

A **Asit C. Mehta** Group Company

Asit C. Mehta Financial Services Limited
31st Annual Report
2014-2015

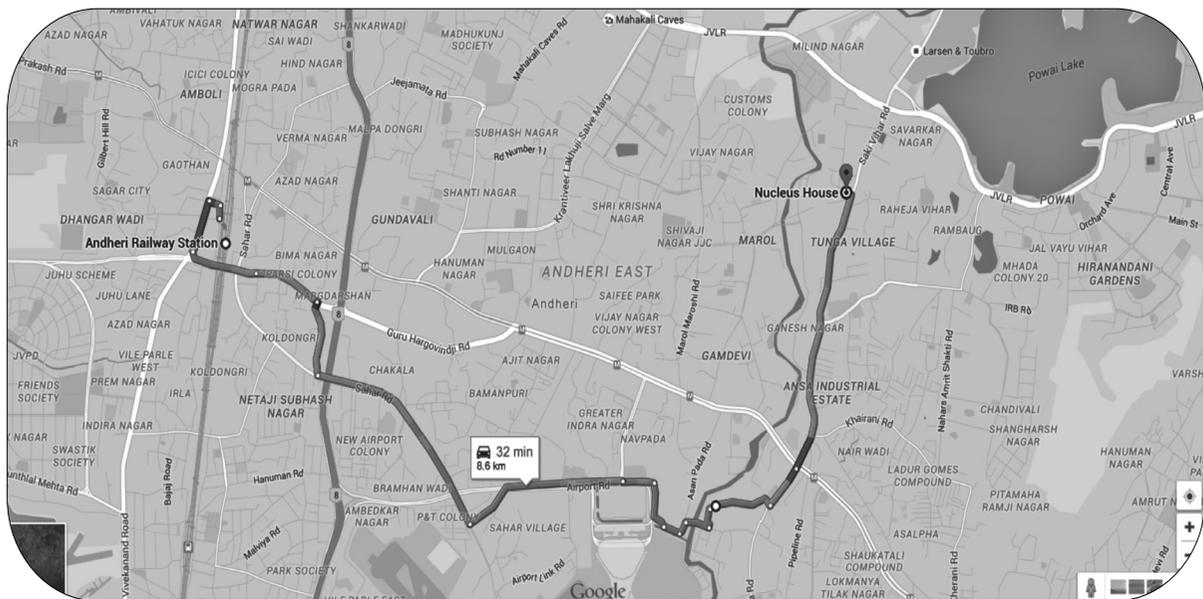
FINANCIAL HIGHLIGHTS

(₹ In Lakhs)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Net Worth*	834	880	1,033	1,097	1,151
Borrowings	1,573	1,508	1,543	1,216	327
Net fixed Assets (including revaluation)	5,607	5,729	4,539	4,621	4,704
Investments	1,547	1,547	1,547	1,547	605
Book Value per share (in rupees)	16.85	17.77	20.86	22.15	24.24
Gross Income	372	256	197	165	89
Operating and Other expenses	430	416	267	226	118
Profit Before Tax	(57)	(160)	(70)	(61)	(29)
Profit After Tax	(42)	(153)	(64)	(54)	(50)
Equity Dividend Per share – (in rupees)	-	-	-	-	-

*excluding revaluation reserve

ROUTE MAP



CONTENTS

Corporate Information	2
Notice	3
Directors' Report	9
Management Discussion and Analysis	27
Corporate Governance Report	29
Standalone Financial Statements	
Auditors' Report	41
Balance Sheet	44
Statement of Profit and Loss	45
Cash Flow Statement	46
Notes forming part of the Financial Statements	47
Consolidated Financial Statements	
Auditors' Report	58
Consolidated Balance Sheet	62
Consolidated Statement of Profit and Loss	63
Consolidated Cash Flow Statement	64
Notes forming part of the Consolidated Financial Statements	66
Statement under Section 129(3) of the Companies Act, 2013 in Form AOC-1 relating to subsidiary companies.	84

CORPORATE INFORMATION

Board of Directors

Asit C. Mehta

Chairman & Non-Executive Director
DIN: 00169048

Deena A. Mehta

Non-Executive Director
DIN:00168992

Kirit H.Vora

Non-Executive Director
DIN: 00168907

Vijay Ladha

Independent Director
DIN: 00168663

R. Krishnamurthy

Independent Director
DIN: 00221583

Pundarik Sanyal

Independent Director
DIN: 01773295

(w.e.f 31st July 2014)

Sundararajan Dharmarajan

Independent Director
DIN: 00165111

(till 31st July 2014)

Chief Financial Officer

Ms. Purvi Ambani

(w.e.f from 3rd February 2015)

Company Secretary

Mr. Raj Gandhi

(w.e.f from 1st December 2014)

Statutory Auditors

M/s Manek & Associates,
Chartered Accountants,
3, Shanti Kunj, 17, Prarthana Samaj,
Vile Parle (East), Mumbai: 400057

Internal Auditors

S.K. Sheth & Associates,
Chartered Accountants,
701, Ganjawala Residency,
Ganjawala Lane, Borivali (West),
Mumbai: 400092

Registrar and Transfer Agent

Link Intime India Private Limited,
C-13, Pannalal Mills Compound,
LBS Marg, Bhandup (West), Mumbai: 400078
Phone no:022- 25946970 Fax no.:022-25946969
Website: www.linkintime.co.in

Bankers

ICICI Bank
Bank of India
State Bank of India

Registered Office Address:

Nucleus House, Saki-Vihar Road,
Andheri (East), Mumbai: 400072
Tel. No: 022- 28570781/28583333
E-mail: investorgrievance@acmfsl.co.in
Website: www.acmfsl.com
CIN: L65900MH1984PLC091326

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

Registered office: Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai: 400072

CIN: L65900MH1984PLC091326

Tel: 022-28570781 / 28583333

Website: www.acmfsl.com Email id: investorgrievance@acmfsl.co.in

NOTICE

NOTICE is hereby given that the **THIRTY FIRST ANNUAL GENERAL MEETING (AGM)** of the Members of Asit C. Mehta Financial Services Limited will be held at the registered office of the Company at Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai: 400072, on Thursday, 24th September, 2015, at 3.30 pm to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the report of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Mrs. Deena A. Mehta who retires by rotation and, being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Manek & Associates, Chartered Accountants (Firm Registration No. 126679W), as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of 33rd AGM of the Company to be held in the financial year 2017 on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vijay Ladha, (DIN: 00168663), who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose the candidature of Mr. Ladha for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five years i.e from the date of this Annual General Meeting (2015) till the date of 36th Annual General Meeting (2020) of the Company (both dates inclusive).

Date: 29th May, 2015

Place: Mumbai

REGISTERED OFFICE:

Nucleus House,
Saki- Vihar Road, Andheri (East),
Mumbai – 400 072
CIN: L65900MH1984PLC091326

FOR AND ON BEHALF OF THE BOARD

ASIT C. MEHTA
CHAIRMAN
DIN: 00169048

NOTES :

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A Person appointed as a proxy shall act on behalf of such number of member(s) not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company, carrying voting rights. Further, a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

2. An Explanatory Statement pursuant to Section 102 of the Act, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Members/Proxies, who attend the meeting, are requested to complete the attendance slip and deliver the same at the registration counter at the meeting venue. 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.
4. Pursuant to Clause 49(VIII)(E)(1) of the Listing Agreement entered with the Stock Exchange, brief profile(s) of the Director(s) seeking appointment/re-appointment in the AGM are given as **Annexure** to the Notice.
5. The Register of Members and Transfer Books of the Company will remain closed from Thursday September 17, 2015 to Thursday, September 24, 2015 both days inclusive.
6. Members are entitled to make nomination in respect of the shares held by them in physical form. Members desirous of making nominations may approach the Registrar and Transfer Agent (RTA) of the Company.
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. to 3.00 p.m. up to the date of the AGM.
8. Statutory Registers maintained pursuant to the provisions of the Act, will be accordingly available for inspection by the Members at the AGM.
9. Members are requested to notify immediately any change in their addresses to the Company or RTA.
10. To support the 'Green Initiative', members who have not registered their e-mail addresses are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically. Members can contact the RTA in this regard.
11. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company in this regard.
12. The dividend for the year 2007-08 will become due for transfer to Investor Education and Protection Fund (IEPF) on 19th September, 2015. After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
13. The shareholders who have not yet claimed their dividend for any past period are requested to write to the company or send e-mail at investorgrievance@acmfsl.co.in
14. A member receiving notice of AGM and financial statements through e-mail will be furnished physical copy thereof on request.
15.
 - i. The company is providing facility for remote e-voting (i.e. e-voting from a place other than venue of AGM) and the business as set out in this notice may be transacted by the members through such voting. The remote e-voting facility is provided through e-voting platform of Central Depository Services (India) Limited ("CDSL"), as per provisions of Section 108 of the Act, read with the Companies (Management and Administration) Rules, 2014 and provisions of the Listing Agreement.
 - ii. The members of the company holding shares of the company as on September 17, 2015 (i.e. the cut-off date) shall be entitled to cast vote either through remote e-voting facility or through poll paper at the venue of the AGM.
 - iii. The facility for voting through poll paper shall also be made available at the AGM. The members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.

- iv. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- v. The members who have cast their vote by remote e-voting shall not be allowed to change it subsequently or cast the vote again.
- vi. Members can opt for only one mode of voting, i.e. either by Poll paper or remote e-voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through Poll paper shall be treated as invalid.
- vii Mr. Anshul Kumar Jain, Partner, M/s. Mehta & Mehta, Practicing Company Secretaries or failing him Ms. Dipti Mehta, Partner, M/s. Mehta & Mehta, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Poll Paper received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- viii. The result of the remote e-voting shall be displayed on the Notice Board of the company at its Registered Office and shall be intimated to the Stock Exchange where the shares of the Company are listed. The results of voting with the requisite enclosures shall also be placed on the website of the Company.
- ix. The process and the manner of voting through remote e-voting facility and time schedule thereof including details about login ID, procedure for generating password and casting of vote in a secured manner is as under:

Time schedule for Remote e-voting:

The voting period begins on September 20, 2015 at 9.00 a.m. and will end on September 23, 2015 at 5.00 p.m. During this period, shareholders' of the company, holding shares either in physical form or in dematerialized form, as on September 17, 2015 (cut-off date) may cast their vote electronically. The members please note that the remote e-voting shall not be allowed beyond the aforesaid date and time and e-voting module shall be blocked by CDSL for voting thereafter.

Steps for e-voting:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders"
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 character DP ID followed by 8 digits Client ID,
 - c. Members holding shares in physical form should enter folio number registered with the company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier resolution of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Sticker indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the Electronic Voting Sequence Number (EVSN) for “Asit C. Mehta Financial Services Limited” on which you choose to vote.
- xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. **Note on Non - Individual Shareholders**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA), which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xviii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

Date: 29th May, 2015

Place: Mumbai

REGISTERED OFFICE:

Nucleus House,
Saki- Vihar Road, Andheri (East),
Mumbai – 400 072
CIN: L65900MH1984PLC091326

FOR AND ON BEHALF OF THE BOARD

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

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("the Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 and 4 of the accompanying Notice:

Item 3:

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Manek & Associates (Firm Registration No. 126679W), Chartered Accountants, were appointed as the Statutory Auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on September 26, 2014.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM.

Accordingly, ratification of the members is being sought for the proposal contained in the Resolution set out at item no. 3 of the Notice.

The Board recommends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at item No. 3 of the Notice.

Item 4:

Mr. Vijay Ladha was appointed as Independent Director for a period of one year from the last AGM till the conclusion of this AGM.

The Company has received notice in writing under the provisions of Section 160 of the Act, from a member along with the deposit of ₹100,000/- proposing the candidature of Mr. Ladha for the office of the Director.

The matter regarding appointment of Mr. Ladha as Independent Director was placed before the Nomination & Remuneration Committee, which recommends his appointment as an Independent Director of the Company.

In the opinion of the Board, Mr. Ladha fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management.

Mr. Ladha is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Ladha as Independent Director is now being placed before the Members in AGM for their approval. Copy of the draft letter of appointment of Mr. Ladha as an Independent Director setting out the terms and conditions of appointment shall be open for inspection by the Members at the Registered Office of the Company on all working days except Saturday between 11 a.m. to 3.00 p.m. up to the date of AGM.

The Board recommends the Special Resolution set out at item no. 4 of the Notice for approval by the members of the Company.

Except Mr. Ladha, being the appointee, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at item No. 4 of the Notice.

Date: 29th May, 2015

Place: Mumbai

REGISTERED OFFICE:

Nucleus House,
Saki- Vihar Road, Andheri (East),
Mumbai – 400 072
CIN: L65900MH1984PLC091326

FOR AND ON BEHALF OF THE BOARD

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

Annexure

Details of Directors seeking Appointment / Re-appointment at the AGM

Particulars	Mrs. Deena A. Mehta	Mr. Vijay Ladha
Date of Birth	18 th February, 1961	15 th August, 1959
Date of Appointment	25 th March, 1991	29 th October, 2002
Qualifications	B.Com, FCA, MMS, PG Diploma in Securities Law	B.Com, FCA
Expertise in specific functional areas	Wide experience in Capital Market, Finance, Human Resource Management and General Management	Wide experience in the field of Commerce and Finance
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	<ol style="list-style-type: none"> 1. Asit C. Mehta Investment Interrmediates Limited 2. Securities Industry Association Of India 3. The Bombay Commodity Exchange Limited 4. NMIMS Business School Alumni Association 5. Reliance Asset Reconstruction Company Limited 6. Reliance Home Finance Limited 	NIL
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.	NIL	NIL
Number of shares held in the Company	900,358	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Thirty First Annual Report and the Company's audited financial statement for the financial year ended March 31, 2015.

1. FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2015 is summarised below:

Particulars	Standalone ₹ in lakhs		Consolidated ₹ in lakhs	
	2014-15	2013-14	2014-15	2013-14
Total Revenue	372.41	256.16	1435.69	459.90
Profit before Interest, Depreciation & Tax	248.02	88.94	289.07	68.63
Less: Interest	259.60	227.30	409.57	270.79
Less: Depreciation	45.57	21.08	113.17	29.29
Profit/ (Loss) Before Tax	(57.15)	(159.44)	(233.67)	(231.45)
Less: Tax Expenses				
Current Tax	-	-	-	-
Deferred Tax	14.78	6.90	23.48	6.90
Prior Period tax	-	-	(10.68)	-
Net Profit/ (Loss) after Tax	(42.37)	(152.54)	(220.88)	(224.55)
Profit / (Loss) of Shares in Associate Concern	-	-	-	-
Minority Interest	-	-	17.72	-
Add: Amount brought forward from Last Year	-	-	-	(610.60)
Less: Appropriations	-	-	-	-
Proposed Dividend	-	-	-	-
Tax on Proposed Dividend	-	-	-	-
Transfer to General Reserve	-	120.11	-	-
Balance carried to Balance Sheet	(42.37)	(32.43)	(238.60)	(835.15)

* the consolidated figures of 2014-15 includes the figures of two subsidiaries where as the consolidated figures of 2013-14 includes the figures of only one subsidiary.

2. DIVIDEND

In view of the losses, the Directors do not recommend any dividend for the Financial Year 2014-2015.

3. OPERATIONAL REVIEW/COMPANY'S PERFORMANCE

On a Standalone basis, the gross earnings rose to ₹372.41 lakhs from ₹256.16 lakhs. The year ended with a loss after tax of ₹42.37 lakhs as compared to ₹152.54 lakhs in the previous year.

The Company has let out part of the office premises on Leave and License basis to Asit C. Mehta Investment Intermediates Limited and earned license fee income of ₹146.24 lakhs. The Company offered advisory and consultancy services to certain clients and earned the fees aggregating to ₹95.06 lakhs from Advisory and Consultancy Division.

On a consolidated basis, the gross revenues were at ₹1,435.69 lakhs as compared to ₹460 lakhs in the previous year and loss after tax was at ₹224.55 lakhs as against ₹220.88 lakhs in the previous year. The overall consolidated loss aggregated to ₹238.60 lakhs (excluding share of loss from an Associate concern). There was a loss of ₹224.55 lakhs in the previous year (including share of loss from a Associate concern)

Nucleus IT Enabled Services Limited, a wholly-owned subsidiary of the company, engaged in to ITes services showed a stable income from operations and the loss before depreciation and finance cost increased to ₹120.28 lakhs as against loss of ₹5.37 lakhs in the previous year. The said loss is due to unexceptional bad debt of ₹85.77 lakhs. The overall loss stood at ₹214.00 lakhs as against ₹72.32 lakhs in the previous year.

4. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has three subsidiaries as on March 31, 2015. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("the Act"). There has been no change in the nature of the business of the subsidiaries.

The Company has a wholly owned subsidiary viz. Nucleus IT Enabled Services Limited. During the year under review, Asit C. Mehta Investment Intermediates Limited (ACMIL) has become the Subsidiary, under section 2(87) of the Act and material non-listed Indian subsidiary of the Company as per Clause 49, sub-clause (V)(E) of the Listing Agreement, pursuant to the conversion of the Fully Convertible Debentures held by the Company in ACMIL into Equity Shares.

As Asit C. Mehta Comdex Services DMCC, a company incorporated in Dubai, is the wholly owned subsidiary of ACMIL, it becomes the subsidiary of the Company under section 2(87) of the Act.

The names of companies that have become Subsidiary Companies during the year are as under:

Sr. No	Name of the Company	with effect from
1.	Asit C. Mehta Investment Intermediates Limited	15 th December 2014
2.	Asit C. Mehta Comdex Services DMCC	15 th December 2014

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in **Form AOC-1** is attached to the financial statements of the Company.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

The financial statement of Asit C. Mehta Comdex Services DMCC has not been consolidated with the Company's financial statements pursuant to Rule 6 of Companies (Accounts) Rules, 2015, which gives an exemption with respect to consolidation of the financial statement of subsidiary or subsidiaries incorporated outside India only for the financial year commencing on or after 1st April, 2014.

5. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Act, the Board of Directors states that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation and there are no material departures from the same.
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2015 and of the profit and loss of the Company for that period;
- c) they have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) they have prepared the annual accounts on a 'going concern' basis.
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL**a. Retirement by Rotation**

In accordance with the provisions of the Act, Mrs. Deena A. Mehta, Non-Executive Director of the Company, retires by rotation and being eligible has offered herself for re-appointment.

b. Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Act, Mr. Vjay Ladha, Mr. R. Krishnamurthy and Mr. Pundarik Sanyal were appointed as Independent Directors at the Annual General Meeting (AGM) of the Company held on September 26, 2014. The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement and there has been no change in the circumstances, which may affect their status as Independent Director during the year.

c. Appointment of KMP

Pursuant to the provisions of Section 203 of the Act, Mr Raj Gandhi was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 1st December, 2014. Ms. Purvi Ambani was appointed by the Board of Directors, as the Chief Financial Officer of the Company and Mr. Stanley Santmayor was appointed as Manager of the Company, designated as Key Managerial Persons, with effect from 3rd February, 2015.

7. MEETINGS OF THE BOARD

Six meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of the Annual Report.

8. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under Clause 49 of the Listing Agreement.

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

1. Expertise;
2. Objectivity and Independence
3. Guidance and support in context of life stage of the Company;
4. Understanding of the Company's business;
5. Understanding and commitment to duties and responsibilities;
6. Willingness to devote the time needed for effective contribution to Company;
7. Participation in discussions in effective and constructive manner;
8. Responsiveness in approach;
9. Ability to encourage and motivate the Management for continued performance and success;

The evaluation involves self-evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation. Accordingly a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors and also the necessary evaluation was carried out by Nomination and Remuneration Committee and Independent Directors at their respective meetings held for the purpose.

9. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance report, which forms part of the Annual Report.

10. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

11. AUDIT COMMITTEE

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of the Annual report.

12. AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s Manek & Associates (Firm Registration No 126679W) Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of the thirtieth AGM of the Company held on September 26, 2014 till the conclusion of the thirty-third AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

Accordingly, a resolution seeking Members ratification for the re-appointment of M/s Manek & Associates (Firm Registration No 126679W) Chartered Accountants, as the Statutory Auditors of the Company for the remaining tenure is placed before the members in the ensuing AGM.

The Audit Committee and Board have reviewed their eligibility criteria, as laid down under Section 141 of the Act and recommended the ratification of their re-appointment as Statutory Auditors for the remaining tenure.

13. AUDITOR'S REPORT AND SECRETARIAL AUDITOR'S REPORT

The Auditors' Report does not contain any qualifications, reservations or adverse remarks.

