT ASSETS

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

Particulars	As at 31st March, 2017			As at 31st March, 2016	
	F.V.	Qty .(Nos.)	Amount	Qty .(Nos.)	Amount
<b>Other Investments</b>					
<b>Unquoted Equity Shares - At Cost - Fully Paid up Shares</b>					
Banswara Syntex Ltd.	10	40,300	2,861,402	78,000	5,087,940
JSL Stainless Ltd.	2	10,000	1,511,776	10,000	1,511,776
JSL Stainless Ltd. (HISSAR)	2	-	-	10,000	-
KLG Systel Ltd.	10	-	-	9,500	1,916,910
Tele Data Marine Solutions Ltd.	2	625	19,689	625	19,689
Zen Technologies Ltd.(Split in Nov-14, 1:10)	1	96,000	1,944,821	125,000	2,532,319
<b>Total</b>			<b>6,337,688</b>		<b>11,068,634</b>
Less : Provision for dimunition in the value of Investments			819,964		3,280,873
<b>Net of Total</b>			<b>5,517,724</b>		<b>7,787,761</b>

## 14 Inventories

Particulars	As at 31st March, 2017	As at 31st March, 2016
As certified by the Management		
Stock in - Trade	25,240,669	3,492,837
<b>Total</b>	<b>25,240,669</b>	<b>3,492,837</b>

## 14.1 Detailed of Closing Stock

Particulars	As at 31st March, 2017			As at 31st March, 2016	
	F.V.	Qty .(Nos.)	Amount	Qty .(Nos.)	Amount
<b>Equity Shares (Quoted)</b>					
<b>(At cost or market value, whichever is lower)</b>					
Bharat Heavy Elcet. Ltd.	2	20,000	3,262,000	-	-
Filatex India Ltd.(8000)	10	5,000	601,500	-	-
Gujurat Apollo Ind. Ltd.	10	8,000	1,146,400	-	-
IDFC	10	9,000	537,589	-	-
Inox Wind Ltd.	10	3,000	510,000	-	-
Intense Technologies Ltd.	2	20,000	3,104,000	-	-
JM Financial	1	40,000	3,366,046	-	-
Chennai Petro Corp Ltd.	10	-	-	5,000	996,000
Karur Vysya Bank Ltd.	2	15,000	1,627,736	-	-
KLG Systel Ltd.	10	-	-	5,500	1

**MEFCOM CAPITAL MARKETS LIMITED**

Particulars	As at 31st March, 2017			As at 31st March, 2016	
	F.V.	Qty .(Nos.)	Amount	Qty .(Nos.)	Amount
Majestic Rerearch Services And Solutions Ltd.	10	6,000	1,173,000	-	-
Minda Industires Ltd.	2	2,000	880,901	-	-
Rural Electricals Corp.	10	5,000	904,750	-	-
Spice Jet Ltd.	10	30,000	2,876,147	-	-
Zen Technologies Ltd.	1	25,000	1,481,336	25,000	1,481,336
Lycos Internet Ltd.	2	-	-	20,000	376,000
Spice Jet Ltd.	10	-	-	10,000	639,500
Jindal Steel (Hisar)		2,000	279,991	-	-
Maithan Alloys		2,000	782,672	-	-
Amaraja Battries		1,000	872,000	-	-
Dewan Housing		5,000	1,834,600	-	-
<b>Total</b>			<b>25,240,669</b>		<b>3,492,837</b>

**15 Trade Receivables**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Unsecured Considered Good</b>		
Debts outstanding for a period exceeding six months from the due date	-	-
Other Debts	3,274,958	4,717,212
<b>Total</b>	<b>3,274,957</b>	<b>4,717,212</b>

**16 Cash and Bank Balances**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Cash and Cash Equivalents</b>		
Cash in hand	10,980	437,324
Balances with banks		
- in Current Accounts	3,388,865	3,063,437
Other Bank Balances		
- Fixed Deposit With Banks (Due after 12 months)	3,589,332	3,589,332
<b>Total</b>	<b>6,989,177</b>	<b>7,090,093</b>

16.1 Includes fixed deposits of ₹ 35,00,000/- (Previous Year ₹ 35,00,000/-) under Bank lien for guarantees given by bank to the Stock Exchanges

**17 Short-term Loans & Advances**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured, Considered Good		
Advance Tax (Net of Provision)	3,598,282	3,785,084
Inter Corporate Deposits	25,000,000	23,000,000
Security Deposit Given ( To Related Party)	-	1,750,000
Advances recoverable in cash or in kind or for value to be received	170,919	44,839
Advances Against Purchase of Property from Related Party (Refer Note No.- 28.1)	5,000,000	-
Others	2,345,595	4,259,290
<b>Total</b>	<b>36,114,796</b>	<b>32,839,213</b>