Pursuant to Section 204 of the Act and Rules thereunder, the Company had appointed M/s Mehta & Mehta, Company Secretaries, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the FY 2014-15 in form MR-3 given by M/s. Mehta & Mehta, Company Secretaries, is attached as **Annexure I** with this report.

The Secretarial Auditor has made an observation with regard to Section 184 of the Companies Act, 2013 ("Act, 2013"). In the first board meeting of the year, the Company had complied with Section 299 of the Companies Act, 1956, which is corresponding to Section 184 of the Act, 2013. The majority of the provisions related to the Act, 2013 had become effective from April 1, 2014, which includes Section 184. As the Company had already complied with the Section 299 of the Companies Act, 1956, the Company was of the view that there is no need to comply with Section 184 of the Act, 2013. The Company Sought professional advice on the same and then complied with Section 184 of the Act, 2013 also in the subsequent board meeting.

14. RISK MANAGEMENT

The development and implementation of Risk Management Policy has been covered in the Corporate Governance Report, which forms part of the Annual report.

15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Amounts outstanding as at 31st March, 2015

(₹ in lakhs)

<u>Particulars</u>	<u>Amount</u>
Loans given	78.52
Guarantees given	1245.00
Investments made	1546.57

<u>Name of Entity</u>	<u>Relation</u>	<u>Amount (in lakhs)</u>	<u>Particulars of Loan/ Guarantee/Investments</u>	<u>Purpose</u>
Nucleus IT Enabled Services Limited.	Wholly owned Subsidiary	78.52 *	Loan	Business Purpose
Asit C. Mehta Investment Intermediates Limited (ACMIL)**	Subsidiary	500	Guarantee	Business Purpose
Asit C. Mehta Commodity Services Limited ***	Subsidiary of Associate	745	Guarantee	Business Purpose
Asit C. Mehta Investment Intermediates Limited.	Subsidiary	1246.57	Investments	Investment in fully convertible debentures converted into Equity shares on 15 th December 2014
Nucleus IT Enabled Services Limited.	Wholly owned subsidiary	300	Investments	Investments in the equity shares of the company

* including interest on loan of ₹ 11.87 lakh

** associate of the Company till 15th December, 2014 and subsidiary thereafter

*** subsidiary of ACMIL till 30th March, 2015

16. TRANSACTIONS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Act, in Form AOC - 2 is not applicable.

17. CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Act, and hence it is not required to formulate policy on Corporate Social Responsibility.

18. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with requirements, inter-alia, of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Compliance Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainee) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the Financial Year 2014-15:

- No. of complaints received: NIL
- No. of complaints disposed off: NIL

19. EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure II** in the prescribed Form MGT-9, which forms part of this report.

20. PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

The Directors of the Company are not paid any remuneration except the sitting fees. Hence, the ratio of the remuneration of each director to the median remuneration of the employees is NIL.

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

The Board of the Company consists of Non-executive Directors. The non-executive directors are paid no remuneration except the sitting fees plus reimbursement of actual travel expenses, if any.

There is no increase in the remuneration of Company Secretary, Chief Financial Officer and Manager of the Company.

(iii) The percentage increase in the median remuneration of employees in the financial year:

There was a decrease of 6.33% in median remuneration of employees in the financial year.

(iv) The number of permanent employees on the rolls of company:

The Company has 4 (Four) permanent Employees on the rolls of Company as on 31st March, 2015 as compared to 8 (Eight) permanent employees as on 31st March, 2014.

(v) The explanation on the relationship between average increase in remuneration and company performance:

On an average, employees received an annual increase of 10%. The individual increment varied from 5% to 12% based on individual performance. The increase in remuneration is in line with the market trends in the country.

In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization's performance, apart from an individual's performance.

(vi) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the company:

(₹ in lakhs)

Aggregate remuneration of Key Managerial Personal	10.35
Revenue	372.40
Remunerations of KMP (as % of above)	2.78%
Profit / Loss before tax	(57.15)
Remunerations of KMP (as % of Profit before tax)	Not computable due to loss

**in order to show the comparison, the annual remuneration of the KMP is considered though not appointed as KMP for the entire year.*

- (vii) a. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year

Particulars	March 31, 2015 (₹ in lakhs)	March 31, 2014 (₹ in lakhs)	% Change
Market Capitalisation (No. of Shares X Market price)	2104.84	921.18	128.49
Price Earning Ratio	NIL	NIL	

- b. Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies:

Particulars	March 2015 (₹ in lakhs)	24 th April 1995 (IPO) (₹ in lakhs)	% Increase
Market price (BSE)	42.50	35	21.43%

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not Applicable

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

(₹ in lakhs)

	Mr. Stanley Santmayor Manager (w.e.f February 3, 2015)	Ms. Purvi Ambani Chief Financial Officer (w.e.f February 3, 2015)	Mr. Raj Gandhi Company Secretary (w.e.f December 1, 2014)
Remuneration in FY 2015	14.00	15.79	1.25
Remuneration as % of revenue	3.76%	4.24%	0.34%
Profit before tax (PBT)	(57.15)	(57.15)	(57.15)
Remuneration as % of PBT	Not computable due to loss	Not computable due to loss	Not computable due to loss

**in order to show the comparison, the annual remuneration of the KMP is considered though not appointed as KMP for the entire year.*

- (x) The key parameters for any variable component of remuneration availed by the directors:

No remuneration is paid to the Directors except for the sitting fees. Therefore, there are no variable components availed by any of the Directors of the Company.

- xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

There is no such employee receiving remuneration in excess of highest paid director as no remuneration is paid to the Directors except for the sitting fees.

- (xii) Affirmation that the remuneration is as per the remuneration policy of the company.

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

- (xiii) The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

There are no employees who were employed for a part of the financial year or throughout the financial year and are in:

- receipt of remuneration which is not less than sixty lakhs rupees per annum;
- receipt of remuneration which is not less than five lakh rupees per month;
- in receipt of remuneration which is in excess of that drawn by Managing Director/Whole-time Director/ Manager and holds by himself or along with his spouse and dependent children not less than two percent of the equity shares of the company.

Therefore, the statement containing particulars of employees is not required to be attached.

21. DISCLOSURE REQUIREMENTS

As per Clause 49 of the Listing Agreement entered into with the Stock Exchange, **Corporate Governance Report** with Compliance Certificate thereon and **Management Discussion and Analysis** are attached, which form part of the Annual report.

Details of the **Familiarization Programme** for the Independent Directors are available on the website of the Company (URL: http://www.acmfsl.com/cor_gov.htm)

Policy for determining **Material Subsidiaries of the Company** is available on the website of the Company (URL: http://www.acmfsl.com/cor_gov.htm)

Policy on **Dealing with Related Party Transactions** is available on the website of the Company (URL: http://www.acmfsl.com/cor_gov.htm)

The Company has formulated and published a **Whistle Blower Policy to provide Vigil Mechanism** for employees including Directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the revised Clause 49 of the Listing Agreement with Stock Exchange (URL: http://www.acmfsl.com/cor_gov.htm)

22. DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**Conservation of Energy**

The operations of your company involved low energy consumption. Energy conservation efforts are being pursued on a continuous basis. Close monitoring of power is maintained to minimize wastage and facilitate optimum utilization of energy.

Technology Absorption

During the year under review, there is no technology absorption. The company has neither imported any technology nor incurred any expenditure on research and development of technology.

Foreign Exchange Earnings And Outgo

During the year under review, there is no foreign exchange earnings or outgo

24. 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 THE REPORT

No material changes and commitments 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.

25. ORDER PASSED BY REGULATOR OR COURTS OR TRIBUNALS

There are no orders passed by the regulator or courts or tribunals against the company impacting its status as going concern and on its operations.

26. ACKNOWLEDGEMENT

The Directors thank the Company's stakeholders, employees, customers, vendors, investors and banks for their continuous support.

The Directors also thank the Government of India, the Governments of various states in India and concerned Government Departments / Agencies for their co-operation.

The Directors appreciate and value the contributions made by every member of the team of Asit C. Mehta Financial Services Limited.

29th May, 2015
Mumbai

FOR AND ON BEHALF OF THE BOARD

ASIT C. MEHTA
CHAIRMAN
DIN: 00169048

Annexure I

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,
The Members,
Asit C. Mehta Financial Services Limited,
Nucleus House,
Saki-Vihar Road,
Andheri (E), Mumbai – 400072

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Asit C. Mehta Financial Services Limited (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officer, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period for the financial year ended 31st March, 2015, 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 the Company for the financial year ended 31st March, 2015, according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (during the year under review not applicable to the Company);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (during the year under review not applicable to the Company);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (during the year under review not applicable to the Company);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the year under review not applicable to the Company);
 - 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the year under review not applicable to the Company); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (during the year under review not applicable to the Company);

- vi. As per the representation made by the Company, no sector specific laws are applicable to the Company, hence we cannot comment on the same.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India (it is not applicable to the Company during the period under review);
- ii. Listing Agreement entered with BSE Limited;

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines etc. mentioned above subject to following observation: -

1. As per section 184 of the Act, every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, is required to disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which includes the shareholding, in Form MBP-1 as prescribed under Rule 9 of the Companies (Meetings of Board and its Powers) Rules, 2014. Though, the directors had disclosed their interest prior to first board meeting of the financial year 2014-15 (i.e. on 17th April 2014) but the same was not taken note of in the first meeting of the board for the financial year 2014-15.

We further report that:

Board of The Directors of the Company is duly constituted with proper balance of the Non-Executive Directors and Independent Directors. 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 notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining meaningful participation at the meeting.

All decisions of the Board is carried through unanimously. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting.

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.

We further report that during the audit period there were following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.: -

1. The Company has authorized its Board to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company, which together with the monies already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount so borrowed and outstanding at any point of time shall not be in excess of Rs 50 crores as per the requirement of section 180(1)(c) of the Act.

For Mehta & Mehta
Company Secretaries
(ICSI Unique Code P1996MH007500)

Anshul Kumar Jain
Partner

29th May, 2015
Mumbai

CP No.: 13181
FCS No.: 5547

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'ANNEXURE A'

To,

The Members,

Asit C. Mehta Financial Services Limited,

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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 secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Mehta & Mehta
Company Secretaries
(ICSI Unique Code P1996MH007500)**

**Anshul Kumar Jain
Partner**

CP No.: 13181
FCS No.: 5547

**29th May, 2015
Mumbai**

Annexure II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2015

[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:

1. **CIN:** L65900MH1984PLC091326
2. **Registration Date:** January 25, 1984
3. **Name of the Company:** Asit C. Mehta Financial Services Limited
4. **Category/Sub-category of the Company:** Company Limited by Shares/ Indian Non-Government Company
5. **Address of the Registered office & contact details**
Nucleus House, Saki- Vihar Road, Andheri (East), Mumbai: 400072
Tel. No: 022- 28570781/28583333
Email id: investorgrievance@acmfsl.co.in
Website: www.acmfsl.com
6. **Whether listed company:** Yes
7. **Name, Address & contact details of the Registrar & Transfer Agent, if any.**
Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mill Compound,
L B S Marg, Bhandup West, Mumbai – 400 078
Phone no:022- 25946970 Fax no.:022-25946969
Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Advisory & Consultancy	66190	25.53%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sr. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Asit C Mehta Investment Intermediates Limited (ACMIL) Nucleus House, 5 th Floor, Saki-Vihar Road, Andheri (East), Mumbai: 400072	U65990MH1993PLC075388	Subsidiary	50.05%	2(87)
2.	Nucleus IT Enabled Services Limited Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai: 400072	U72900MH2008PLC0182793	Wholly owned subsidiary	100%	2(87)
3.	Asit C Mehta Comdex Services, DMCC Unit No. 14, Floor 9, Bldg No.2, DMCC, Dubai, UAE.	Registration Number: 0677	Subsidiary	100 % (by ACMIL)	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
1. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [as on 1-04-2014]				No. of Shares held at the end of the year [as on 31-03-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3,283,416	-	3,283,416	66.30	3,279,416	-	3,279,416	66.22	0.12
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	414,370	-	414,370	8.37	414,370	-	414,370	8.37	-
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	3,697,786	-	3,697,786	74.66	3,693,786	-	3,693,786	74.58	0.11
2 Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2): -	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	3,697,786	-	3,697,786	74.66	3,693,786	-	3,693,786	74.58	0.11
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / Financial Institutions	294	-	294	0.01	294	-	294	0.01	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1): -	294	-	294	0.01	294	-	294	0.01	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	149,338	7,500	156,838	3.17	131,074	7,500	138,574	2.8	11.65
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	385,665	126,182	511,847	10.33	347,246	126,182	473,428	9.56	7.51
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	579,683	-	579,683	11.70	641,413	-	641,413	12.95	10.65

Category of Shareholders	No. of Shares held at the beginning of the year [as on 1-04-2014]				No. of Shares held at the end of the year [as on 31-03-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
Qualified Foreign Investor (Individual & Corporate)	-	-	-	-	-	-	-	-	-
Clearing Member	4,407	-	4,407	0.09	2,758	-	2,758	0.06	
Foreign Portfolio Investor (Individual & Corporate)	-	-	-	-	-	-	-	-	-
Market Maker	-	-	-	-	-	-	-	-	-
Office Bearers	-	-	-	-	-	-	-	-	-
NRI's (Repatriable)	1,005	-	1,005	0.02	1,005	-	1,005	0.02	
NRI's (Non-Repatriable)	700	-	700	0.01	700	-	700	0.01	
Holding Company									
HUF	-	-	-	-	602	-	602	0.01	
Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2): -	1,120,798	133,682	1,254,480	25.33	1,124,798	133,682	1,258,480	25.41	0.32
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,121,092	133,682	1,254,774	25.34	1,125,092	133,682	1,258,774	25.42	0.32
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4,818,878	133,682	4,952,560	100	4,818,878	133,682	4,952,560	100	

2. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2014)			Shareholding at the end of the year (as on 31-03-2015)			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Asit C. Mehta	2,284,138	46.12	-	2,284,138	46.12	-	No change
2	Deena A. Mehta	900,358	18.18	-	900,358	18.18	-	No change
3	Asit C. Mehta Commodity Services Limited	400,470	8.09	-	400,470	8.09	-	No change
4	Asit C Mehta HUF	77,000	1.55	-	77,000	1.55	-	No change
5	Asit C. Mehta Forex private Limited	13,900	0.28	-	13,900	0.28	-	No change
6	Aditya Asit Mehta	7,400	0.15	-	7,400	0.15	-	No change
7	Jayesh Desai HUF	7,120	0.14	-	7,120	0.14	-	No change
8	Thakorbhai Desai	4,000	0.08	-	-	-	-	100%
9	Gopa Jayesh Desai	1,900	0.04	-	1,900	0.04	-	No change
10	Rupa Atul Shah	1,500	0.03	-	1,500	0.03	-	No change
	Total	3,697,786	74.66	-	3,693,786	74.58	-	0.11

ASIT C. MEHTA FINANCIAL SERVICES LIMITED
3. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	DP ID Client ID/ Folio	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
					No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1.	1201320000000023	Asit C. Mehta	1-Apr-2014	at the beginning of the year	2,284,138	46.12	2,284,138	46.12	No Change
			31-Mar-2015	at the end of the year			2,284,138	46.12	
2.	1201320000000019	Deena A. Mehta	1-Apr-2014	at the beginning of the year	900,358	18.18	900,358	18.18	No Change
			31-Mar-2015	at the end of the year			900,358	18.18	
3.	1201320001060507	Asit C. Mehta Commodity Services Limited	1-Apr-2014	at the beginning of the year	400,470	8.09	400,470	8.09	No Change
			31-Mar-2015	at the end of the year			400,470	8.09	
4.	1201320000576191	Asit C Mehta HUF	1-Apr-2014	at the beginning of the year	77,000	1.55	77,000	1.55	No Change
			31-Mar-2015	at the end of the year			77,000	1.55	
5.	1201320000005775	Asit C. Mehta Forex private Limited	1-Apr-2014	at the beginning of the year	13,900	0.28	13,900	0.28	No Change
			31-Mar-2015	at the end of the year			13,900	0.28	
6.	1201320000007590	Aditya Asit Mehta	1-Apr-2014	at the beginning of the year	7,400	0.15	7,400	0.15	No Change
			31-Mar-2015	at the end of the year			7,400	0.15	
7.	1201320001087905	Jayesh Desai HUF	1-Apr-2014	at the beginning of the year	7,120	0.14	7,120	0.14	No Change
			31-Mar-2015	at the end of the year			7,120	0.14	
8.	1201320000009890	Thakorbbhai Desai	1-Apr-2014	at the beginning of the year	4,000	0.08	4,000	0.08	Shares Transferred
			25-July-2014	Transfer of shares		-	-	-	
9.	1201320000334594	Gopa Jayesh Desai	1-Apr-2014	at the beginning of the year	1,900	0.04	1,900	0.04	No Change
			31-Mar-2015	at the end of the year			1,900	0.04	
10.	1302340000293910	Rupa Atul Shah	1-Apr-2014	at the beginning of the year	1,500	0.03	1,500	0.03	No Change
			31-Mar-2015	at the end of the year	-	-	1,500	0.03	

4. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2014)/ end of the year (31-03-2015)		Date	Increase & Decrease	Cumulative Shareholding during the year (31-03-2015)	
		No of Shares	% of total Shares of the Company			No of Shares	% of total Shares of the Company
1.	Ketan J Karani (IN30027110174681)	101,759	2.05	01-Apr-14			
				30-May-14	53,800	155,559	3.14
				06-June-14	1,173	156,732	3.16
				13-June-14	190	156,922	3.17
				01-Aug-14	156,000 (Transfer)	922	0.02
				05-Sept-14	2,165	3,087	0.06
				10-Oct-14	652	3,739	0.08
				31-Mar-15	3739	0.08	
				01-Apr-14			
				01-Aug-14	156,000 (Transfer)	156,000	3.15
08-Aug-14	-17,500	138,500	2.80				
05-Sept-14	2,699	141,199	2.86				
27-May-14	13,407	154,606	3.12				
06-Mar-15	350	154,956	3.13				
13-Mar-15	4,669	159,625	3.22				
31-Mar-15	159,625	3.22					
2.	Tushar Chhabildas Kapadia	127,251	2.57	01-Apr-14			
				30-June-14	-866	126,385	2.55
				08-Aug-14	-7,400	118,985	2.40
				31-Mar-15		118,985	2.40
3.	Jaswant Jayantilal Shah	60,000	1.21	01-Apr-14	Nil movement during the year		
				31-Mar-15		60,000	1.21
4.	Suman Marble Industries Private Limited	50,000	1.00	01-Apr-14	Nil movement during the year		
				31-Mar-15		50,000	1.00
5.	Jash Ketan Karani	667,88	1.35	01-Apr-14			
				13-June-14	6,505	73,293	1.48
				18-July-14	2,422	75,715	1.53
				25-July-14	2,335	78,050	1.58
				01-Aug-14	605	78,655	1.59
				08-Aug-14	-29,819	48,836	0.99
				15-Aug-14	-16,900	31,936	0.64
				19-Sept-14	-500	31,436	0.63
				31-Oct-14	1,499	32,935	0.67
				07-Nov-14	275	33,210	0.67
				14-Nov-14	1,080	34,290	0.69
				21-Nov-14	1,751	36,041	0.73
				05-Dec-14	12,055	48,096	0.97
				13-Feb-15	850	48,946	0.99
31-Mar-15	48,946	0.99					

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

Sr. No	Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2014)/ end of the year (31-03-2015)		Date	Increase & Decrease	Cumulative Shareholding during the year (31-03-2015)	
		No of Shares	% of total Shares of the Company			No of Shares	% of total Shares of the Company
6.	Ravi Navratn Jain	40,100	0.81	01-Apr-14	Nil movement during the year		
		40,100	0.81	31-Mar-15			
7.	Shirish R. Shah	NIL		01-Apr-14			
				12-Dec-14	30,000 (Transfer)	30,000	0.61
		30,000	0.61	31-Mar-15			
8.	Balmukund Investment Company Private Limited	27,500	0.56	01-Apr-14	Nil movement during the year		
		27,500	0.56	31-Mar-15			
9.	Nichi Investment Company Private Limited	27,000	0.55	01-Apr-14	Nil movement during the year		
		27,000	0.55	31-Mar-15			
10.	Charu S. Shah	NIL		01-Apr-14			
				12-Dec-14	24,500 (Transfer)	24,500	0.49
		24,500	0.49	31-Mar-15			
11.	Vipul Rasiklal Shah*	22,977	0.46	01-Apr-14	Nil movement during the year		
		22,977	0.46	31-Mar-15			
12.	Vippy Spinpro Limited*	20,000	0.40	01-Apr-14	Nil movement during the year		
		20,000	0.40	31-Mar-15			
13.	Manish Navlatn Munot*	20,000	0.40	01-Apr-14	Nil movement during the year		
		20,000	0.40	31-Mar-15			

*ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2014.

5. Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholding of each Director and each Key Managerial Personnel	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.	Mr. Asit C. Mehta	2,284,138	46.12	2,284,138	46.12
2.	Mrs. Deena A. Mehta	900,358	18.18	900,358	18.18
3.	Mr. Kirit H. Vora	23,520	0.47	23,520	0.47
4.	Dr. R. Krishnamurthy	1,000	0.02	1,000	0.02

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,508.22	-	-	1,508.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,508.22	-	-	1,508.22
Change in Indebtedness during the financial year				
* Addition	64.82	400.00	-	464.82
* Reduction			-	
Net Change	64.82	400.00	-	464.82
Indebtedness at the end of the financial year				
i) Principal Amount	1,573.04	400.00	-	1,973.04
ii) Interest due but not paid	-	0.21	-	0.21
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,573.04	400.21	-	1,973.25

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

(₹ in lakhs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/ Manager
		Mr. Stanley Santmayor Manager *
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.09
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.24
	(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	-
5.	Others, please specify	-
	Total (A)	2.33
	Ceiling as per the Act	7.00

*appointed w.e.f from 3rd February, 2015 as Manager of the Company. The remuneration is on pro-rata basis.

B. Remuneration to other directors

(₹ in thousands)

Sr. No	Particulars of Remuneration	Fees for Attending Board / Committee Meetings	Commission	Others pls specify	Total Amount
1	Independent Directors				
	Mr. Vijay Ladha	22.50	-	-	22.50
	Dr. R. Krishnamurthy	37.50	-	-	37.50
	Mr. Pundarik Sanyal	10.00	-	-	10.00
	Total (1)	70.00	-	-	70.00
2	Other Non-Executive Directors				
	Mr. Asit C. Mehta	25.00	-	-	25.00
	Mrs. Deena A. Mehta	20.00	-	-	20.00
	Mr. Kirit H. Vora	37.50	-	-	37.50
	Total (2)	82.50	-	-	82.50
	Total (B)=(1+2)	152.50	-	-	152.50
	Total Managerial Remuneration	-	-	-	-
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)				N.A

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

(₹ in lakhs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Raj Gandhi Company Secretary*	Ms. Purvi Ambani Chief Financial Officer **	Total
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.42	2.43	2.85
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.2	0.2
	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	-	-	-
5	Others, please specify	-	-	-
	Total	0.42	2.63	3.05

* appointed w.e.f 1st December, 2014

** appointed w.e.f 3rd February, 2015

The remuneration is on pro-rata basis.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company earns revenues from letting out of properties to group companies and other concerns and income from dividends / interest. The Company also operates through its wholly owned Indian subsidiary and a subsidiary. The thrust of the business is to hold strategic control / investment in group companies. The Company also provides Advisory and Consultancy Services and earned gross income of ₹95.06 lakhs during the year under review.

Nucleus IT Enabled Services Limited (NITES), wholly owned subsidiary, is engaged into ITeS / BPO services and Asit C. Mehta Investment Intermediates Limited (ACMIL), subsidiary of the Company w.e.f from 15th December, 2014, is engaged into Stock Broking and Depository and allied services.

NITES's performance for the year 2014-15 was stable and the Company reported gross income of ₹223.16 lakhs as against ₹230.76 lakhs in the previous year. The Company suffered a loss after tax of ₹214.04 lakhs as against loss of ₹72.32 lakhs in the previous year. There was an increase in loss due to amount written off of ₹85 lakhs and increase in rent. The Company operates into BFSI (banking, financial services & insurance) segment – mainly into insurance industry services.

Asit C. Mehta Investment Intermediates has become subsidiary from 15th December, 2014, on conversion of our investment in the Debentures into Equity Shares. Company's performance for the year 2014-15 was better as compared to last year. Company has reported gross income of ₹3,062 lakhs as against the ₹2,896 lakhs in previous year. The company has reported Net profit of ₹80.28 lakhs as against ₹100.87 lakhs in previous year. The company provides investment related services over various asset classes and by various channels.

Financial Performance:

- A) Consolidated Financial Results for the year ended 31st March 2015 as shown in Table below is of the Company and its subsidiaries.

Summarized Consolidated financials

(₹ in lakhs)

Segment Revenue			Segment Results Profit / (Loss) after depreciation and interest		
	2014-15	2013-14		2014-15	2013-14
ITeS	214.73	229.31	ITeS	(76.71)	(45.83)
Investments Activities	169.68	153.61	Investments Activities	(105.96)	(140.31)
Advisory and Consultancy	95.07	68.47	Advisory and Consultancy	31.90	(53.81)
Stock Broking and allied services	884.17	-	Stock Broking and allied service	79.51	-
Unallocable	72.04	8.50	Unallocable	-	8.50

- B) Standalone Financial Results:

The following table gives an overview of the Standalone Financials of the Company (Unconsolidated): (₹ in lakhs)

Particulars	2014-15	2013-14
Revenues from Operations	361.60	248.48
Other Income	10.80	7.68
Total revenue	372.40	256.16
Total Expenditure	429.56	415.60
Profit before Tax	(57.15)	(159.45)
Profit after tax	(42.36)	(152.54)

The Share Capital remained unchanged. The Networth (including Revaluation Reserve) of the Company decreased from ₹4,404 lakhs to ₹4,285 lakhs. The Bank term loans borrowing is NIL as at 31.3.2015 and ₹39 lakhs as at 31.3.2014. Other secured loan was ₹1,573 lakhs as at 31.03.2015 from ₹1,508 lakhs in previous year.

Opportunities, Threats, Risks and Concerns

The Company's income mainly comprises of rents, dividends and debenture interest accruing from investments made in the group companies. The company will be affected as per the impact on the investee companies that are held by it as investments. Demand for rental properties and supply of the same in and around its properties will impact its revenues accordingly. Also, slowdown in the growth of Indian economy and /or volatility in the financial market could adversely affect the performance.

The Company is actively pursuing to generate more income from Advisory and Consultancy Services. Demand for the Company's services emanate from entities seeking growth money or structuring of new projects etc. Risks associated with the Advisory and Consultancy Services includes competition from unorganised advisors, employees' attrition, incorrect project assessments etc.

The performance of NITES which is engaged into ITeS Services would depend on the growth of BFSI industry. It operates in BFSI vertical (mainly insurance) which represents a mature and large BPO market opportunity. Though the market continues to be competitive, the Company believes that business opportunities exist as it has competitive advantage due to domain expertise in the relevant business segment. Marketing efforts made in previous periods have started yielding results.

The outlook of the subsidiary ACMIL would largely depend on the status of markets, economy, investment habits and preferences of the investing population, company's own offerings and competitive position in the industry. The subsidiary extensively operates in the Capital Market and is subject to extensive regulation. Besides, it continues to witness intense competition, fall in the brokerage rates and technological obsolescence.

Current developments in the country on economic and political fronts coupled with those in the international market downturn are likely to improve the outlook for the industry in India.

Internal Control systems and their adequacy

The Company continues to have in place adequate and proper systems of internal control commensurate with the nature and size of its operations. The Company also continues to avail the services of external firm for conducting internal audits at periodic intervals. The Audit Committee meets at regular intervals and reviews inter alia the internal checks and their accuracy.

Human Resources

The relations with the employees (including that of its subsidiary) remained cordial.

Cautionary Statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's corporate governance philosophy rests on the pillars of integrity, accountability, equity, transparency and environmental responsibility that conform fully with laws, regulations and guidelines of the land. The company's philosophy on corporate governance is to achieve objectives of the enterprise through ethical business conduct. It also includes building partnerships with all stakeholders, employees, customers, vendors, service providers, local communities and government. During the year under review, the Board continued its pursuit of achieving its objectives through the adoption and monitoring of corporate strategies and prudent business plans.

I. **BOARD OF DIRECTORS**A. **Composition of Board**

As on 31st March, 2015, the Company has six Directors. Of the six directors, three are Non-Executive Directors and three are Independent Directors. The composition of the Board is in conformity with Clause 49(II)(A) – i.e. not less than fifty percent of the Board of Directors comprises of non-executive directors with atleast one woman director.

None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a director.

Independent Directors are non-executive directors as defined under Clause 49(II)(B)(1) of the Listing Agreement entered into with the Stock Exchange. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("the Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under clause 49 of the Listing Agreement and Section 149 of the Act.

The names and categories of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting (AGM) held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2015 are given herein below. Other directorships do not include directorships of private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanships / memberships of board committees shall include only Audit Committee and Stakeholders' Relationship Committee.

Name & Designation	Category	No. of Board Meetings during the year 2014-15		No. of Directorships in other companies	No. of Committee positions held in Other companies		Attendance at the AGM held on 26.09.2014
		Held	Attended		Member	Chairman	
Mr. Asit C. Mehta Chairman & Director DIN: 00169048	Promoter and Non-Executive	6	6	1	1	NIL	Yes
Mrs. Deena A. Mehta Director DIN: 00168992	Promoter and Non-Executive	6	5	6	NIL	NIL	No
Mr. Kirit H. Vora Director DIN: 00168907	Non-Executive	6	6	2	NIL	NIL	Yes
Mr. Vijay Ladha Director DIN: 00168663	Independent	6	3	NIL	NIL	NIL	No
Dr. R. Krishnamurthy Director DIN: 00221583	Independent	6	6	NIL	NIL	NIL	No
Mr. Pundarik Sanyal * Director DIN: 01773295	Independent	6	2	2	NIL	NIL	No
Mr.Sundararajan** Director DIN: 00165111	Independent	6	NIL	N.A.	N.A.	N.A.	N.A.

*appointed as Director w.e.f 31st July, 2014

** Director upto 31st July, 2014

B. Meetings of the Board

1. Six board meetings were held during the year and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held are
17th April, 2014, 29th May, 2014, 31st July, 2014, 7th November 2014, 3rd February 2015, 30th March, 2015.
The necessary quorum was present for all the meetings.
2. The information as mentioned in Annexure X to Clause 49 of the listing agreement has been placed before the Board for its consideration.
3. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company viz. www.acmfsl.com
4. During the year a separate meeting of the Independent Directors was held inter-alia to review the performance of Non-Independent Directors and the Board as a whole.
5. The Board periodically reviews compliance reports of all laws applicable to the Company.

II. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 (III)(A) of the Listing Agreement entered into with the stock exchange read with Section 177 of the Act.

i. Terms of Reference of Audit Committee:

The terms of reference of the audit committee are broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Director's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults, if applicable, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- To mandatorily review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

ii. Composition of Audit Committee

As on March 31, 2015, the committee consists of 3 (three) members. All the members of the Audit Committee possess financial/accounting expertise.

As on March 31, 2015, the Audit Committee comprises of the following members of the Board:

Sr. No	Name of the Member	Position	Category
1.	Mr. Vijay Ladha	Chairman	Independent & Non-Executive
2.	Mr. Kirit H. Vora	Member	Non-Executive
3.	Dr. R. Krishnamurthy	Member	Independent & Non-Executive

iii. Meetings of The Audit Committee

Five audit committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

29th May, 2014, 31st July, 2014, 7th November, 2014, 3rd February, 2015 and 30th March, 2015.

The necessary quorum was present for all the meetings.

The details of the number of meetings held and attended by its members are given below:

Members of the Audit Committee	No. of meetings held	No. of meetings attended
Mr. Vijay Ladha	5	3
Mr. Kirit H. Vora	5	5
Dr. R. Krishnamurthy	5	5

Besides the above meetings, another meeting of the Audit Committee was held on 29th May, 2015 at which the Audited Accounts for the year ended 31st March, 2015 were placed for the review.

The Audit Committee invites the Chairman and the Chief Financial Officer, representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The minutes of the Audit Committee Meetings are placed before the Board. The Chairman of the Audit Committee briefs the Board Members about the significant discussions and the decisions taken at Audit Committee meetings.

B. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee was formed by the Board of Directors in the meeting held on 3rd February 2015 as mandated by Section 178 of the Act.

i. Terms of Reference:

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- a. Recommend to the Board the set up and composition of the Board and its committees including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director”. The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience
- b. Recommend to the Board the appointment or reappointment of directors.
- c. Devise a policy on Board diversity.
- d. Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee).
- e. Carry out evaluation of every Director’s performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include “formulation of criteria for evaluation of independent directors and the Board”.
- f. Recommend to the Board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.
- g. On an annual basis, recommend to the Board the remuneration payable to the Directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
- h. Oversee familiarisation programmes for Directors.
- i. Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and executive team).

ii. Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of three Directors, all of them being Non-Executive Directors with half or more of the Committee composed of Independent Directors.

The committee comprises the following members:

Name of the Member	Position	Category
Dr. R. Krishnamurthy	Chairman	Independent & Non-Executive
Mr. Asit C. Mehta	Member	Non-Executive
Mr. Pundarik Sanyal	Member	Independent & Non-Executive

The Committee’s constitution and terms of reference are in compliance with provisions of the Act and Clause 49 (IV) of the Listing Agreement, as amended from time to time.

During the year under review, no meeting of Nomination and Remuneration committee was held.

The company does not have any employee stock option scheme.

iii. Nomination and Remuneration Policy

The Company has formulated a policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company. The policy acts as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

The Company’s policy is to pay remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and the Executive Directors. The Nomination and Remuneration Committee (NRC) will decide the annual increments within the salary scale approved by the members of the Company. The commission payable, if any, will be decided by NRC out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Managing Director and each Executive Director.

iv. Remuneration to Directors

The Board of the Company consists of only Non-executive Directors. The Non-Executive Directors and the Independent Directors are paid only sitting fees plus reimbursement of actual travel expenses, if any, for attending the Board and Committee meetings.

During the year 2014-15, the Company paid sitting fees of ₹5,000/- per meeting for attending Board meetings and ₹2,500/- per meeting for attending the Committee meetings.

a. Details of total sitting fees paid to Non-Executive and Independent Directors for the year ended March 31, 2015.

Name of the Director	Category	Sitting Fees
Mr. Asit C. Mehta	Non-Executive	₹25,000
Mrs. Deena A. Mehta	Non-Executive	₹20,000
Mr. Kirit H. Vora	Non-Executive	₹37,500
Mr. Vijay Ladha	Independent	₹22,500
Dr. R. Krishnamurthy	Independent	₹37,500
Mr. Pundarik Sanyal	Independent	₹10,000

b. Details of equity shares of the Company held by the Directors as on March 31, 2015 are given below:

Name of the Director	Number of Equity Shares
Mr. Asit C. Mehta	2,284,138
Mrs. Deena A. Mehta	900,358
Mr. Kirit H. Vora	23,520
Dr. R. Krishnamurthy	1,000

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company had a Shareholders / Investors Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. The nomenclature of the said committee was changed to Stakeholders' Relationship Committee in the light of provisions of the Act and revised Clause 49 of the Listing Agreement.

One meeting of the Stakeholders' Relationship Committee was held during the year on 25th November, 2014.

The composition of the Stakeholders' Relationship Committee is in compliance with Section 178 of the Act and Clause 49 of the Listing Agreement.

The members of the committee and details of meetings attended them are given below:

Name	Designation	Category	Number of meetings during the financial year 2014-15	
			Held	Attended
Mrs. Deena A. Mehta	Chairperson	Non-executive	1	1
Mr. Kirit H. Vora	Member	Non-executive	1	1

Compliance Officer

Mr. Raj Gandhi, Company Secretary of the Company, is also the Compliance officer of the Company.

Details of investor complaints received and redressed during the year 2014-15 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
NIL	1	1	NIL

III. RISK MANAGEMENT POLICY

a. Risk Management Framework

Risk Management Framework is the process of identification, assessment, and prioritization of risks with the purpose of application of resources to minimize, monitor, and control the likelihood and/or impact of unfortunate events identified as risks. The purpose of the risk management framework is to assist the Board in identification, evaluation and mitigation of operational, strategic and external environment risks.

The objective of the Risk Management policy is to manage the risks involved in all the activities of the Company to maximise opportunities and minimize adversity. The policy aims to assist the Management in decision making processes that will minimise potential losses, improve the management of uncertainty and to approach the new opportunities, thereby helping the Company to achieve its objectives.

b. Key Objectives of Risk Management Policy: -

1. To lay down a framework for identification, evaluation, measurement, reporting, elimination or minimization, transfer and mitigation of various risks;
2. To establish a framework for the company's risk management process and to ensure its implementation.
3. To create awareness among the employees to assess risks on a regular basis and undertake measures as maybe appropriate.
4. To enable and ensure compliance with appropriate regulations, wherever applicable, through the adoption of best practices.

IV. GENERAL BODY MEETINGS

i. General Meeting

a. Annual General Meeting:

Financial Year	Date	Time	Number of Special Resolutions passed	Venue
2011-12	28 th AGM held on September 26, 2012	5.00 p m	NIL	Nucleus House, Saki- Vihar Road, Andheri (East), Mumbai: 400072
2012-13	29 th AGM held on September 27, 2013	3.30 p m	NIL	
2013-14	30 th AGM held on September 26, 2014	4.00 p m	8	

b. Extra-Ordinary General Meeting:

No extraordinary general meeting of the members was held during the year 2014-15.

ii. Special Resolutions:

Details of special resolutions passed in the Annual General Meetings during the last three financial years are as follows:

Date of General meeting	Details of Special Resolution
September 26, 2014	1. Appointment of Dr. R. Krishnamurthy as Independent Director
	2. Appointment of Mr. Pundarik Sanyal as Independent Director
	3. Resolution passed under Section 180(1)(c) of the Act to borrow sum of money not exceeding ₹50 crore.
	4. Resolution passed under Section 180(1)(a) of the Act for creation of charge on the assets of the Company
	5. Resolution passed under Section 188 of the Act for entering into the related party transactions
	6. Resolution passed under Section 42 of the Act for issue of non- convertible debentures on private placement basis.
	7. Resolution passed under Section 94 of the Act to keep the Register and Index of Members and copies of Annual Returns with the Company Share Transfer Agent – M/s Link Intime India Private Limited
	8. Alteration in the Articles of Association of the Company
September 27, 2013	No special resolutions were passed
September 26, 2012	No special resolutions were passed

iii. Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

During the year under review, following Special Resolution(s) were passed by way of Postal Ballot with the requisite majority:

Particulars	Date of Declaration of Result	% of vote in favour of resolution	& of vote against resolution
Resolution passed under Section 186 of the Act that the total loans/investments made/guarantee given and securities provided should not exceed ₹25 crores over and above the paid up capital of the Company and its free reserves.	25 th September, 2014	99.98%	0.02%

Mr. V.V. Chakradeo, Practicing Company Secretary, was appointed as Scrutinizer for overseeing the Postal Ballot process. The procedure prescribed under Section 110 of the Act, read with Rule 22 of the Companies (Management & Administration) Rules, 2014 has been followed for the Postal Ballot conducted during the year for the resolution mentioned above.

iv. Special Resolution proposed to be passed by way of Postal Ballot

There are no Special Resolutions proposed to be passed through Postal Ballot.

V. DISCLOSURES

i. Related Party Transactions

The Company has no material significant related party transactions that may have a potential conflict with the interest of the Company. The details of transaction between the Company and the related parties are given under Notes to the Financial Statement for the year ended March 31, 2015. The Board has approved a policy for related party transactions which has been uploaded on the Company's website and web link thereto is http://www.acmfsl.com/cor_gov.htm

ii. Compliances by the Company

No penalties/strictures were imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any statutory authorities, on any matter related to capital markets, during the last three years.

iii. Whistle Blower Policy

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company at the following link http://www.acmfsl.com/cor_gov.htm

iv. CEO/CFO Certification

In terms of requirements of Clause 49 (IX) of the Listing agreement, the Manager and CFO of the Company has certified to the Board in the prescribed format for the year under review and the same has been reviewed by the Audit Committee and taken on record by the Board.

v. Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

vi. Code of Conduct

The members of the Board and Senior Management Personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2015. The Annual Report of the Company contains a Certificate by the Chairman of the Company in terms of Clause 49 of the Listing Agreement based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

vii. Compliance Certificate

Certificate from M/s Mehta & Mehta, Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

viii. Compliance with mandatory and non-mandatory requirements

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

Though the Company has not adopted any of the non-mandatory requirements as on date, the Company is committed towards complying with Clause 49 as a whole and will take suitable measures as and when possible.