17.1 Other advances include employees' advances, Prepaid expenses and other misc. advances given.

**18 Other Current Assets**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest accrued on Bank FDRs (Due within one year)	9,828	33,054
Interest accrued on Inter Corporate Deposit	2,026,849	538,520
<b>Total</b>	<b>2,036,677</b>	<b>571,574</b>

**REVENUE****19 Revenue from Operations**

Particulars	For the year ended March 2017	For the year ended March 2016
Income From Merchant Banking Operations	1,275,000	3,800,000
Brokerage Income from Secondary Market	2,212,032	1,848,179
Sale of Shares / Securities	33,959,243	9,849,455
Profit/ (Loss) on Sale of Shares/Securities (Non-Delivery) (Net)	1,530	-
Profit/ (Loss) on Dealing in Equity / Index Derivatives (Net)	(100,124)	(423,086)
<b>Total</b>	<b>37,347,682</b>	<b>15,074,548</b>

**20 Other Income**

Particulars	For the year ended March 2017	For the year ended March 2016
Interest Earned	3,352,003	2,715,470
Profit/ (Loss) on Sale of Current Investments (Net)	3,942,426	1,620,088
Profit on Sale of Shares ( Long Term Capital Gain)	13,408,439	-
Dividend on Shares		
- On Current Investments	14,000	222,500
- On Non-Current Investments	1,296,500	915,000
- On trading Investments	37,850	-
Other Income	1,849,996	945,876
<b>Total</b>	<b>23,901,214</b>	<b>6,418,934</b>

**EXPENDITURE****21 Purchases of Stock in Trade**

Particulars	For the year ended March 2017	For the year ended March 2016
Purchase of Shares/ Securities ( Stock in Trade )	55,954,067	9,580,332
<b>Total</b>	<b>55,954,067</b>	<b>9,580,332</b>

**22 Change in Inventory of Stock in Trade**

Particulars	For the year ended March 2017	For the year ended March 2016
Opening Stock in Trade	3,492,837	4,430,785
Less : Closing Stock in Trade	25,240,669	3,492,837
<b>Total</b>	<b>(21,747,832)</b>	<b>937,948</b>



## MEFCOM CAPITAL MARKETS LIMITED

### 23 Employees' Benefit Expenses

Particulars	For the year ended March 2017	For the year ended March 2016
Salaries, Wages and Bonus	3,413,008	3,013,676
Director Remuneration	-	300,000
Public Providend Fund	73,622	67,238
Staff Welfare	148,211	78,944
<b>Total</b>	<b>3,634,841</b>	<b>3,459,858</b>

### 23 Employee Benefit : (As Per AS-15)

#### a) Defined Contributaion Plan

Contribution to Providend Fund & ESI ₹ 73,622/- (Previous Year ₹ 67,238)

### 24 Provision

Particulars	For the year ended March 2017	For the year ended March 2016
Provision for Diminution in Value of Current Investment	(2,460,909)	(609,660)
<b>Total</b>	<b>(2,460,909)</b>	<b>(609,660)</b>

### 25 Finance Cost

Particulars	For the year ended March 2017	For the year ended March 2016
Interest paid to Bank	-	9,588
Interest to Others	103,045	209,025
<b>Total</b>	<b>103,045</b>	<b>218,613</b>

### 26 Depreciation and Amortization Expenses

Particulars	For the year ended March 2017	For the year ended March 2016
Depreciation	220,712	640,430
<b>Total</b>	<b>220,712</b>	<b>640,430</b>

### 27 Other Expenses

Particulars	For the year ended March 2017	For the year ended March 2016
Sub-Brokerage Paid	730,322	576,604
Stamp Duty Paid	-	2,028
Stock Exchange Charges	354,961	216,766
SEBI Turnover Fees	4,026	7,375
Fees & Subscription	623,619	607,892
Rent	1,261,120	1,621,434
Sponsorship Fee	250,000	-
Forfiture of OTCEI Membership Deposit	235,000	-
Electricity Charges	243,672	328,619
Printing & Stationery	63,892	62,516
Conveyance & Travelling	189,439	268,642
Postage and Telephone Expenses	119,721	107,531
Insurance	31,826	35,195

## MEFCOM CAPITAL MARKETS LIMITED

Professional Charges	962,886	1,458,211
Repair & Maintenance		
-Building	712,586	651,407
-Others	552,435	601,671
Advertisement & Publication Expenses	25,267	86,596
Business Promotion Expenses	54,466	89,943
Vehicle Running & Maintenance	30,635	92,837
Bad Debts Written off	4,469,253	-
Loss on sale of car	50,074	-
Audit Fees	124,440	144,422
Bank Charges	110,807	103,480
Director Sitting Fee	30,000	16,000
Prior Period Expenses	-	53,164
General Expenses	461,408	360,232
<b>Total</b>	<b>11,691,856</b>	<b>7,492,565</b>

### 28. CONTINGENT LIABILITIES

- Corporate Guarantee issued to the banker of Mefcom Securities Ltd. (Subsidiary Company) for securing guarantee issued by their banker : ₹ 70,00,000/- (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/-).
- Capital Commitments: Estimated amount of contracts to be executed on capital account but not provided for Rs. NIL (Previous Yr. ₹ 2,70,00,000/-).