VI. SUBSIDIARY COMPANIES

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

Asit C. Mehta Investment Intermediates Limited is the material non-listed Indian subsidiary of the Company.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following link http://www.acmfsl.com/cor_gov.htm

VII. MEANS OF COMMUNICATION

Quarterly/Annual audited financial results are regularly submitted to the Stock Exchange where the shares of the Company are listed in accordance with the Listing Agreement and published in one English daily newspaper viz. Free Press Journal and one Regional Language (Marathi daily) newspaper viz. Navshakti.

The quarterly/annual results are also displayed on the Company's website www.acmfsl.com soon after their declaration.

VIII. GENERAL SHAREHOLDER INFORMATION**1. Annual General Meeting**

Date	:	24 th September, 2015
Time	:	3.30 pm.
Venue	:	Nucleus House, Saki- Vihar Road, Andheri (East), Mumbai: 400072

2. Financial Year : April to March

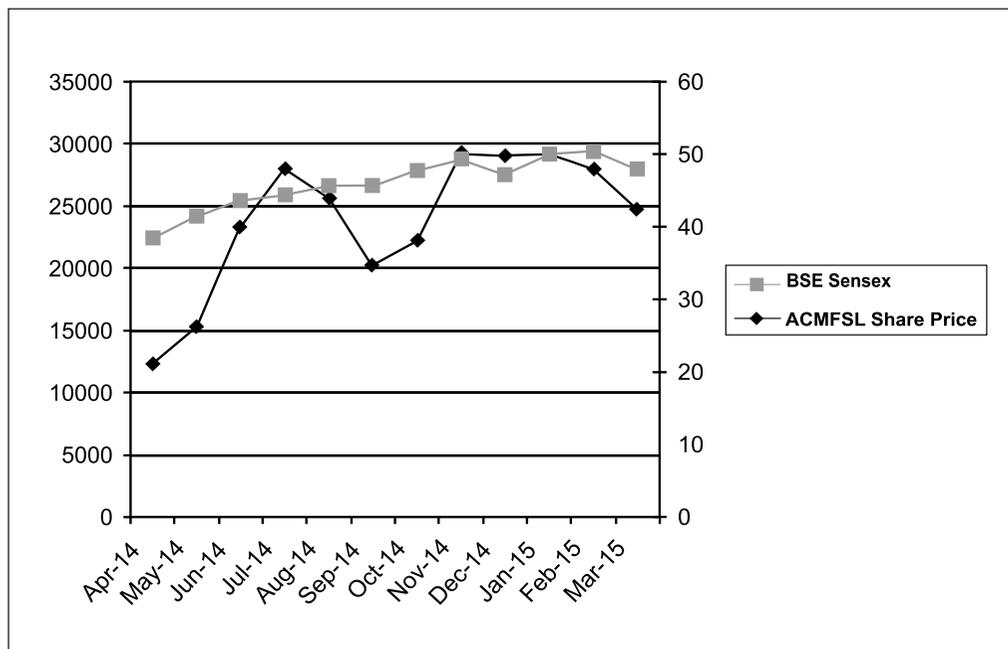
3. Declaration of Results	First Quarter Results	On or before 15 th August, 2015
	Second Quarter Results	On or before 15 th November, 2015
	Third Quarter Results	On or before 15 th February, 2016
	Fourth Quarter Results	On or before 30 th May, 2016

4. Date of Book Closure : Thursday, 17th September, 2015 to Thursday, 24th September, 2015 (both days inclusive)**5. Dividend** : No dividend is recommended for the financial year 2014-2015.**6. Listing on Stock Exchanges** : BSE Limited (BSE)
25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001.**7. Listing fees** : The Company has paid the Annual Listing fees to BSE for the Financial Year 2015-16**8. BSE Scrip Code** : 530723**9. ISIN for Equity Shares** : INE0141B01014 (NSDL and CSDL)

10. Market Price Data:

High, low (based on daily closing prices) and number of equity shares traded during each month in the year 2014-15 on BSE:

Month	High (₹)	Low (₹)	Total Number of Equity Shares Traded
April 2014	21.20	17.40	4,110
May 2014	26.30	17.20	63,506
June 2014	40.00	25.00	24,439
July 2014	47.90	36.60	15,387
August 2014	59.00	40.35	87,693
September 2014	46.25	34.80	7,086
October 2014	38.15	30.00	2,613
November 2014	50.60	39.00	16,294
December 2014	49.90	47.50	100
January 2015	52.10	47.45	670
February 2015	57.50	47.35	17,993
March 2015	55.50	42.50	4,987

11. Performance of the share price of the Company in comparison to the BSE Sensex:

12. Registrar and Transfer Agents: Link Intime India Private Limited

C-13 Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup, Mumbai - 400078
Phone no:022- 25946970; Fax no.:022-25946969
Website: www.linkintime.co.in

13. Share Transfer System:

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

14. Distribution of Shareholding:

a. Distribution of equity shareholding as on March 31, 2015.

No. of Equity Shares	No. of Shareholders	% Percentage	No. of Shares	% Percentage
1- 500	897	80.66	143,101	2.89
501-1000	111	9.98	89,803	1.81
1001-2000	34	3.06	51,033	1.03
2001-3000	11	0.99	27,369	0.55
3001-4000	11	0.99	40,834	0.82
4001-5000	11	0.99	53,353	1.08
5001-10000	13	1.17	105,288	2.13
10001 & above	24	2.16	4,441,779	89.69
TOTAL	1,112	100.00	4,952,560	100.00

b. Categories of equity shareholders as on March 31, 2015:

Category	Number of Equity shares held	Percentage of shareholding
Promoter & Promoter Group	3,693,786	74.58
Financial Institutions and Banks	294	0.01
Bodies Corporate	138,574	2.80
Indian public and Others	1,114,841	22.51
Clearing Member	2,758	0.06
Non-Resident Indians	1,705	0.03
Hindu Undivided Family	602	0.01
TOTAL	4,952,560	100.00

15. Dematerialisation of shares:

The Company's shares are compulsorily traded in dematerialised form. The shares of the Company are admitted for trading under both depository systems in India viz. NSDL and CDSL. A total number of 4,818,878 Equity shares of the Company constituting 97.30% of the Company's equity share capital are dematerialised as on March 31, 2015. A total of 133,682 Equity shares are in physical form as on March 31,2015.

16. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2015, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

17. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund (IEPF):

The dividend declared for the financial year 2007-08 and remaining unclaimed/unpaid for the period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) pursuant to Section 124 (5) of the Act read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. The amount of ₹90,566/- will be transferred on 19th September, 2015 to IEPF.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 26th September, 2014 (date of last Annual General Meeting) on the Company's website www.acmfsl.com

18. Address for Correspondence:

Asit C. Mehta Financial Services Limited

Nucleus House, Saki-Vihar Road,

Andheri (East), Mumbai: 400072

Telephone: 022 - 28570781/28583333

Email ID for Investor Services: investorgrievance@acmfsl.co.in

Website: www.acmfsl.com

CODE OF CONDUCT DECLARATION

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH
THE COMPANY'S CODE OF CONDUCT**

To,
**The Members of
Asit C. Mehta Financial Services Limited**

Pursuant to Clause 49(II)(E) of the Listing Agreement entered into with the Stock Exchange, I confirm that the Board Members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for the financial year 2014-15.

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

29th May, 2015

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
**The Members of
Asit C. Mehta Financial Services Limited,**

We have examined all the relevant records of Asit C. Mehta Financial Services Limited ("the Company") for the purposes of certifying compliances of the conditions of Corporate Governance under the Clause 49 of the Listing Agreement entered into with BSE Limited for the Financial Year ended March 31, 2015.

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

In our opinion and to the best of our information and according to the information provided and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Mehta & Mehta
Company Secretaries
(ICSI Unique Code P1996MH007500)**

**Anshul Kumar Jain
Partner
CP No.: 13181
FCS No.: 5547**

10th August, 2015

INDEPENDENT AUDITORS' REPORT

To,

The Members,

Asit C. Mehta Financial Services Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of ASIT C. MEHTA FINANCIAL SERVICES LIMITED ('the Company') which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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. 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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 & fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 31st March, 2015, and its profit and loss 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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 obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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 written representations received from the directors, as on 31st March, 2015 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
- (f) 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 has disclosed the impact of pending litigation on its financial position in its financial statements Refer Note 26 to the financial statements;
 - (ii) The Company did not have any long-term contract including derivative contract for which there are any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For MANEK & ASSOCIATES
Chartered Accountants
Firm Registration No.: 126679W

(SHAILESH MANEK)
Proprietor
Membership No.: 034925

Mumbai
Dated: 29th May, 2015

The Annexure referred to in paragraph 1 of the Our Independent Auditors Report of even date to the members of Asit C. Mehta Financial Services Limited, on the accounts of the company for the year ended 31st March, 2015.

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

- (1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets under which all fixed assets are verified in a phased manner over a period 3 years In our opinion, this periodicity of physical verification is reasonable having regarded to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (2) The Company has not entered into any transactions during the year involving inventories. Therefore, the provisions of clause 3 (ii) (a),(b) and (c) of the order are not applicable to the Company.
- (3) The company had granted interest bearing unsecured loan to a Wholly owned subsidiary Company covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) The Company is regular in recovering the principal amount and interest as stipulated
 - (b) There were no overdue amounts of more than rupees one lakh in respect of the loan granted and hence clause 3(iii) (b) of the order, is not applicable to the Company.
- (4) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system. In our opinion and according to the information and explanations given to us, there is no purchase of inventory, fixed assets and sale of goods during the year and therefore, clause 3(iv) of the Order, to that extent, is not applicable to the Company.
- (5) The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, and the Rules framed there under are not applicable, and also no orders were passed by National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal and therefore clause 3(v) of the order is not applicable.
- (6) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013 in respect of the services rendered by the Company and therefore, the provision of clause 3(vi) of the Order is not applicable.

- (7) (a) According to records of the Company, and on the basis of our examination of the books of account, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no disputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess. Details of disputed dues in respect of Foreign Exchange Regulation Act, Service Tax and Property Tax as on 31st March, 2015 on account of any dispute are given below.

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Foreign Exchange Regulation Act, 1973	Contravention of FERA regulations	10,000,000	1994-1995	Appellate Tribunal Foreign Exchange
Service Tax	Service tax on Brokerage Income	6,798,386	1996-2000	Commissioner of Central Excise (Appeals)
Property Tax	Property Tax on Premises	2,991,348	2011-2015	Brihanmumbai Mahanagar Palika

- (c) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, customs duty, wealth tax, excise duty and cess which have not been deposited except property tax as per detail given below:

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where the amounts not deposited
Property Tax	Property Tax on Premises	8,416,221	2011-2015	Brihanmumbai Mahanagar Palika

- (d) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under have been transferred to such fund, within the time limits prescribed.
- (8) The Company has no accumulated losses at the end of the financial year. The company has incurred cash losses during the financial year covered by our audit as well as in the immediately preceding financial year.
- (9) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank and financial institution. Further, the Company has not issued any debentures and therefore, the provision of clause 3 (ix) of the Order to that extent is not applicable.
- (10) According to the information and explanations given to us, the company has given guarantees for loans taken by others from banks or financial institutions. We are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
- (11) In our opinion, term loan availed by the company were, prima facie, applied by the Company for the purpose for which the loans were obtained.
- (12) Based on the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year nor have we been informed about any such case by the management.

For MANEK & ASSOCIATES
Chartered Accountants
Firm Registration No.: 126679W

MUMBAI
Dated: 29th May, 2015

(SHAILESH MANEK)
Proprietor
Membership No.: 034925

BALANCE SHEET AS AT 31ST MARCH, 2015

₹

Particulars	Note No	As at 31st March, 2015	As at 31st March, 2014
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	49,525,600	49,525,600
(b) Reserves and Surplus	4	379,064,579	390,925,042
Non-Current Liabilities			
(a) Long-term borrowings	5	157,304,879	150,822,433
(b) Deferred tax liabilities (Net)	6	1,656,967	3,135,155
(c) Other Long term liabilities	7	88,251,740	37,251,740
(d) Long term provisions	8	103,736	263,785
Current Liabilities			
(a) Trade payable	9	271,646	279,587
(b) Other current liabilities	10	70,172,813	120,326,475
(c) Short-term provisions	11	17,999	43,637
Total		746,369,959	752,573,454
II. ASSETS			
Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	12	560,739,755	572,920,322
(b) Non-current investments	13	154,657,070	154,657,070
(c) Long term loans and advances	14	6,106,904	5,237,409
Current Assets			
(a) Trade Receivables	15	6,251,094	5,436,002
(b) Cash and cash equivalents	16	10,391,157	10,444,889
(c) Short term Loans and advances	17	7,036,224	2,642,524
(d) Other Current Assets	18	1,187,755	1,235,238
Total		746,369,959	752,573,454

See accompanying notes 1 to 31 forming part of the financial statements

For Manek & Associates
Chartered Accountants
Firm Registration No.: 126679W

For and on behalf of the Board

Shailesh L. Manek
Proprietor
Membership No.: 034925

Asit C Mehta
Chairman

Kirit H Vora
Director

Mumbai, 29th May, 2015

Purvi Ambani
Chief Financial Officer

Raj Gandhi
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

₹

Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Revenue from Operations	19	36,160,998	24,847,855
Other Income	20	1,079,945	767,927
Total Revenue		37,240,944	25,615,782
Expenses:			
Employee benefits expense	21	5,894,664	8,505,596
Finance costs	22	25,960,502	22,730,468
Depreciation	24	4,557,060	2,107,929
Other expenses	23	6,543,861	8,215,921
Total Expenses		42,956,087	41,559,914
Profit / (Loss) before tax		(5,715,143)	(15,944,132)
Tax expense:			
(a) Current tax			
(b) Deferred tax credit		1,478,187	690,119
Profit/(Loss) after tax		(4,236,956)	(15,254,013)
Earning per equity share:			
(1) Basic		(0.86)	(3.08)
(2) Diluted		(0.86)	(3.08)

See accompanying notes 1 to 31 forming part of the financial statements

For Manek & Associates
Chartered Accountants
Firm Registration No.: 126679W

Shailesh L. Manek
Proprietor
Membership No.: 034925

Mumbai, 29th May, 2015

For and on behalf of the Board

Asit C Mehta
Chairman

Kirit H Vora
Director

Purvi Ambani
Chief Financial Officer

Raj Gandhi
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

₹

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit/(loss) before tax		(5,715,143)		(15,944,131)
Adjustments for				
Depreciation & Amortization	4,557,060		2,107,929	
Interest income	(725,160)		(721,821)	
Dividend			-	
Loss / (Profit) on Sale of Investment	(354,786)		-	
Interest expense	9,652,969	13,130,084	1,355,464	2,741,571
Operating profit/(loss) before working capital changes		7,414,941		(13,202,560)
Adjustments for (increase)/Decrease in operating assets				
(Increase) / Decrease in Long Term loans & Advances	81,460		(5,700)	
(Increase) / Decrease in Short Term loans & Advances	(4,393,700)		26,836,646	
(Increase) / Decrease in Trade receivables	(815,092)		(5,436,002)	
(Increase) / Decrease in Other Current assets	47,483		(1,184,476)	
Adjustments for increase/(Decrease) in operating liabilities				
Increase / (Decrease) in Long Term liabilities	51,000,000		16,251,739	
Increase / (Decrease) in Long Term Provisions	(160,049)		120,248	
Increase / (Decrease) in Trade payables	(7,941)		(300,964)	
Increase / (Decrease) in Other current liabilities	(50,153,662)		109,376,461	
Increase / (Decrease) in Short term Provision	(25,638)	(4,427,140)	40,034	145,697,987
Cash used in operations before taxes		2,987,801		132,495,427
Refund recd / (Taxes paid)		(950,955)		(1,002,932)
Net cash used in operating activities - A		2,036,846		131,492,495
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-		(127,264,291)	
Interest Received	725,160		721,821	
Dividend Received				
Proceeds form Sale of investment	354,786			
Net cash used in investing activities - B		1,079,945		(126,542,470)
CASH FLOW FROM FINANCING ACTIVITIES				
(Repayment) / Proceed on Term Loan A/c	6,482,446		(3,523,212)	
Proceed of unsecured Loan (Net of repayments)				
Interest Paid	(9,652,969)		(1,355,464)	
Net cash used in financing activities - C		(3,170,523)		(4,878,676)
Net increase/(decrease) in cash & cash equivalents (A+B+C)= D		(53,732)		71,350
Cash and cash equivalents at the beginning of the year -E		10,444,889		10,373,539
Cash and cash equivalents at the end of the year (D+E)		10,391,157		10,444,889

NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

1. Cash & Cash Equivalents Include :		
Cash on Hand	32,984	43,817
Balance with Banks In Current Accounts	2,265,173	2,308,072
Balance with Banks In Fixed Deposit / Margin Account	8,093,000	8,093,000
	<u>10,391,157</u>	<u>10,444,889</u>
2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statements notified under the Companies (Accounting Standards) Rules, 2006.		

For Manek & Associates
Chartered Accountants
Firm Registration No.: 126679W

Shailesh L. Manek
Proprietor
Membership No.: 034925

Mumbai, 29th May, 2015

For and on behalf of the Board

Asit C Mehta
Chairman

Kirit H Vora
Director

Purvi Ambani
Chief Financial Officer

Raj Gandhi
Company Secretary

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

The Company is a public limited company domiciled and headquartered in India and is incorporated under the provisions of the Companies Act, 1956. The shares of the Company are listed on BSE Ltd. The Company holds investments exclusively of the group companies and earns dividend/interest from the same as and when declared/ due. The Company also earns rental income from the properties given on lease to the group companies. The Company has classified the aforesaid business as an 'investment activities'. The Company is also rendering 'Advisory and Consultancy Services'.

2 Significant Accounting Policies:

2.1 The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 to the extent applicable. The financial statements are presented in Indian Rupees.

2.2 The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognized in the period in which the results are known / materialize.

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

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

2.4 Cash flow statement

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

2.5 Revenue recognition

Revenue is recognized on accrual basis as under:

- a. Dividend is recognized when the right to receive the payment is established;
- b. Interest income is recognized on time proportion basis;
- c. Income from share trading activity is recognized on selling of shares;
- d. Revenue from advisory and consultancy services is recognised on rendering of services / work performed;
- e. Rental Income is accrued on time proportion basis relating to the period for which properties are let out.

2.6 Fixed Assets**a. Tangible Assets:**

Fixed assets other than office premises are stated as cost less accumulated depreciation. Based on an independent valuation of an approved valuer, the office premises were revalued in the financial year 2010-11 and have been stated at the revalued figure

b. Intangible Assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion. Cost includes original cost of acquisition, including incidental expenses related to such acquisition.

2.7 Depreciation/ Amortisation:

In respect of fixed assets acquired during the year, depreciation / amortisation is charged on a Straight-line method basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation basis. Further incase, where the remaining useful life has been completed on April 1, 2014 the carrying amount of assets, after retaining residual value, amounting to ₹3,90,051/- has been recognized in the opening balance of retained earnings.

2.8 Investments

Investments are classified into Long term and are carried at cost, less provision for diminution other than temporary in their value, determined separately for each individual investment basis and current investments which are carried at the lower of cost and fair value.

2.9 Employee Benefits

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

2.10 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of such asset till such time as the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

2.11 Earnings per share

Basic earnings per share are computed by dividing the profit /(loss) after tax by the weighted average number of equity shares outstanding during the year. There is no diluted earnings per share as there are no dilutive potential shares.

2.12 Taxes on Income

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rates of tax / substantively enacted tax rates by the Balance Sheet date, to the extent that the timing differences are expected to crystallize.

Deferred Tax Assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty of realization backed by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

2.13 Impairment of assets

The company reviews at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that the previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

2.14 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation. Contingent liabilities are disclosed in the notes separately.

Note 3 : Share Capital

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of ₹10 each	10,000,000	100,000,000	10,000,000	100,000,000
(b) Issued, Subscribed and paid up Equity shares of ₹10 each	4,952,560	49,525,600	4,952,560	49,525,600

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number	₹	Number	₹
Equity shares with voting rights				
- Outstanding at the beginning of the year	4,952,560	49,525,600	4,952,560	49,525,600
- Shares issued during the year	-	-	-	-
- Shares outstanding at the end of the year	4,952,560	49,525,600	4,952,560	49,525,600

- b) Details of shares held by each shareholder holding more than 5% of the aggregate shares in the Company:

Class of shares / Name of shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
1. Mr. Asit C. Mehta	22,84,138	46.12	22,84,138	46.12
2. Mrs. Deena A. Mehta	900,358	18.18	900,358	18.18
3. Asit C Mehta Commodity Services Ltd	400,470	8.09	400,470	8.09

- c) Details of forfeited shares

Class of shares	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Amount originally paid up	No. of shares	Amount originally paid up
Equity shares with voting rights	147,700	738,500	147,700	738,500
Equity shares with voting rights*	4,200	21,000	4,200	21,000

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

- d) The Company has only one class of shares referred to as equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by shareholders.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

Note 4 : Reserves and Surplus

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Capital Reserve	759,500	759,500
Securities Premium Account	41,043,960	41,043,960
Revaluation Reserve		
Opening Balance	352,365,048	358,477,327
Less: Utilised for set off against depreciation (Refer Note 4.1 below)	7,233,457	6,112,279
Closing Balance	345,131,591	352,365,048
General Reserve		
Opening Balance	-	12,010,546
Less: Adjusted against deficit balance in Statement of Profit and Loss A/c	-	(12,010,546)
Closing Balance	-	-
Surplus/Deficit balance in statement of Profit and Loss Account		
Opening Balance	(3,243,466)	-
Add : Loss for the year	(4,236,956)	15,254,012
Less: Adjusted against General Reserve	-	(12,010,546)
Less: Adjustment as per Schedule II to the Companies Act, 2013 (Refer Note 2.7)	(390,050)	
Closing Balance	(7,870,472)	(3,243,466)
Total	379,064,579	390,925,042

Note 4.1 :- Based on an Expert opinion, the depreciation on the revaluation amount has been debited to the Revaluation Reserve account instead of debiting to Profit and loss account.

Note 5 : Long term Borrowings - Secured

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
a. Term Loan from a Bank (refer note a(i) below)	-	822,433
b. Term Loan from STCI Finance Ltd (refer note a(ii) below)	100,000,000	150,000,000
c. Term Loan from Edelweiss Housing Finance Ltd. (refer note a (iii) below)	57,304,879	-
Total	157,304,879	150,822,433

Notes:

- a) The above loans including current maturities are secured by:
- Equitable mortgage of Office premises bearing nos 404B,504B and 604B at 'Nucleus House' Andheri E, Mumbai for the loans availed from a bank;
 - A deed of mortgage for Office premises located at 'Nucleus House', 'A' Wing, 3rd floor to 7th Floor (Previous year entire "A" wing containing ground floor to 7th Floor) Andheri East, Mumbai and also by irrevocable and unconditional personal guarantees of Mr. Asit C. Mehta and Mrs. Deena A Mehta Directors of the Company.
 - Secured by Equitable / registered mortgaged of the properties located at Nucleus House "B" Wing, 2nd and 7th Floor - Rate of Interest -13% Repayable in 180 Monthly installment including interest.
- b) Repayment terms of outstanding long-term borrowings (excluding current maturities) as on 31.3.2015
- Repayment of Term Loan from STCI Finance Ltd : Bullet payment - May, 2016;
 - Repayment of Term Loan of Edelweiss Housing Finance Ltd in 180 monthly installments of ₹7,59,146 per month commencing from May' 2014

Note 6 : Deferred Tax Liability

₹

Particulars	Deferred Tax Liability/(Asset) as at 1st April, 2014	Charge/(Reversal) during the Year	Deferred Tax Liability/(Asset) as at 31st March, 2015
Deferred Tax Liability			
Difference in book value and tax value of fixed assets	7,131,610	(1,429,297)	5,702,313
Total Liability	7,131,610	(1,429,297)	5,702,313
Deferred Tax Assets			
Unabsorbed Depreciation and Business Losses	(3,913,426)	(99,360)	(4,012,786)
43B items (Gratuity, leave encashment etc.)	(83,030)	50,470	(32,560)
Total Assets	(3,996,456)	(48,890)	(4,045,346)
Total	3,135,155	1,478,187	(1,656,967)

Note 7 : Other Long-term liabilities

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Security deposit received from : (refer note 28.3)		
- Wholly owned subsidiary	22,000,000	11,000,000
- An associate concern / Subsidiary	26,251,740	26,251,740
Inter corporate Borrowing (refer note 28.3)	40,000,000	-
Total	88,251,740	37,251,740

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

Note 8 : Long-term provision ₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for gratuity	103,736	219,943
Provision for Compensated absences	-	43,842
Total	103,736	263,785

Note 9 : Trade Payable ₹

Particulars	As at 31 March, 2015	As at 31 March, 2014
Micro, Small and Medium Enterprises (refer note 27)	-	-
Others	271,646	279,587
Total	271,646	279,587

Note 10 : Other Current liabilities ₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Current Maturities of Long Term borrowings	2,318,048	3,170,000
Interest payable on borrowings accrued and due	-	359,084
Security Deposit from wholly-owned subsidiary	-	11,000,000
Interest payable on borrowings accrued but not due	556,446	1,633,870
Due to subsidiary towards purchase of fixed assets (refer note 28.3)	58,064,720	95,567,139
Unclaimed dividends	169,951	419,919
Statutory dues	9,063,648	8,176,463
Total	70,172,813	120,326,475

Note 11 : Short term provisions ₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for employee benefits		
Towards PF payable	16,366	38,719
Towards Gratuity	1,633	4,010
Provision for Compensated absences	-	908
Total	17,999	43,637

Note 12 : FIXED ASSETS - Non current

Tangible Assets ₹

Particulars	Tangible							Total
	Office Premises	Computers	Electrical Fittings	Air Conditioners	Furniture	Office Equipment	Projector	
A. Cost of Assets								
As at 31.3.2013	489,449,434	-	587,841	351,822	4,309,740	530,398	148,650	495,377,885
Additions	127,131,781	12,075	-	-	29,211	91,224	-	127,264,291
Sales / Discards								
As at 31.3.2014	616,581,215	12,075	587,841	351,822	4,338,951	621,622	148,650	622,642,176
Additions	-	-	-	-	-	-	-	-
Sales / Discards	-	-	-	-	-	-	-	-
As at 31.3.2015	616,581,215	12,075	587,841	351,822	4,338,951	621,622	148,650	622,642,176
B. Depreciation								
As at 31.3.2013	37,776,374	-	296,182	258,754	2,687,246	393,402	89,687	41,501,645
Charges for the year	8,006,413	979	27,872	14,820	129,500	33,563	7,061	8,220,208
Deduction on sale or discard								
As at 31.3.2014	45,782,787	979	324,054	273,574	2,816,746	426,965	96,748	49,721,853
Charges for the year	11,399,145	4,195	-	34,996	332,682	19,499	-	11,790,517
Adjustment - Transfer to Reserve	-	-	234,395	25,662	-	85,524	44,470	390,050
As at 31.3.2015	57,181,932	5,174	558,449	334,232	3,149,428	531,988	141,218	61,902,421
C. Written Down Value As at :								
31.3.2015	559,399,283	6,901	29,392	17,590	1,189,523	89,634	7,432	560,739,755
31.3.2014	570,798,428	11,096	263,787	78,248	1,522,205	194,657	51,902	572,920,323
31.3.2013	451,673,060	-	291,659	93,068	1,622,494	136,996	58,963	453,876,239
Adjustment in respect of depreciation pertains to those assets whose useful life term as per the Schedule II of the Companies Act, 2013 had expired as at 1.4.2014 and as a consequence the same is adjusted against reserves. (refer note 2.7)								

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

Note 13 : Non-current investments

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Investments:		
Trade - Unquoted (refer note 28.3)		
i) In Equity Instruments:		
a) of wholly-owned subsidiary 30,00,000 (Previous year 30,00,000) equity shares of ₹10 each fully paid in Nucleus IT Enabled Services Ltd.	30,000,000	30,000,000
b) in Subsidiary Company* 55,61,111 (Previous year 23,50,000) equity shares of ₹10 each fully paid in Asit C Mehta Investment Intermediates Ltd.	124,657,070	28,323,740
ii) In Debentures		
Nil (Previous year: 32,11,111) unsecured fully paid 15.25% convertible debentures of ₹30 each fully paid of Asit C. Mehta Investment Intermediates Ltd.(an associate company) convertible not later than 5 years	-	96,333,330
Total	154,657,070	154,657,070

*on conversion of debentures into equity shares, the Associate concern became a subsidiary with effect from 15.12.2014.

Note 14 : Long term loans and advances

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured and considered good		
Advance Income Tax	4,393,577	3,442,622
Deposits	520,934	519,734
Others	1,192,393	1,275,053
Total	6,106,904	5,237,409

Note 15 : Trade Receivables

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Receivable outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	2,403,982	4,386,002
Other receivables	3,847,112	1,050,000
Total	6,251,094	5,436,002

Note 16 : Cash and Cash Equivalents

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
a. Cash on hand	32,984	43,817
b. Balances with bank		
i) in current accounts	2,265,173	2,308,072
ii) Fixed Deposits with Banks having Maturity of not more than Twelve months	8,093,000	8,093,000
Total	10,391,157	10,444,889

Note 17 : Short-term Loans and Advances

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured and considered good:		
Due from Nucleus GIS And ITeS Ltd (a wholly-owned subsidiary) (refer note 28.3)	6,664,633	-
Deposit	-	1,200,000
Balances with Government		
Service Tax Credit	34,771	410,415
Pre-paid expenses	333,524	908,112
Others	3,296	123,997
Total	7,036,224	2,642,524

Note 18 : Other Current Assets

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Interest receivable	1,187,755	1,235,238
Total	1,187,755	1,235,238

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

Note 19 : Revenue From operations

₹

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A) Interest		
i) Debenture Interest	10,384,208	14,690,837
ii) From subsidiary	1,319,728	1,459,419
B) Rental Income	14,624,580	1,589,250
C) Profit on trading in securities/currencies	325,616	260,876
D Advisory charges	9,506,867	6,847,473
Total	36,160,998	24,847,855

Note 20 : Other Income

₹

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
a) Interest Income:		
- on Bank Deposits	725,160	721,821
b) Profit on sale of investment	354,786	-
c) Credit balances written-back	-	46,106
Total	1,079,945	767,927

Note 21 : Employee Benefit Expenses

₹

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
a) Salary and allowance	5,522,676	8,074,490
b) Contribution to PF and other fund	95,050	248,589
c) Staff welfare expense	29,530	58,220
d) Gratuity	89,108	79,547
e) Leave encashment	158,300	44,750
Total	5,894,664	8,505,596

Note 22 : Finance Costs

₹

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
a) Interest expense on:-		
- Term Loans	23,721,633	22,107,010
- Others	80,151	40,739
b) Other borrowing costs		
Loan processing ,registration fee and stamp duty	1,580,000	-
Bank Charges	578,718	582,719
Total	25,960,502	22,730,468

Note 23 : Other Expenses

₹

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Insurance	45,394	28,667
Rates and Taxes	3,749,613	2,750,044
Legal and Professional fees	911,056	515,877
Directors sitting fees	152,500	125,000
Leave and Licence fees	150,000	1,950,000
Electricity charges	18,874	133,261
Conveyance & Travelling	112,752	486,259
Auditor remuneration –		
Audit fees	125,000	125,000
Tax Audit	25,000	25,000
Other Services	116,682	102,556
Repairs and Maintenance – Building	629,000	1,403,023
Miscellaneous Expenses	507,991	571,234
Total	6,543,861	8,215,921

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

24 Depreciation and amortization

₹

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Depreciation for the year on tangible assets as per note 12	11,790,517	8,220,208
Less: Utilized from revaluation reserve	7,233,457	6,112,279
Total Depreciation and amortization	4,557,060	2,107,929

Consequent to the revaluation there is an additional charge of depreciation of ₹72,33,457 (Previous Year ₹61,12,279) and an equivalent amount has been recouped from Revaluation Reserve Account, based on an expert opinion (refer note 4.1)

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

Particulars	31.3.2015	31.3.2014	31.3.2013	31.3.2012	31.3.2011
Description of Asset:					
- Office premises	*	*	*	*	*
Amount added on revaluation					356,280,803
Date of addition					31.3.2011

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

25 Contingent liabilities (to the extent not provided for)

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Service Tax Matter under dispute	6,798,386	6,798,386
FERA matter (refer Note 26)	10,000,000	10,000,000
Disputed Property Taxes	2,991,348	1,900,810

- 26 a) The Company received pay orders valuing to ₹50.72 lacs from a customer in the financial year 1994-95 in respect of Money Changing business that were dishonored by a nationalized bank as per the instructions of Directorate of Revenue & Intelligence. The Company had challenged the proceeding before the Customs, Excise and Gold (Control), Appellate Tribunal, Mumbai (CEGAT) which gave the ruling in favour of the Company for which the company has furnished a bank guarantee of ₹26.86 lacs (previous year ₹26.86 lacs). The Customs Department filed a reference petition before the Hon'ble High Court of Judicature at Bombay and the same is pending for disposal.

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

- b) The Service Tax Department had raised a demand of ₹67,98,386/-, reflected above in contingent liability, by passing an Ex parte order dated 11th April 2008. The Company has preferred an appeal and the same is still pending and the management, based on expert advice, is confident that the demand is not sustainable and hence no provision for the same is made in the books of accounts.

- 27 The Company has not received any intimation from the 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore no such disclosure under the said act is considered necessary. This has been relied upon by the auditors

28 Disclosures under Accounting Standards

28.1 Employee benefits plan

a. Post-employment benefit plans

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the year in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight line basis over the average period until the benefits become vested.

The retirement benefit obligations recognized in the balance sheet represents the present value of the defined benefit obligations as adjusted for unrecognized past service cost.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

b. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

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

Particulars	Gratuity		Leave encashment	
	As at 31st March,		As at 31st March,	
	2015	2014	2015	2014
Reconciliation of liability recognized in the Balance sheet				
Present value of commitments at the year end	105,369	223,953	-	44,750
Fair value of plans				
Net liability in the Balance sheet	105,369	105,369	-	44,750
Movement in net liability recognized in the Balance sheet				
Net liability at the beginning of the year	223,953	144,406		-
Net expense recognized in the Profit and Loss account	89,108	79,547	-	44,750
Contribution during the year	(207,692)	-		
Net liability at the year end	105,369	223,953	-	44,750
Expense recognized in the Statement of Profit and Loss				
Current service cost	53,788	89,500	-	37,937
Interest cost	11,050	11,769		
Expected return on plan assets				
Actuarial (gains)/ losses	24,270	(21,722)	-	6,813
Expense charged to the Profit and Loss account	89,108	79,547	-	44,750
Return on plan assets				
Expected return on plan assets				
Actuarial (gains)/ losses				
Actual return on plan assets				
Reconciliation of defined-benefit commitments				
Commitments at the beginning of the year	223,953	144,406		
Current service cost	53,788	89,500	-	37,937
Interest cost	11,050	11,769		
Paid benefits	(207,692)	-	-	
Actuarial (gains)/ losses	24,270	(21,722)	-	6,813
Closing balance of the fair value of the defined plan at the year end	105,369	223,953	-	44,750

Note: Since the leave encashment liability did not exist at the year end figures of reporting period are not given.

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

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

Particulars	
Mortality	IALM (2006-2008) Ult
Discount Rate	7.87%
Withdrawal rate	0.80%
Rate of increase in compensation	5%

28.2 Segment Information

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

Business Segments:

a. Investment activities

b. Advisory and Consultancy services

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

₹

Particulars	Investment activities	Advisory and Consultancy	Total
Segment Revenue:			
External revenue	26,654,132	9,506,867	36,160,998
Segment Results	(910,411)	3,189,573	2,279,162
Less: Interest expense			9,074,251
Add: Other Income			1,079,945
Total profit / (loss) before tax			(5,715,143)
Capital employed			
Segment Assets	737,449,117	6,252,481	743,701,598
Unallocable assets			2,668,361
Total Assets			746,369,959
Segment liabilities	317,386,399	121,735	317,508,134
Unallocable liabilities			271,646
Total liabilities			317,779,780
Segment Capital Employed	420,062,719	6,130,746	426,193,465
Unallocable			2,396,715
Total Capital Employed			428,590,179
Capital Expenditure	-	-	-
Depreciation			4,557,060
Non-cash expenses	-	-	-

28.3 Related parties transactions

- A) Related parties where control exists:
- i) Wholly Owned Subsidiary: Nucleus IT Enabled Services Ltd (formerly known as Nucleus GIS And ITES Ltd)
 - ii) Asit C Mehta Investment Intermediates Ltd -
 - a) as Associate concern upto 14.12.14;
 - b) as Subsidiary company from 15.12.2014.
- B) Related parties where significant influence exists and where transactions have taken place:
- Common control:-
 - Asit C Mehta Forex Private Limited
 - Asit C Mehta Real Estate Services Pvt. Ltd. (Formerly known as All Alertz.com (India) Pvt. Ltd.)
- C) Key Management Personnel
Mr. Asit C Mehta and Mrs. Deena A. Mehta
- D) Transactions with related parties

₹

Name of the related party	Nature of Transaction	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Nucleus IT Enabled Services Limited	Rent Received	5,814,000	1,240,500
	Interest received	1,319,728	1,459,419
	Leave & License Deposit Received	-	11,000,000
	Short term loan given	156,811,869	26,970,000
	Short term loan received back	150,147,236	54,970,000
	Short term loan taken	12,565,000	30,640,000
	Short term loan returned	12,565,000	30,640,000
	Interest paid	-	33,990

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

Asit C Mehta Investment Intermediates Ltd	Debenture Interest received	10,384,208	14,690,837
	Leave & License Deposit Received	-	26,251,740
	Leave & License Deposit repaid	-	1,000,000
	Office Premises purchased	-	120,968,000
	Rent Received	8,750,580	288,750
	Conversion of debentures into equity shares	96,333,330	-
Asit C Mehta Forex Pvt Ltd	Rent Received	60,000	60,000
Asit C Mehta Commodity Services Ltd.	Loan Received	40,000,000	-
	Interest Paid	24,110	-
Mr. Asit C Mehta	Sitting fees paid	25,000	25,000
	Rent Paid	150,000	1,950,000
	Loan Received	200,000	-
	Loan Repaid	200,000	-
	Interest Paid on Loan	663	-
	Leave & License deposit given	-	1,200,000
	Leave & License deposit received	1,200,000	-

₹

Name of the related party	Nature of Transaction	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Mrs. Deena A Mehta	Sitting fees paid	20,000	20,000
	Interest Paid on Loan	1,425	-
	Loan Received	430,000	-
	Loan Repaid	430,000	-

Outstanding Balance as at close of the year

₹

	31.03.2015	31.03.2014
Receivable:		
Nucleus IT Enabled Services Limited	6,664,633	-
Asit C Mehta Investment Intermediates Ltd	-	123,997
Mr. Asit C Mehta	-	1,200,000
Payable:		
Nucleus IT Enabled Services Limited	22,000,000	22,000,000
Asit C Mehta Investment Intermediates Ltd	84,316,460	121,818,879
Asit C Mehta Real Estate Services Pvt. Ltd. (Formerly known as All Alertz.com (India) Pvt. Ltd.)	-	359,084
Asit C Mehta Commodity Services Ltd.	40,000,000	-

28.4 Earnings per share:

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

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A) Weighted average number of equity shares of ₹10 each outstanding during the year.	4,952,560	4,952,560
B) Net profit /(Loss) after tax attributable to shareholders	(4,236,956)	(15,254,013)
C) Basic and diluted earnings per share	(0.86)	(3.08)

- 29 Loans and advances include Balance with Nucleus Stock Trust representing ₹118,985 (Previous year: ₹127,251) equity shares of the company issued pursuant to the Scheme of amalgamation approved by the Hon'ble Bombay High Court vide its order dated February 10, 2006. The Company is the sole beneficiary in Nucleus Stock Trust.
- 30 As at 31st March, 2015, there was a complete erosion in the net worth of Nucleus IT Enabled Services Ltd (a wholly-owned subsidiary of the Company) in which investment at the cost of ₹300 lacs, in 30 lacs equity shares of ₹10 each have been made by the Company. However, the Company is of the opinion that the above investment is strategic and long-term in nature and diminution, if any, in the value of investments is temporary in nature and as a consequence no provision for diminution in the value of Equity shares of Nucleus IT Enabled Services Ltd is made.
- 31 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For Manek & Associates
Chartered Accountants
Firm Registration No.: 126679W