29. 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.

### 30. 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' as specified in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.

31. No amount was due to the suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31<sup>st</sup> March, 2017.

32. 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 on "Impairment of Assets".

### 33. 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:-

(Rs.)

Particulars	Investments in Share & Securities	Trading in Shares & Securities	Equity/ Index Derivatives	Dealing in Commodity Exchange	Financing	Brokerage	Merchant Banking Service	Total
<b>Revenue</b>								
External Revenue	1,53,65,776 27,57,588	3,78,29,673 98,49,455	(1,00,124) (4,23,086)	- -	30,95,412 24,16,001	24,18,257 21,43,640	12,75,000 38,00,000	5,98,83,994 2,04,84,122
<b>Result</b>								
Segment Result	1,72,62,257 33,63,350	33,98,079 (9,26,844)	(3,10,560) (4,27,335)	- -	95,412 24,16,001	5,57,535 2,10,000	(8,38,322) 25,59,435	2,01,64,401 71,94,608

**MEFCOM CAPITAL MARKETS LIMITED**

Unallocated Exp. net of unallocated income								<b>(1,19,28,722)</b> (73,76,250)
Net Profit / (Loss)								<b>82,35,679</b> (1,81,643)
<u>Other Information</u>								
Segment Assets	<b>5,62,99,099</b> 7,01,44,848	<b>2,52,40,668</b> 34,92,837	-	-	<b>2,53,25,805</b> 2,36,25,522	<b>69,58,625</b> 2,81,22,384	-	<b>11,38,24,197</b> 12,56,58,091
Segment Liabilities	21,540 -					<b>9,98,383</b> 36,31,243		<b>10,19,923</b> 36,31,243
Unallocated Assets								<b>2,53,85,822</b> 2,86,40,151
Unallocated Liabilities								<b>54,33,886</b> 21,33,748

Figures in Bold indicates Current Year.

**34. EXPENDITURE IN FOREIGN CURRENCY**

(₹)

Particulars	Current Year	Previous Year
-Travelling Expenses	-	56,340.24

**35. RELATED PARTY DISCLOSURE**

Related Party Disclosure in accordance with the Accounting Standards (AS-18) on 'Related Party Disclosures' are as under :

- i) **Related Parties** : List of Related parties where control exists and related parties with whom transactions have been taken place and relationships:

Key Management Personnel	Entities over which Key Management Personnel can exercise significant influence
Mr. Vijay Mehta – Chairman Mr. Raj Makhija - WTD in Mefcom Securities Ltd. Mr. Shailendra Haruray- Director In Mefcom Capital Markets Ltd.	Mefcom Commodity Brokers Ltd. IKMA Infoway Private Ltd.
Relatives	
Mr. Karan Mehta – Son of Mr. Vijay Mehta Mr. Raj Makhija - WTD in Mefcom Securities Ltd. Mrs. Nirmal Davar –Sister of Mr. Vijay Mehta Mrs. Nisha Ashwani Kumar – Sister of Mr. Vijay Mehta Mrs. Priyanka Mehta – Daughter of Mr. Vijay Mehta Mrs. Madhu Haruary – Spouse of Director Mr. Shailendra Haruray	

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
<b>Remuneration Paid</b> -Mr. Vijay Mehta	- 3,00,000	- -	- -	- 3,00,000
<b>Rent Paid</b> -Mr. Vijay Mehta	<b>11,80,120</b> 16,21,434	- -	- -	<b>11,80,120</b> 16,21,434
<b>Brokerage Received</b> Mr. Vijay Mehta	<b>3,61,755</b> 76,674	- -	- -	<b>3,61,755</b> 76,674
Mr. Karan Mehta	-	<b>6,905</b> 8,102	- -	<b>6,905</b> 8,102
Mr. Raj Makhija	-	<b>39,105</b> 23,288	- -	<b>39,105</b> 23,288
Mrs. Nirmal Davar	-	<b>315</b> 1,929	- -	<b>315</b> 1,929
Mrs. Nisha Ashwani kumar	-	- 837	- -	- 837

## MEFCOM CAPITAL MARKETS LIMITED

<b>Unsecured loan Taken</b> -Vijay Mehta	- 2,50,000	- -	- -	- 2,50,000
<b>Advance against purchase of property from-</b> Shailendra Haruray Director and Mrs. Madhu Haruray(Joint Co-Owner)		<b>50,00,000</b> -		<b>50,00,000</b> -
<b>Security Deposit Received</b> - Vijay Mehta	- 14,25,000	- -	- -	- 14,25,000
<b>Balance as on 31.03.2017</b> <b>- Mefcom Commodity Brokers Ltd.</b>	- -	- -	<b>Dr.30,00,000</b> Dr.88,22,011	<b>Dr.30,00,000</b> Dr.88,22,011

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.