For and on behalf of the Board

Shailesh L. Manek
Proprietor
Membership No.: 034925

Asit C Mehta
Chairman

Kirit H Vora
Director

Mumbai, 29th May, 2015

Purvi Ambani
Chief Financial Officer

Raj Gandhi
Company Secretary

INDEPENDENT AUDITORS' REPORT

To,

The Members,

ASIT C MEHTA FINANCIAL SERVICES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ASIT C MEHTA FINANCIAL SERVICES LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company, its subsidiaries together referred to as "the Group"), and its associate comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (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 including its associate 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 respective Board of Directors of the companies included in 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 Board of 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 auditor in term of their report referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

1. The Deferred Tax Asset pertaining to the subsidiary, Asit C Mehta Investment Intermediaries Limited(ACMIIL), are carried at ₹1,72,35,300/-. The other auditor of subsidiary ACMIIL, who audited the financial statements / financial information of the subsidiary, has reported that the Management has partially reviewed the deferred tax asset of ₹1,83,07,346/- arising out of the past business losses and unabsorbed depreciation as ACMIIL is virtually certain about the future taxable profits. The report of the other auditor states that, in the absence of adequate evidence supporting the views taken by ACMIIL as above, including the virtual certainty with regards to future profits, the partial review and resultant carry forward of the said deferred tax asset, does not fulfill the requirements, inter alia, of writing it down, as specified in the AS 22 "Accounting for Taxes on Income". The report of the other auditor states that ACMIIL has reviewed the said deferred tax asset and written it down by ₹1,83,07,346/-, then the Statement of Profit and Loss of ACMIIL, would have reflected net loss of ₹1,02,78,873/-, and to the extent of not writing down the said deferred tax asset, the Non-current Assets and consequently, the Reserves and Surplus are overstated.
2. The Trades Receivables of ACMIIL are carried at ₹1,97,53,407/-. The other auditor who audited the financial statements / financial information of the subsidiary ACMIIL has reported that they were unable to obtain sufficient appropriate audit evidence about their carrying amounts as well as their realisability and that they remained unrealized since last four years. The report of the other auditor states that, in absence of sufficient appropriate audit evidence supporting to the carrying amounts and its resultant realisability, they are unable to express an audit opinion about the subsidiaries' view for non-provision for doubtful debts, in the current year. To this extent, the net profit for the current year, reserves and Surplus and

the Non Current Assets stand overstated, had the provision for doubtful debts made prudently for the said trade receivables in the current year.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the 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 and its associates as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of the subsidiary ACMIL, (erstwhile associate till 14/12/2014), whose financial statements reflect total assets of ₹758,728,639/- as at 31st March, 2015, total revenues of ₹306,230,670/-, and net cash outflows amounting to ₹4,809,649/-, for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the above Subsidiary's share of net profit of ₹8,028,472/-, for the year ended 31st March, 2015, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate, 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 and associate, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, 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 report of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' reports of the Holding company, Subsidiary companies and associate company incorporated in India to whom the Order is applicable, we give in the Annexure 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, to the extent applicable, that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, except for the effects of the matters described in the Basis for Qualified opinion paragraph above, proper books of account as required by law, relating to preparation of the aforesaid consolidated financial statements, have been kept so far as appears from our examination of those books and the report of the other auditor.
 - (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 books of accounts maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid 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 written representations received from the directors of the Holding Company and subsidiary companies as on 31st March 2015, taken on record by the respective Board of Directors of the two companies and the report of the other statutory auditor of its subsidiary company and associate company, we report that none of the Directors of the three companies incorporated in India are disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164(2) of the Act, and
 - (f) 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 consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group & its associate-Refer Note 27 to the consolidated financial statements.
 - (ii) The Group & its associate did not have any long-term contract including derivative contract for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group & its associate incorporated in India.

For MANEK & ASSOCIATES
Chartered Accountants
Firm Registration No.: 126679W

(SHAILESH MANEK)
Proprietor

Membership No.: 034925

Mumbai
Dated: 29th May, 2015

The Annexure referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory requirements” of our Independent Auditors’ Report of even date to the members of Asit C Mehta Financial Services Limited, on the consolidated financial statements for the year ended 31st March, 2015.

Our reporting on the Order includes a Wholly Owned Subsidiary (WOS) audited by us, to which the Order is applicable and includes a subsidiary / associate, ACMIL, incorporated in India, to which the Order is applicable, which has been audited by the other auditor and our report in respect of these entity is based solely on the report of the other auditor, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

We report that:

- (1) In respect of the fixed assets of the Holding Company and subsidiary/associate companies incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Holding Company and subsidiary Company have a regular program of physical verification of its fixed assets under which all fixed assets are verified in a phased manner over a period 3 years. In our opinion, this periodicity of physical verification is reasonable having regarded to the size of the Company and the nature of its assets. However, the report of the other auditor, in case of a subsidiary, states that in their opinion there was no physical verification of fixed assets at reasonable interval of time by the management. According to the information and explanation given to us and the other auditor, in our opinion no material discrepancies were noticed on such verification except for in case of a subsidiary where the other auditor has opined that it is not possible to report on discrepancy if any, since physical verification of fixed assets was not carried out.
- (2) In our opinion the Holding Company and a Subsidiary Company have not entered into any transactions during the year involving inventories. Therefore, the provisions of clause 3 (ii) (a), (b) and (c) of the order are not applicable to the Company. In case of a subsidiary, in other auditor’s opinion:
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (3) The Holding company had granted interest bearing unsecured loan to its WOS covered in the register maintained under section 189 of the Companies Act, 2013. The subsidiary had granted unsecured loans to another company during the period it was a wholly owned subsidiary.
 - (a) The group and its associate is regular in recovering the principal amount and interest as stipulated
 - (b) There were no overdue amounts of more than rupees one lac in respect of the loan granted and hence clause 3(iii)(b) of the order, is not applicable to the group and its associate.
- (4) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and other auditor, there were adequate internal control systems commensurate with the size of the Holding company and subsidiary companies/ associate company and the nature of its business with regard to purchases of inventories, fixed assets and the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system. In our opinion and according to the information and explanations given to us and to the other auditor, there is no sale of goods during the year and therefore, clause 3(iv) of the Order to that extent, is not applicable to the group and its associate.
- (5) The Holding Company and its WOS have not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, and the Rules framed there under are not applicable, and also no orders were passed by National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal and therefore close 3(v) of the order is not applicable.

Further, in the opinion of the other auditor and according to the information and explanation given to the other auditor, a subsidiary company has accepted deposits from the public and complied with the sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, as amended and has also complied with the directive issued by the reserve bank of India with regard to the deposits accepted. According to the information and explanations given by other auditors, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

- (6) According to information and explanations given to us and other auditor, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013 in respect of the service activities carried on by the Group and its associate and therefore, the provision of clause 3(vi) of the Order is not applicable.
- (7) According to the records of the Company and the information and explanations given to us and the other auditor, in respect of statutory dues of the Holding Company, subsidiary companies and associate company incorporated in India:
- (a) The respective entities are regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) There is no disputed amount payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess. Details of disputed dues in respect of Foreign Exchange Regulation Act, Service Tax and Property Tax which have not been deposited as on March 31, 2015 on account of any dispute are given below.

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
<i>Foreign Exchange Regulation Act, 1973</i>	<i>Contravention of FERA regulations</i>	<i>10,000,000</i>	<i>1994-1995</i>	<i>Appellate Tribunal Foreign Exchange</i>
<i>Service Tax</i>	<i>Service tax on Brokerage Income</i>	<i>6,798,386</i>	<i>1996-2000</i>	<i>Commissioner of Central Excise (Appeals)</i>
<i>Property Tax</i>	<i>Property Tax on Premises</i>	<i>8,416,221</i>	<i>2011-2015</i>	<i>Brihanmumbai Mahanagar Palika</i>

- (c) According to the information and explanation given to us, there are no undisputed dues of income tax, sales tax, service tax, customs duty, wealth tax, excise duty and cess which have not been deposited except property tax as per detail given below.

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where the amounts not deposited
<i>Property Tax</i>	<i>Property Tax on Premises</i>	<i>8,416,221</i>	<i>2011-2015</i>	<i>Brihanmumbai Mahanagar Palika</i>

- (d) According to the information and explanations given to us, the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under have been transferred to such fund, within the time limits prescribed.
- (8) The Holding Company and subsidiary companies/associate company incorporated in India do not have consolidated accumulated losses at the end of the financial year. The group and its associates have incurred cash losses during the financial year covered by our audit as well as in the immediately preceding financial year considering ACMIL as an associate in the preceding financial year.
- (9) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditors, the Holding Company and subsidiary companies/ associate company incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (10) According to the information and explanations given to us, the Holding company has given guarantees for loans taken by others from banks or financial institutions. We are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company. According to the information and explanations given to us and the other auditor, the subsidiaries and its associate have not given any guarantees and hence the clause is not applicable to that extent.
- (11) In our opinion and in the opinion of the other auditor, and according to the information and explanations given to us and the other auditor, the term loans availed by the group and its associate were prima facie applied by the group and its associate for the purpose for which the loans were obtained.
- (12) Based on the audit procedures performed and to the best of our knowledge and according to the information and explanations given to us and the other auditor, no fraud on or by the group and its associates have been noticed or reported during the year, nor have we or the other auditor been informed about any such case by the management.

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

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

**Mumbai
Dated: 29th May, 2015**

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

₹

Particulars	Note No	As at 31st March, 2015	As at 31st March, 2014
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	49,525,600	49,525,600
(b) Reserves and Surplus	4	280,463,146	310,653,004
Minority Interest		140,948,071	-
Non-Current Liabilities			
(a) Long-term borrowings	5	225,304,879	150,822,433
(b) Deferred tax liabilities (Net)	6a	1,656,967	3,135,154
(c) Other Long term liabilities	7	78,270,357	26,251,740
(d) Long term provisions	8	1,179,272	982,428
Current Liabilities			
(a) Short term borrowings	9	216,378,395	55,975,000
(b) Trade payable	10	17,501,192	1,142,489
(c) Other current liabilities	11	294,243,414	116,454,195
(d) Short-term provisions	12	230,311	60,206
Total		1,305,701,604	715,002,249
II. ASSETS			
Non-Current Assets			
(a) Fixed assets	13		
(i) Tangible assets		677,253,975	575,782,978
(ii) Intangible assets		46,340,247	-
(b) Non-current investments	14	32,023,588	96,333,330
(c) Deferred tax Assets (Net)	6b	17,235,300	-
(d) Long term loans and advances	15	98,479,890	6,498,216
(e) Other non-current assets	16	48,911,333	10,477,740
Current Assets			
(a) Trade Receivables	17	22,039,298	9,823,512
(b) Cash and cash equivalents	18	221,976,786	11,619,272
(c) Short term Loans and advances	19	46,755,897	3,206,717
(d) Other Current Assets	20	94,685,290	1,260,484
Total		1,305,701,604	715,002,249

See accompanying notes 1 to 41 forming part of the financial statements

For Manek & Associates
Chartered Accountants
Firm Registration No.: 126679W

Shailesh L. Manek
Proprietor
Membership No.: 034925

Mumbai, 29th May, 2015

For and on behalf of the Board

Asit C Mehta
Chairman

Kirit H Vora
Director

Purvi Ambani
Chief Financial Officer

Raj Gandhi
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

₹

Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Revenue from Operations	21	136,365,546	45,139,610
Other Income	22	7,203,871	850,113
Total Revenue		143,569,417	45,989,723
Expenses:			
Employee benefits expense	23	40,534,227	25,097,900
Finance costs	24	40,957,972	27,079,395
Depreciation and amortisation expense	28	11,317,052	2,929,054
Other expenses	25	74,127,855	14,028,412
Total Expenses		166,937,106	69,134,761
Profit / (Loss) before tax		(23,367,689)	(23,145,038)
Tax expense:			
(a) Current tax		-	-
(b) Deferred tax credit		2,348,322	690,119
(c) Prior period tax adjustment		(1,068,686)	-
Profit/(Loss) after tax before Minority Interest		(22,088,053)	(22,454,919)
Less: Minority Interest		1,772,807	-
Add: Share of profit / loss of Associate	38	-	-
Profit after tax, Minority Interest and share of profit of Associate		(23,860,860)	(22,454,919)
Earning per share	35		
(1) Basic		(4.82)	(4.53)
(2) Diluted		(4.82)	(4.53)

See accompanying notes 1 to 41 forming part of the financial statements

For Manek & Associates
Chartered Accountants
Firm Registration No.: 126679W

Shailesh L. Manek
Proprietor
Membership No.: 034925

Mumbai, 29th May, 2015

For and on behalf of the Board

Asit C Mehta
Chairman

Kirit H Vora
Director

Purvi Ambani
Chief Financial Officer

Raj Gandhi
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

₹

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit/(loss) before tax		(23,367,689)		(23,145,038)
Adjustments for				
Depreciation & Amortization	11,317,052		2,929,054	
Loss on sale of fixed assets / asset discarded	11,283		-	
Fixed Assets Written Off	293,961		-	
Impairment Loss On Assets held for Disposal	1,900,274		-	
Interest Expenses	24,650,439		5,704,391	
Interest income	(5,953,683)		(787,020)	
Dividend Income	(21,685)		-	
Loss / (Profit) on Sale of Investment	(374,393)	31,823,248	-	7,846,425
Operating profit/(loss) before working capital changes		8,455,559		(15,298,614)
Adjustments for:				
Changes in Current Assets				
(Increase) / Decrease in Long Term loans & Advances	(89,962,033)		(137,132)	
(Increase) / Decrease in Short Term loans & Advances	(43,549,180)		(2,543,720)	
(Increase) / Decrease in Trade receivables	(12,215,786)		(6,521,015)	
(Increase) / Decrease in Other Current assets	(93,424,806)		(1,191,595)	
(Increase) / Decrease in Other Non Current Assets	(38,433,593)		-	
Changes in Current Liabilities				
Increase / (Decrease) in Long Term liabilities	52,018,617		16,251,740	
Increase / (Decrease) in Long Term Provisions	196,844		97,842	
Increase / (Decrease) in Trade payables	16,358,703		(42,583)	
Increase / (Decrease) in Other current liabilities	177,789,219		102,123,511	
Increase / (Decrease) in Short term Provision	170,105	(31,051,910)	(57,276)	107,979,773
Cash used in operations before taxes		(22,596,351)		92,681,159
Refund recd / (Taxes paid)		(2,019,641)		1,292,704
Net cash used in operating activities- A		(24,615,992)		91,388,455
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(973,248)		(127,848,621)	
Interest Received	5,953,683		787,020	
Dividend Received	21,685		-	
Acquisitions of Minority Interest	19,361,591		-	
Proceeds form Sale of investment	374,393		-	
Net cash used in investing activities - B		24,738,104		(127,061,601)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

₹

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
CASH FLOW FROM FINANCING ACTIVITIES				
(Repayment) /Proceed on Term Loan A/c	56,482,446		(3,523,212)	
Issue of 14% Debentures	18,000,000		-	
(Repayment) /Borrowing of Short Term Loan	160,403,395		45,825,000	
Interest Paid	(24,650,439)		(5,704,391)	36,597,397
Net cash used in financing activities -C		210,235,402		36,597,397
Net increase/(decrease) in cash & cash equivalents (A+B+C)=D		210,357,514		924,252
Cash and cash equivalents at the beginning of the year - E		11,619,272		10,695,021
Cash and cash equivalents at the end of the year (D+E)		221,976,786		11,619,272

NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Cash & Cash Equivalents Include :				
Cash on Hand		233,594		52,038
Balance with Banks In CurrentAccounts		23,948,613		3,474,234
Balance with Banks In Fixed Deposit / Margin Account		197,794,579		8,093,000
		221,976,786		11,619,272

For Manek & Associates
Chartered Accountants
Firm Registration No.: 126679W

For and on behalf of the Board

Shailesh L. Manek
Proprietor
Membership No.: 034925

Asit C Mehta
Chairman

Kirit H Vora
Director

Mumbai, 29th May, 2015

Purvi Ambani
Chief Financial Officer

Raj Gandhi
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
1. SIGNIFICANT ACCOUNTING POLICIES
a) Basis for Preparation of Consolidated Financial Statements:

The Consolidated Financial Statements relate to Asit C Mehta Financial Services Limited ('the Company') and its following subsidiaries/Associate.

Name of the Company	Country of Incorporation	% of voting power held as at 31.3.2015
1. Nucleus IT Enabled Services Ltd	India	100.00
2. Asit C Mehta Investment Intermediates Ltd (Associate concern upto 14.12.2014)	India	29.75
3. Asit C Mehta Investment Intermediates Ltd ("ACMIIL")	India	50.05*

*acquired controlling stake on 15.12.2014

During the current year, the excess of the cost to the Company of its investment in ACMIIL over the Company's portion of equity of ACMIIL amounting ₹400.12 lacs, at the date of acquiring controlling stake, has been treated as 'Goodwill on Consolidation' and is shown separately in Fixed Assets. This 'Goodwill on Consolidation' will be tested for impairment at each reporting date.

The Financial Statements of the Subsidiary used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31.3.2015.

The Financial Statements of the Company and the Subsidiary have been prepared under historical cost convention on an accrual basis and comply with accounting principles generally accepted in India.

b) Principles of Consolidation:

The financial statements of the subsidiary companies and jointly controlled entities used in the consolidation are drawn upto the same reporting date as that of the company i.e., 31 March, 2015.

The financial statements of the subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of interests in Joint Ventures. The intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.

The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis.

Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in equity, subsequent to the dates on investment. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

Goodwill arising on consolidation is not amortised but tested for impairment.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

c) FIXED ASSETS, INTANGIBLES, VALUATION, DEPRECIATION AND AMORTISATION:

- i) Fixed assets, other than Office Building Premises, are stated at cost of acquisition as reduced by input tax credit available under Service Tax Rules/CENVAT Credit Rules and as reduced by accumulated depreciation and amortization. Cost of fixed assets comprises purchase price, duties, levies and any directly attributable cost to bring the asset to its working condition for the intended use.
- ii) Office Building Premises are stated at amount as revalued as at 31.03.2011 by an approved valuer and the difference between historical cost and amount so revalued is credited to Revaluation Reserve.
- iii) Expenses on intangibles (software / licenses) are capitalized if the same are likely to provide significant economic benefits over the future period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

iv) Depreciation/ Amortisation:

In respect of fixed assets acquired during the year, depreciation / amortisation is charged on a Straight-line method basis except in case of wholly-owned subsidiary depreciation / amortisation is charged on written down value basis, so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014 the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation basis. Further incase, where the remaining useful life has been completed on April 1, 2014 the carrying amount of assets, after retaining residual value, amounting to ₹20,36,720/- has been recognized in the opening balance of retained earnings.

In case of wholly owned subsidiary Intangible asset being computer software is amortized over a period of three years for which the Company expects the benefits to accrue.

- In respect of ACMIIL - the subsidiary of the Company:

In respect of each item of the Fixed Assets, existing on the date of the applicability of the requirements of the Schedule II, i.e. on April 1, 2014 the Company has got evaluated technically by the Valuation Advisor, by examining physically each such items of Fixed Assets, as to their possible total useful lives from the respective dates of purchases, acquisition, etc. and based thereon, the balance remaining useful lives. Also, in respect of additions during the year, the Company has adopted the useful lives of respective item of fixed assets as determined by the Valuation Advisor.

These useful lives, as determined by the Valuation Advisors, are different from the useful lives as specified in Part C of the Schedule II, and the details of which are as under:

Assets	As per Valuer's report	As per Part C of Schedule II	Justification for adopting longer useful lives
Furniture and Fixture	12 Years	10 years	i) Due to Regular Maintenance through Qualified Technicians on site.
Computer - End Users	8 years	3 Years	
Computer - Server,HUB, Router	10 years	6 years	ii) Maintenance Contract from Specialist or Original Manufacturer of the product, this ensures quality of services to get longer economic benefit from the product
Office Building	63 Years	60 years	
Office Equipment	11 years	5 years	iii) Turn around and quality of the Spares used which serve the purpose without need for changes to higher or newer technologies.
Other Equipment **	14 Years	5 years	
Electrical Installation	14 Years	10 years	
Vehicles	10 years	8 years	
Lift	32 Years	15 years	

** Other equipment are Air Conditioners , Communication System and DG sets

Intangible assets, including Softwares and software licenses etc. are amortised over the period during which the company expects to obtain economic benefits, but in no case exceeding ten years from the date of acquisition. The residual value of intangible assets including Softwares and software licenses etc. has been adopted as nil.

Intangible assets, including Softwares and software licenses etc. are amortised on straight line method over the period during which the company expects to obtain economic benefits as per requirements of Accounting Standard 26 - Intangible Assets .

v) Differential amount of Depreciation on historical cost of office building premises and on revalued amount has been withdrawn from Revaluation Reserve and has been transferred to the Statement of Profit & Loss .

vi) IMPAIRMENT

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. In the opinion of the Management, there is no impairment to the assets except which are held for disposal and classified under other current assets, other than the assets written off during the year.

2. OTHER SIGNIFICANT ACCOUNTING POLICIES

2.1 The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 to the extent applicable. The financial statements are presented in Indian Rupees.

2.2 The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognized in the period in which the results are known / materialize.

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

2.4 Cash flow statement

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

2.5 Revenue recognition

- a. Dividend is recognized when the right to receive the payment is established;
- b. Interest income is recognized on time proportion basis;
- c. Income from share trading activity is recognized on selling of shares;
- d. Revenue from advisory and consultancy services is recognised on rendering of services / work performed;
- e. Rental Income is accrued on time proportion basis relating to the period for which properties are let out;
- f. Information Technology Enabled Services (ITeS) and Software Services Fees: Income from services rendered of ITeS is recognized on services rendered. Software services fees are accounted on its completion and acceptance by the customers;
- g. All expenses are accounted on accrual basis except leave travel allowance and medical reimbursement to employees which are accounted on payment basis.

2.6 Investments

Investments are classified into Long term and are carried at cost, less provision for diminution other than temporary in their value, determined separately for each individual investment basis and current investments which are carried at the lower of cost and fair value.

2.7 Employee Benefits

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

2.8 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of such asset till such time as the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

2.9 Earnings per share

Basic earnings per share are computed by dividing the profit /(loss) after tax by the weighted average number of equity shares outstanding during the year. There is no diluted earnings per share as there are no dilutive potential shares.

2.10 Taxes on Income

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

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rates of tax / substantively enacted tax rates by the Balance Sheet date, to the extent that the timing differences are expected to crystallize.

Deferred Tax Assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty of realization backed by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

2.11 Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognized as exchange difference and the premium on such forward contracts is recognized over the life of the forward contract. The exchange difference arising on settlement/ translation are recognized in the revenue accounts.

2.12 Operating Lease

Lease of Assets under which all the risk and rewards of ownership are effectively retained by the Lesser is classified as operating lease. Assets are obtained on lease on the terms and conditions, as agreed between the parties, relating to right to use, retention of the assets, periodical repairs and maintenance, etc.

Lease payments under operating lease arrangements are recognized as expenses on accrual basis in accordance with respective lease agreements or arrangements.

2.13 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation. Contingent liabilities are disclosed in the notes separately.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

Note 3 : Share Capital

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹10 each	10,000,000	100,000,000	10,000,000	100,000,000
(b) Issued, Subscribed and paid up Equity shares of ₹10 each	4,952,560	49,525,600	4,952,560	49,525,600

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number	₹	Number	₹
Equity shares with voting rights				
- Outstanding at the beginning of the year	4,952,560	49,525,600	4,952,560	49,525,600
- Shares issued during the year	-	-	-	-
- Shares outstanding at the end of the year	4,952,560	49,525,600	4,952,560	49,525,600

b) Details of shares held by each shareholder holding more than 5% of the aggregate shares in the Company

Class of shares / Name of shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
1. Mr. Asit C. Mehta	22,84,138	46.12	22,84,138	46.12
2. Mrs. Deena A. Mehta	900,358	18.18	900,358	18.18
3. Asit C Mehta Commodity Services Ltd	400,470	8.09	400,470	8.09

c) Details of forfeited shares

Class of shares	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Amount originally paid up	No. of shares	Amount originally paid up
Equity shares with voting rights	147,700	738,500	147,700	738,500
Equity shares with voting rights*	4,200	21,000	4,200	21,000

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

d) The Company has only one class of shares referred to as equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by shareholders.

Note 4 : Reserves and Surplus

Particulars	As at 31st March, 2015	As at 31st March, 2014
Capital Reserve	759,500	759,500
Securities Premium Account	41,043,960	41,043,960
Revaluation Reserve		
Opening Balance	352,365,048	358,477,327
Less: Utilised for set off against depreciation(Refer Note 4.1 below)	(7,233,457)	6,112,279
Closing Balance	345,131,591	352,365,048
General Reserve		
Opening Balance	-	-
Less: Adjusted against deficit balance in statement of Profit & Loss A/c	-	-
Closing Balance	-	-
Surplus/Deficit balance in statement of Profit and Loss Account		
Opening Balance	(83,546,737)	(61,060,585)
Add : Profit/(Loss) for the year	(23,860,860)	(22,454,919)
Add : Share in Revenue Profit	(25,351,328)	-
Add : Pre period Loss of Associates	28,323,740	-
Less : Adjustment as per Schedule II to the Companies Act, 2013 [Refer Note 1 (iv)]	(2,036,720)	-
Closing Balance	(106,471,905)	(83,515,504)
Total	280,463,146	310,653,004

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

Note 4.1 :- Based on an Expert opinion , the depreciation on the revaluation amount has been debited to the Revaluation Reserve account instead of debiting to Profit and loss account.

Note 5 : Long term Borrowings - Secured

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
a. Term Loans from a Bank (refer note a(i) below)	-	822,433
b. Term Loan from STCI Finance Ltd (refer note a(ii) and b(i) below)	100,000,000	150,000,000
c. Term Loan from a NBFC (refer note a (iii) and b (ii) below)	57,304,879	-
d. Loan from a NBFC (refer note a (iv) and b (iii) below)	50,000,000	-
e. Unsecured Debentures		
6 Lacs, 14% fully convertible debentures issued by Asit C Mehta Investment Intermediates Ltd of ₹30 each. Convertible on or before 31.1.2020 into one equity share of ₹10 each per debenture with a premium of ₹20/- per share.	18,000,000	-
Total	225,304,879	150,822,433

- a) The above loans including current maturities are secured by:
- Equitable mortgage of Office premises bearing nos 404B,504B and 604B at 'Nucleus House' Andheri E, Mumbai for the loans availed from bank;
 - A deed of mortgage for Office premises located at 'Nucleus House', 'A' Wing, 3rd floor to 7th Floor Andheri (E), Mumbai and also by irrevocable and unconditional personal guarantees of Mr. Asit C. Mehta and Mrs. Deena A Mehta directors of the Company.
 - Secured by Equitable / registered mortgaged of the properties located at Nucleus House "B" Wing, 2nd and 7th Floor - Rate of Interest -13% Repayable in 180 Monthly installment including interest.
 - In case of Subsidiary ACMILL, Secured by Equitable / registered mortgaged of the properties located at Nucleus House "A" Wing, Basement, ground, 1st and 2nd floor with a personal guarantee of a Director. Rate of Interest 14% pa.
- b) Repayment terms of outstanding long-term borrowings (excluding current maturities) as on 31.3.2015
- Repayment of Term Loan from STCI Finance Ltd : Bullet payment - May, 2016
 - Repayment of Term Loan of Edelweiss Housing Finance Ltd. in 180 monthly installments of ₹7,59,146 per month commencing from May 2014.
 - In case of Subsidiary ACMILL, Repayment of Loan from NBFC in 12 quarterly installments comprising:
 - 4 installments of ₹25 lacs each commencing from the end of 9th quarter from the disbursement;
 - 4 installments of ₹37.50 lacs each commencing from the end of 13th quarter from the disbursement;
 - 4 installments of ₹62.50 lacs each commencing from the end of 17th quarter from the disbursement;

Note 6 : (a) Deferred Tax Liability

₹

Particulars	Deferred Tax Liability/(Asset) as at 1st April, 2014	Charge/ (Reversal) during the Year	Deferred Tax Liability/(Asset) as at 31st March, 2015
Deferred Tax Liability			
Difference in book value and tax value of fixed assets	7,131,610	(1,429,297)	5,702,313
Total Liability	7,131,610	(1,429,297)	5,702,313
Deferred Tax Assets			
Unabsorbed Depreciation and Business Losses	(3,913,426)	(99,360)	(4,012,786)
43B items (Gratuity, leave encashment etc.)	(83,030)	50470	(32,560)
Total Assets	(3,996,456)	(48,890)	(4,045,346)
Total	3,135,154	(1,478,187)	1,656,967

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

Note 6(b) : Deferred Tax Asset

₹

Particulars	Carrying value as at 15.12.2014 of subsidiary considered for Consolidation	(Charge)/ Reversal during the Year	Deferred Tax Liability/(Asset) as at 31st March, 2015
Difference in book value and tax value of fixed assets	(5,386,888)	3,196,607	2,190,281
Total Liability	(5,386,888)	3,196,607	2,190,281
Deferred Tax Assets			
Unabsorbed Depreciation and Business Losses	20,746,183	(2,438,837)	18,307,346
43B items (Gratuity, leave encashment etc.)	1,005,871	112,365	1,118,236
Total Assets	21,752,054	(2,326,472)	19,425,582
Total	16,365,166	870,135	17,235,300

6(b)1: In compliance with the Accounting Standard-22, the management has been regularly reviewing the carrying amounts of the deferred tax assets including related to deferred tax assets arising from the carried forward losses, etc. at the end of each financial year. Accordingly, the management has reviewed the same and the deferred tax assets pertaining to brought forward loss, etc. amounting to ₹83,61,727/- has been reversed. Further, considering the present circumstances and in view of its implementing various measures it is confident that it has ability to generate adequate future income and economic benefits so as to contribute towards realization of the balance carried forward amounts of deferred tax assets.

6(b)2: The Consolidated Balance sheet reflects separately a Deferred Tax Asset pertaining to a subsidiary and Deferred Tax Liability pertaining to the holding company are not netted off.

The Wholly Owned Subsidiary has not recognised DTA of ₹46,38,934/- in view of absence of virtual certainty of future profits.

Note 7 : Other Long-term liabilities

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Security deposit received from		
- an associate concern (refer note 34)	-	26,251,740
Inter corporate Borrowing (refer note 34)	40,000,000	-
Base Capital Deposits	38,270,357	-
Total	78,270,357	26,251,740

BASE CAPITAL DEPOSITS FROM BUSINESS ASSOCIATES OF SUBSIDIARY

- The Company, in the course of its business of share broking and as per the terms and conditions with Business Associates, has received security deposits in the form of cheques or its equivalent and/or by way of shares and securities (which are transferred to and held in the name of the Company).
- Security deposits so received in the form of shares or securities is accounted in the books at the market value thereof prevailing at the end of the year.
- As per the terms and conditions, the Company has an absolute right to appropriate and realize the security deposits against the unpaid dues from Business Associates and the balance, if any, is refunded in the form of cheques or its equivalent and/or shares and securities deposited with the Company, as the case may be.
- The aggregate amount of security deposits received from Business Associates and outstanding as at the year end is ₹38,270,357/- which includes the value of securities received in the form of shares and securities of ₹5,923,536/- .
- The security deposits received in the form of shares and securities as above are classified and reflected as "Shares received as margin" under the head "Long Term Loans & Advances" in Note No. 15 and stated at the market value as at the end of the year.

Note 8 : Long-term provision

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for Gratuity	1,053,179	821,580
Provision for Compensated absences	126,093	160,848
Total	1,179,272	982,428

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

Note 9 : Short term borrowings

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
<u>Secured</u>		
<u>Overdraft from Bank of India</u> (Secured against the FDR pledged with BANK of India, Stock Exchange Branch) (Rate of Interest 1.5% above Term Deposit rate)	57,000,000	-
<u>From State Bank of India (Refer Note i) below</u> Secured by hypothecation and first charge on present and future fixed assets, like computers & peripherals, furniture, electrical fittings, interior works, etc and further collaterals by (i) legal mortgage of residential premises owned by Managing director of the subsidiary and one of the whole time director of the subsidiary; (ii) office premises owned by one of the whole time director of the subsidiary; and (iii) personal guarantee by the Managing Director of the subsidiary and one of the whole time director of the subsidiary.	149,594,391	-
<u>Unsecured</u>		
Inter-corporate deposits (Refer Note ii below and Note 34)	9,784,004	55,975,000
Total	216,378,395	55,975,000

- i) Rate of Interest by Bank on Overdraft facility against Hypothecation of Fixed Assets is Base Rate + 7% p.a. (Presently Rate 17% p.a.)
- ii) Inter Corporate Deposits are taken at 13.50% (PY-11%) from related party and 15% p.a. from outsiders.

Note 10 : Trade Payable

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Micro, Small and Medium Enterprises(refer note 29)	-	-
Others	17,501,192	1,142,489
Total	17,501,192	1,142,489

Note 11 : Other Current liabilities

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Current Maturities of Long Term borrowings	2,318,048	3,170,000
Interest payable on borrowings accrued and due	58,624	4,481,254
Salary Payable	11,991	1,621,139
Interest payable on borrowings accrued but not due	556,446	1,633,870
Other liabilities	1,058,288	-
Due to Associate towards purchase of fixed assets (refer note 34)	-	95,567,139
Unclaimed dividends	169,951	419,919
Shares Received as margin from Constituents	26,347,071	-
Statutory dues	18,815,423	9,560,874
Amounts Due to Constituents	244,907,572	-
Total	294,243,414	116,454,195

INITIAL MARGIN FROM CONSTITUENTS OF SUBSIDIARY

- The Company, in the course of its business and as per the terms and conditions with Clients, has received initial margin in the form of shares and securities (which are transferred to and held in the name of the Company).
- Initial margin so received in the form of shares or securities is accounted in the books at the market value thereof prevailing at the end of the year.
- As per the terms and conditions, the Company has an absolute right to appropriate and realize against the unpaid dues from the Clients and the balance, if any, is refunded in the form of cheques or its equivalent and/or shares with the Company, as the case may be.
- Initial Margin received in the form of shares and securities as above are classified and reflected under the head "Short Term Loans and Advances" in Note No.19 and stated at the market value as at the end of the year.
- The amounts due to Constituent Clients represent amounts payable on account of security broking transactions. These accounts comprise the running transactions carried out by the Constituent Clients.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

f. Amounts due to Constituents, Creditors/Other Liabilities are subject to confirmation.

Note 12 : Short term provisions

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for employee benefits		
Towards PF payable	16,366	38,719
Towards Gratuity	44,819	17,697
Towards salary payable	18,939	-
Provision for Compensated absences	150,187	3,790
Total	230,311	60,206

Note 13 : Fixed Assets - Non Current

Tangible Assets

₹

Particulars	Tangible									Intangible			Grand Total
	Office Premises	Computers	Electrical Fittings	Air Conditioners	Furniture	Office Equipment	Vehicles	Projector	Total	Computer Software	Good will on Consolidation	Total	
A. Cost of Assets													
As at 31.3.2013	489,449,434	6,420,123	797,973	951,707	6,887,580	1,297,716	1,646,022	148,650	507,599,205	4,313,871	-	4,313,871	511,913,076
Additions	127,131,781	596,405	-	-	29,211	91,224	-	-	127,848,621	-	-	-	127,848,621
Sales / Discards	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.3.2014	616,581,215	7,016,528	797,973	951,707	6,916,791	1,388,940	1,646,022	148,650	635,447,826	4,313,871	-	4,313,871	639,761,697
Additions	77,588,819	14,104,775	15,120,043	-	28,009,133	38,334,045	2,925,929	-	176,082,744	20,947,556	40,012,008	60,959,564	237,042,307
Sales / Discards	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.3.2015	694,170,034	21,121,303	15,918,016	951,707	34,925,924	39,722,985	4,571,951	148,650	811,530,570	25,261,427	40,012,008	65,273,435	876,804,004
B. Depreciation													
As at 31.3.2013	37,776,374	5,583,708	402,800	418,046	4,254,994	907,205	1,190,701	89,687	50,623,515	4,313,871	-	4,313,871	54,937,386
Charges for the year	8,006,413	410,446	42,270	14,820	312,328	130,113	117,882	7,061	9,041,333	-	-	-	9,041,333
Deduction on sale or discard	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.3.2014	45,782,787	5,994,154	445,070	432,866	4,567,322	1,037,318	1,308,583	96,748	59,664,848	4,313,871	-	4,313,871	63,978,719
Addition on acquisition of stake in subsidiary	5,525,967	9,940,126	5,908,715	-	13,352,149	18,333,937	1,323,970	-	54,384,864	14,309,042	-	14,309,042	68,693,906
Sales / Discards	-	-	-	-	-	(50,074)	-	-	(50,074)	-	-	-	(50,074)
Charges for the year	11,862,701	820,553	575,457	119,579	1,458,239	3,292,992	110,713	-	18,240,234	310,275	-	310,275	18,550,509
Adjustment - Transfer to Reserve	-	179,997	313,003	182,147	698,373	363,593	255,138	44,470	2,036,721	-	-	-	2,036,721
As at 31.3.2015	63,171,455	16,934,830	7,242,245	734,592	20,076,083	22,977,766	2,998,404	141,218	134,276,593	18,933,188	-	18,933,188	153,209,781
C. Written Down Value As at :													
31.3.2015	630,998,579	4,186,473	8,675,771	217,115	14,849,841	16,745,219	1,573,547	7,432	677,253,976	6,328,239	40,012,008	46,340,247	723,594,222
31.3.2014	570,798,428	1,022,374	352,903	518,841	2,349,469	351,622	337,439	51,902	575,782,978	-	-	-	575,782,978
31.3.2013	451,673,060	-	395,173	533,661	2,632,586	390,511	-	58,963	455,683,954	-	-	-	455,683,954

Adjustment in respect of depreciation pertains to those assets whose useful life term as per the Schedule II of the

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
Note 14 : Non-current investments

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Investment in Equity Instruments		
Shares of ₹10/- each Fully Paid Up unless otherwise Stated		
Quoted- At Cost		
1. 7000 Omnitex Industries Limited (7000)	30,543	-
Unquoted -At Cost		
In Equity shares of Wholly Owned subsidiary (fully paid up)		
2. 600 Asit C Mehta Comdex Services, DMCC [share of 1,000 Dirhams-AED] (600)	7,514,370	-
In Equity shares (fully paid up)		
3. 200000 Asit C. Mehta Commodity Services Ltd. * (200000)	24,200,000	-
Others (fully paid up)		
4. 694 BSE Limited [Share of Re 1 each] (694)	260,250	-
5. 2750 Vippy Industries Limited (Face Value Re. 1/- per share) (2750)	18,425	-
Investment in Debentures		
32,11,111 unsecured fully paid 15.25% convertible debentures of ₹30 each fully paid of Asit C. Mehta Investment Intermediates Limited (associate Company)	-	96,333,330
Total	32,023,588	96,333,330

(Figures in brackets relate to previous year)

*Includes 100,000 Equity Shares received as gift on 31.3.2012 from some of the Directors and accordingly, it became Wholly Owned Subsidiary ("WOS") on 31.3.2012 and due to further allotment of shares by the said WOS, the Company's percentage of share holding in total capital of the said WOS reduced from 100% to 19.92% on 30.3.2015.

In view of long term and strategic holdings, Investments in Asit C. Mehta Comdex DMCC and Asit C. Mehta Commodity Services Ltd. are carried at cost and diminution with reference to their values if any, is not recognized unless it is permanent in nature.