36. Details of the subsidiary is given in aggregate as per the General Circular No. 51/12/2007-CL-III dated 8<sup>th</sup> February, 2011 issued by the Government of India, Ministry of Corporate Affairs, New Delhi :

(₹)

Particulars	Mefcom Securities Ltd.
Capital	5,00,00,000.00
Reserve & Surplus	(2,23,84,133)
Total Assets	3,34,42,103
Total Liabilities	58,26,236
Details of Investment (Excluding subsidiary)	40,001
Turnover	2,20,98,707
Profit before Taxation	38,29,874
Provision for Taxation	3,73,436
Profit after Taxation	34,56,438
Proposed Dividend	NIL

### 37. EMPLOYEES BENEFITS

i) Defined Contribution Plan

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

ii) Defined Benefit Plan

The Company has following defined benefit plans which are unfunded

a) Gratuity is being provided on cash basis. During the year no gratuity was paid.

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

### 38. EARNING PER SHARE

In accordance with Accounting Standard - 20 on 'Earning Per Share' specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014, the Earning Per Share has been computed as under :

1. Calculation of Basic Earning Per Share:

			2016-17	2015-16
a)	Net Profit / (Loss) @	(₹)	<b>68,53,104</b>	<b>(5,76,580)</b>
b)	Number of Equity Shares	(Nos.)	<b>91,40,168</b>	<b>91,40,168</b>
c)	Nominal Value per Equity Shares	(₹)	<b>10.00</b>	<b>10.00</b>
d)	Earning Per Share (Basic & Diluted)	(₹)	<b>0.75</b>	<b>(0.06)</b>

@ 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 31<sup>st</sup> March, 2017

**MEFCOM CAPITAL MARKETS LIMITED**

**39. PAYMENTS MADE TO AUDITORS**

(₹)

	<b>2016-2017</b>	<b>2015-2016</b>
- Statutory Audit Fee	<b>1,24,440/-</b>	1,36,212*/-
- Tax Audit Fee	<b>8,050/-</b>	8,015/-
- In Other Capacity	-	4,287/-

\* Statutory Audit Fee includes Rs. 10,337/- which pertains to previous year 2014-15.

40. During the year, the company has granted rebate of Rs.58,22,011/- to Associates Company, Mefcom Commodity Brokers limited as the company is not in a position to discharge its trading liability due to bad finance position of Associates Company.
41. Consolidated financial statements of the Subsidiary Mefcom Securities Ltd. audited by other auditor are consolidated with the financial statements of Holding Company Mefcom Capital Markets Ltd. for the first time in the current year. For the year ended 31<sup>st</sup> March, 2016 only standalone financial statements of Subsidiary were consolidated. This has resulted in a mismatch of Rs 1,34,48,324/- due to difference in the opening balance in Reserves & Surplus account. The difference is shown as opening adjustment in Note 3.
42. Capital Commitment

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>
Estimated value of contract in capital account remaining to be executed (net of advances Rs. 75 lacs)	75,00,000/-	Nil

43. Some of Creditors, Loan & Advances, are subject to confirmation/reclassification. In the opinion of the management, the impact there of shall not be material on the financial statements.
44. **Prior period adjustment's represents:**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>
Income tax paid on earlier year	-	9,87,864/-
Security deposit VSAT(BSE)	2,40,000/-	-
BSE share book value written off	50,04,000/-	-

45. Disclosure of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided in the Table below:-

<b>Particulars</b>	<b>SBNs</b>	<b>Other Denomination Notes</b>	<b>Total</b>
Closing cash in hand as on 08.11.2016	34,000	2,93,380	3,27,380
(+) Permitted receipts		2,40,000	2,40,000
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	34,000	-	34,000
Closing cash in hand as on 30.12.2016	-	5,42,200	5,33,380

46. Previous years' figures have been regrouped / rearranged wherever considered necessary to conform to current years' classification.

**For and On Behalf of the Board**

**(Vijay Mehta)**  
Managing Director  
DIN: 00057151

**(Anup Kumar Verma)**  
CFO

**(Shailendra Harurray)**  
Director  
DIN: 00075083

**For V.K.Dhingra & Co.**  
Chartered Accountants  
FRN: 000250N  
**(Lalit Ahuja)**  
Partner  
M.No:-085842

Place : New Delhi  
Dated : May 30, 2017