Particulars	As at 31st March, 2015	As at 31st March, 2014
Investment in Equity Instruments	32,023,588	-
Less : Provision for diminution in the value of Investments	-	-
Total	32,023,588	-

Particulars	As at 31st March, 2015	As at 31st March, 2014
Aggregate amount of quoted investments (Market value ₹63,000/-)	30,543	-
Aggregate amount of unquoted investments	31,993,045	-

Note 15 : Long term loans and advances

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured and considered good		
Capital Advances	9,567,904	-
Deposits	62,799,751	519,734
Prepaid	836,017	33,432
Margin Money deposit	50,000	50,000
Fixed Deposit with Bank	-	100,000
Advance Income Tax	19,302,682	4,519,997
Shares received as margin from Business Associates	5,923,536	-
Others	-	1,275,053
Total	98,479,890	6,498,216

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

Note 16 : Other non-current assets

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Long Term Trade Receivable		
Unsecured, considered good (Refer Note 30)	21,653,448	10,477,740
Amounts Due from Business Associates for subsidiary, ACMIIL		
Secured against Base capital Deposits	895,321	-
Unsecured, considered good	5,878,223	-
Doubtful (Refer Note 31)	1,036,364	-
Amounts Due from Constituents	-	-
Secured against Shares	4,874,668	-
Unsecured, considered good	14,573,309	-
Total	48,911,333	10,477,740

Note 17 : Trade Receivables

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Receivable outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	9,299,978	299,896
Other receivables	10,029,638	5,286,808
Trade receivable outstanding for a period less than six months		
Unsecured, considered good	2,709,682	4,236,808
Total	22,039,298	9,823,512

Note 18 : Cash and Cash Equivalents

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
a. Cash on hand	233,594	52,038
b. Balances with bank		
i) in current accounts	23,948,613	3,474,234
ii) Fixed Deposits with Banks having Maturity of not more than Twelve months	197,794,579	8,093,000
Total	221,976,786	11,619,272

Notes:

- Fixed Deposits of subsidiary ACMIIL, with Banks include ₹5,40,00,000/- (Previous year Nil) pledged against guarantees given by the banks.
- Fixed Deposits of subsidiary ACMIIL, with Bank of India include ₹6,00,00,000/- (Previous year NIL) pledged with Bank of India as Security against Overdraft given to Nucleus IT Enabled Services Ltd., the wholly owned subsidiary for its business purpose.
- Fixed Deposits of subsidiary ACMIIL, with Bank of India include ₹6,25,00,000/- (Previous year NIL) pledged with Bank of India as Security against Overdraft given to Asit C. Mehta Commodity Services Ltd., the erstwhile step down subsidiary, for its business purpose.
- Fixed Deposit of Parent Company ACMFSL, with Bank of India include ₹13,43,000/- (Previous year ₹13,43,000) towards Custom matter pending with Bombay High Court.
- Fixed Deposit of Parent Company ACMFSL, with Bank of India include ₹67,50,000/- (Previous year ₹67,50,000) towards FEMA matter pending at Appellate Tribunal of Foreign Exchange (ATFE) New Delhi.

Note 19 : Short-term Loans and Advances

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured and considered good		
Advances recoverable in cash or kind	502,257	318,000
Deposit	-	1,200,000
Balances with Government		
Service Tax Credit	1,181,572	490,621
Pre-paid expenses	3,888,384	988,021
Loans to staff	230,500	86,078

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

Particulars	As at 31st March, 2015	As at 31st March, 2014
Security Deposits for Premises	263,474	-
Loan to Asit C Mehta Comdex, DMCC	1,227,208	-
Due from Asit C Mehta Commodity Services Ltd	1,484,774	-
Deposit with Stock Exchange & Clearing house	3,679,019	-
Balances with Stock Exchanges	7,930,742	-
(i) Business Associates		
Shares Received as margin from Constituents	26,347,071	-
Others	20,896	123,997
Total	46,755,897	3,206,717

Note 20 : Other Current Assets

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Interest receivable	30,139	1,260,484
Amounts Due from Business Associates:		
- Secured against Base capital Deposits	231,629	-
- Unsecured, considered good	234,007	-
Amounts Due from Constituents:		
- Secured against Shares , considered good	70,465,891	-
- Unsecured and considered good	14,645,206	-
Fixed Assets held for Disposal (At estimated Value)	9,047,379	-
Interest Accrued but Not due	31,039	-
Total	94,685,290	1,260,484

- a) Amounts due from Business Associates, Constituents and Advances are subject to confirmation.
- b) The amounts due from Constituents represent amounts receivable on account of Securities broking transactions. These accounts comprise the running transactions by the constituents.

Note 21 : Revenue From operations

₹

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
a) Interest		
Debtore Interest	10,384,208	14,690,837
b) Income from ITeS Services		
Domestic	12,323,631	16,285,244
Exports	9,149,811	6,646,162
c) Rental Income	6,258,327	348,750
d) Profit on trading in securities/currencies	325,616	321,144
e) Advisory charges	9,506,867	6,847,473
f) Stock broking and allied services	88,417,086	-
Total	136,365,546	45,139,610

Note 22 : Other Income

₹

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
a) Interest Income:		
on Bank Deposits	2,813,325	760,173
on Inter corporate deposits	2,120,545	-
on income Tax refund	1,019,813	26,847
b) Profit on sale of investment	374,393	-
c) Exchange rate gains	-	16,206
d) Dividend Income	21,685	-
e) Miscellaneous income	854,110	46,887
Total	7,203,871	850,113

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

Note 23 : Employee Benefit Expenses

₹

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
a) Salary and allowance	36,024,125	22,149,937
b) Contribution to PF and other fund	1,728,138	2,390,870
c) Staff welfare expense	954,972	361,037
d) Gratuity	1,495,653	110,507
e) Leave encashment	331,339	85,549
Total	40,534,227	25,097,900

Note 24 : Finance Costs

₹

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
a) Interest expense on:-		
- Term Loans	23,892,143	22,107,010
- Car Loans	855	-
- Others	8,124,361	4,364,745
- Cash credit limits	5,654,268	-
b) Other borrowing costs		
Loan processing ,registration fee and stamp duty	2,080,000	-
Bank Charges	1,206,345	607,640
Total	40,957,972	27,079,395

Note 25 : Other Expenses

₹

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Business Associates Expenses	35,910,277	-
Service Charges Demat	1,007,435	-
Office Maintenance	468,126	-
Marketing Expenses	2,044,628	-
Membership & Subscription	996,215	-
Communication, Connectivity & Telephone Expenses (Net)	1,165,774	-
Postage and Courier Expenses	1,021,830	-
Printing and Stationery (Net)	923,164	-
Impairment Loss On Assets held for Disposal	1,900,274	-
Loss On Sale Of Assets (Net)	11,283	-
Data Processing charges	70,263	859,890
Securities Transaction Tax	270,468	-
Fees For Increase In Share Capital	233,553	-
Service Tax	269,874	-
Insurance	109,500	62,561
Stamp Duty & Brokers Note	197,023	-
Rates and Taxes	3,646,371	2,777,002
Legal and Professional fees	2,106,561	1,489,661
Directors sitting fees	152,500	125,000
Leave and License fees	1,084,338	1,950,000
Electricity charges	2,029,148	733,145
Conveyance & Travelling	506,682	1,414,845
Auditor remuneration –		
Audit fees	1,208,000	300,000
Tax Audit	75,000	75,000
Other Services	174,455	102,556
Out of pocket expenses	37,164	-
Bad Debts Written off	8,577,699	-
Exchange Rate Difference	69,917	-
Repairs and Maintenance – Building	635,400	1,403,023
Repairs and Maintenance – Others	1,897,061	928,135
Penalty	17,858	501,065
Miscellaneous Expenses	4,788,771	1,306,529
Prior Period expenses	227,282	-
Fixed Assets Written Off	293,961	-
Total	74,127,855	14,028,412

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

26 Contingent liabilities (to the extent not provided for)

₹

Particulars	As at 31st March, 2015	As at 31st March, 2014
Service Tax Matter under dispute	67,98,386	67,98,386
FERA matter (refer Note 27)	100,00,000	100,00,000
Disputed Property Taxes	2,991,348	1,900,810
Claims against Company not acknowledged as debt - Litigation matters	3,66,904	-
Company's claim not accepted and matters under litigation	8,93,568	-
Bank Guarantees (net of margin) [issued in favor of Stock Exchanges and Clearing Corporation as security deposits]	10,80,00,000	-
Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances)	1,95,44,000	-
Arrears of Dividend of subsidiary:		
a) On 9% Cumulative Redeemable Preference Shares	1,21,50,000	-
b) On 4% Cumulative Redeemable Preference Shares, Redeemable with Premium of 5% per year or part of year	13,58,219	-
c) On 4% Cumulative Redeemable Preference Shares	2,14,795	-

- 27 a) The Company received pay orders valuing to ₹50.72 lacs from a customer in the financial year 1994-95 in respect of Money Changing business that were dishonored by a nationalized bank as per the instructions of Directorate of Revenue & Intelligence. The Company had challenged the proceeding before the Customs, Excise and Gold (Control), Appellate Tribunal, Mumbai (CEGAT) which gave the ruling in favour of the Company for which the company has furnished a bank guarantee of ₹26.86 lacs (previous year ₹26.86 lacs). The Customs Department filed a reference petition before the Hon'ble High Court of Judicature at Bombay and the same is pending for disposal.

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

- b) The Service Tax Department had raised a demand of ₹67,98,386/-, reflected above in contingent liability, by passing an Ex parte order dated 11th April 2008. The Company has preferred an appeal and the same is still pending and the management, based on expert advice, is confident that the demand is not sustainable and hence no provision for the same is made in the books of accounts.

28 Depreciation and amortization

₹

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Depreciation for the year on tangible assets as per note 13	18,240,234	9,041,333
Amortisation on intangible assets as per note 13	310,275	-
Less: Utilized from revaluation reserve (Refer Note below)	7,233,457	6,112,279
Total Depreciation and amortization	11,317,052	2,929,054

Consequent to the revaluation there is an additional charge of depreciation of ₹72,33,457 (Previous Year ₹61,12,279) and an equivalent amount has been recouped from Revaluation Reserve Account, based on an expert opinion (refer note 4.1)

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

Particulars	31.3.2015	31.3.2014	31.3.2013	31.3.2012	31.3.2011
Description of Asset:					
- Office premises	*	*	*	*	*
Amount added on revaluation					508,964,326
Date of addition					31.3.2011

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

- 29 The Company has not received any intimation from the 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore no such disclosure under the said act is considered necessary. This has been relied upon by the auditors.
- 30 a) Trade receivables inter alia include amounts receivable in respect of depository services. Considering the market conditions prevailing since last 3 to 4 years, the subsidiary company could not get adequate business from these Clients and accordingly, the same remained unsettled till date. However, irrespective of these situations and amounts remaining unsettled, the subsidiary company periodically communicates with them about their stock holding position, etc. Further, the subsidiary company has also adequate internal procedures and control systems by which it has been consistently following with them for settling their dues. It has also adopted various measures including contacting them personally, offering them discounts and incentives, etc. to settle their old dues. In response to these measures

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

during the year, the subsidiary company has also received an amount of about ₹28.03 lakhs. In view of all these and other measures, the subsidiary Company is confident to recover the said dues within its normal periodical cycle and accordingly, it has considered and classified such dues as good and therefore, no provision is considered as necessary.

- b) The wholly owned subsidiary company has decided to withdraw the case filed against the ILFS, as per the Arbitration Award passed on 14th Oct 2014, and the wholly owned subsidiary company has nothing to receive from the ILFS towards their outstanding dues.
- c) A disputed debt of ₹19,00,041/- (Previous year ₹19,00,041/-) due from a debtor. The wholly owned subsidiary company had referred the disputed matter to arbitration and an Award in favour of wholly owned subsidiary company is received on 17/4/2012 and hence no provision is made by the wholly owned subsidiary company. However the Debtor has challenged the Arbitration order in High Court in July 2012 and based on the status available from High court website the matter is still shown as pending. The management is confident, based on expert advice, that they have a good case & will recover the amount and hence there is no need to make any provision.
- 31 As per the terms and conditions of the Agreements executed by the subsidiary company with Business Associates, the subsidiary company has an absolute right to recover all the dues from them. However, as a good business practice, the subsidiary company has adopted cordial and amicable means for recoveries of dues in most practical and fair manner and therefore, it is confident that the amounts classified as doubtful, would be recovered in due course. In view of this, no provision for such doubtful debts is required to be made in the accounts.

32 Disclosures under Accounting Standards

Employee benefits plan

- a. Post-employment benefit plans Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the year in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight line basis over the average period until the benefits become vested.

The retirement benefit obligations recognized in the balance sheet represents the present value of the defined benefit obligations as adjusted for unrecognized past service cost.

- b. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

- c. Defined Contribution Plan:

Contribution to defined contribution plan recognized and charged to the Profit and Loss Statement are as under:

	2014-2015	2013-2014
Employer's contribution to Provident fund and Pension Fund (including of Managing & Whole time Director)	₹2,074,155	-

- d. Defined Benefit Plan:

The employees' gratuity fund scheme is managed by the Life Insurance Corporation of India and Kotak Life Insurance which is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method.

The obligation and year end liability in respect of leave encashment is determined based on the actuarial valuation using the Projected Unit Credit method carried out by an independent actuary.

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

Particulars	Gratuity				Leave encashment	
	As at 31st March, 2015		As at 31st March, 2014		As at 31st March, 2015	As at 31st March, 2014
	Unfunded	Funded	Unfunded	Funded	Unfunded	Unfunded
Reconciliation of liability recognized in the Balance sheet						
Present value of commitments at the year end	105,369	7,232,796	223,953	615,324	276,280	164,638
Fair value of plans						
Net liability in the Balance sheet	105,369	7,232,796	223,953	615,324	276,280	164,638
Movement in net liability recognized in the Balance sheet						
Net liability at the beginning of the year	223,953	615,324	880,900	-	164,638	118,434

₹

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

₹

Particulars	Gratuity				Leave encashment	
	As at 31st March, 2015		As at 31st March, 2014		As at 31st March, 2015	As at 31st March, 2014
	Unfunded	Funded	Unfunded	Funded	Unfunded	Unfunded
Add: Benefit obligation of Asit C Mehta Investment Intermmediary Ltd which became subsidiary during the year	-	4,889,929	-	-	765,868	-
Net expense recognized in the Profit and Loss account	89,108	597,824	79,547	30,960	330,939	85,549
Transferred to Funded	-	-	(736,494)	736,494	-	-
Contribution during the year	(207,692)	-	-	(152,130)	(985,165)	(39,345)
Net liability at the year end	105,369	1,213,148	223,953	615,324	276,280	164,638
Expense recognized in the Statement of Profit and Loss	-	-	-	-	-	-
Current service cost	53,788	1,206,288	89,500	116,081	220,597	86,426
Interest cost	11,050	606,317	11,769	58,920	37,400	9,652
Expected return on plan assets	-	606,100	-	-	-	-
Actuarial (gains)/ losses	24,270	786,224	(21,722)	(144,041)	72,942	(10,529)
Expense charged to the Profit and Loss account	89,108	2,598,829	79,547	30,960	330,939	85,549
Return on plan assets	-	-	-	-	-	-
Expected return on plan assets	-	606,100	-	-	-	-
Actuarial (gains)/ losses	-	709,774	-	-	-	-
Actual return on plan assets	-	830,383	-	-	-	-
Reconciliation of defined-benefit commitments	-	-	-	-	-	-
Commitments at the beginning of the year	223,953	615,324	880,900	-	164,638	118,434
Add:Benefit obligation of Asit C Mehta Investment Intermmediary Ltd which became subsidiary during the year	-	4,889,929	-	-	765,868	-
Current service cost	53,788	1,206,288	89,500	116,081	220,597	86,426
Interest cost	11,050	606,317	11,769	58,920	37,400	9,652
Paid benefits	(207,692)	(871,286)	-	(152,130)	(985,165)	(39,345)
Transferred to Funded	-	-	(736,494)	736,494	-	-
Actuarial (gains)/ losses	24,270	786,224	(21,722)	(144,041)	72,942	(10,529)
Closing balance of the fair value of the defined plan at the year end	105,369	7,232,796	223,953	615,324	276,280	164,638

Note: In Holding company the leave encashment liability did not exist at the year end figures of reporting period cannot be given. The above expenses have been recognised under the 'Employee benefit expense' in the Statement of Profit and loss. The actuarial calculations used to estimate commitments and expenses are based on following assumptions

Particulars	2014-2015	2014-2015
	Gratuity	Leave Encashment
Mortality Rate (LIC)	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Discount Rate	7.80%	7.80%
Salary	1.00%	1.00%
Salary Escalation	5%	5%
Retirement Age	58 Years	58 Years

33 Segment Information

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

- i) Business Segments:
 - a. Investment activities
 - b. Advisory and Consultancy services
 - c. Information Technology Enabled Services (IT)
 - d. Stock Broking and allied Services*
*(added during the current year from 15.12.2014)
- ii) The secondary segments are geographical segments, namely:
 - a) India
 - b) U.S.A

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

iii) a) Segment revenue and results:

Segment revenue and expenses are directly attributable to segments. It does not include other interest income, interest expense and income tax.

b) Segment assets and liabilities:

Segment assets and liabilities include all operating assets and liabilities used by the respective business segment. Assets and Liabilities that cannot be allocated among the segments are shown as 'Unallocable'.

Information about primary business segments:

₹

Particulars	Investment activities	Advisory and Consultancy	IT	Stock Broking and allied services	Total
Segment Revenue					
External revenue	16,968,151	9,506,867	21,473,442	88,417,086	136,365,546
	<i>(15,300,463)</i>	<i>(6,847,473)</i>	<i>(22,991,674)</i>	-	<i>(45,139,610)</i>
Segment Results	<i>(10,596,392)</i>	<i>3,189,573</i>	<i>(7,671,395)</i>	7,950,748	<i>(7,127,466)</i>
	<i>(13,258,014)</i>	<i>(5,381,217)</i>	<i>(259,168)</i>		<i>(18,898,399)</i>
Less: Interest					23,444,093
					<i>(5,096,751)</i>
Add: Other Income					7,203,871
					<i>(850,113)</i>
Total (loss) before tax					<i>(23,367,688)</i>
					<i>(23,145,038)</i>
Capital Employed					
Segment Assets	575,311,246	6,252,481	7,416,920	674,412,179	1,263,392,827
	<i>(683,857,662)</i>	<i>(6,641,456)</i>	<i>(20,752,535)</i>		<i>(711,251,653)</i>
Unallocable Assets					42,308,778
					<i>(3,750,596)</i>
Total Assets					1,305,701,604
					<i>(715,002,249)</i>
Segment Liabilities	209,412,972	121,735	66,590,991	556,710,476	832,836,174
	<i>(289,815,391)</i>	-	<i>(64,700,834)</i>	-	<i>(354,516,225)</i>
Unallocable Liabilities					271,646
					<i>(307,422)</i>
Total Liabilities					833,107,820
					<i>(354,823,647)</i>
Total Capital Employed					472,593,784
					<i>(360,178,602)</i>
Total Capital Expenditure			314,250	658,998	973,248
	<i>(127,131,781)</i>	<i>(132,510)</i>	<i>(584,330)</i>		<i>(127,848,621)</i>
Total Depreciation / Amortisation					25,783,966
					<i>(2,929,054)</i>

Figures in italics pertains to previous year.

Information about secondary segments:

₹

	Domestic (In India)	USA	Total
Segment Revenue	127,215,735	9,149,811	136,365,546
Total carrying value of Segment Assets	1,263,392,827	-	1,263,392,827
	<i>(711,251,653)</i>	-	<i>(711,251,653)</i>
Capital Expenditure	-	-	-
	<i>(127,848,621)</i>	-	<i>(127,848,621)</i>

Figures in italics pertains to previous year.

34 Related parties transactions

a. Key Management Personnel:

Mr. Asit Mehta, Mrs. Deena Asit. Mehta, Mr. Kirit H Vora

Mr. Pankaj Parmar, Ms. Purvi Ambani, Mr. Tushar Kapadia

b. Relatives of Key Management Personnel

Mr. Thakorbhaj N. Desai	Father of Deena A. Mehta
Mrs. Shobhnaben T. Desai	Mother of Deena A. Mehta
Mr. Jayesh T. Desai	Brother of Deena A. Mehta
Mr. C. S. Mehta	Father of Asit C. Mehta
Mrs. Ansuva Mehta	Mother of Asit C. Mehta
Mr. Ashish C. Mehta	Brother of Asit C. Mehta
Mr. Aditya Asit Mehta	Son of Asit C. Mehta
Mr. Aakash Asit Mehta	Son of Asit C. Mehta
Mrs. Neeta Kirit Vora	Spouse of Kirit Vora

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

c. Other Related parties

Asit C. Mehta Commodity Services Ltd.	Wholly owned subsidiary of Asit C Mehta Investment Intermediates Ltd upto 30.3.2015.
Asit C. Mehta Comdex Services, DMCC	Wholly owned subsidiary of Asit C Mehta Investment Intermediates Ltd registered in U.A.E.
Asit C. Mehta Forex Pvt. Ltd.	Significant influence exist.
Asit C Mehta Real Estate Services Pvt. Ltd. (Formerly All Alertz.com (India) Pvt. Ltd.)	Significant influence exist.

d) Transactions with related parties:

Name of the related party	Nature of Transaction	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Asit C Mehta Forex Pvt Ltd	Rent Received	60,000	60,000
	Loan Given	505,000,969	-
Asit C Mehta Commodity Services Ltd	Loan Received	579,440,165	-
	Brokerage Received	26,276	-
	Interest received	7,534,767	-
	Interest paid	24,110	-
	Debtenture Interest received	10,384,208	14,690,833
Asit C Mehta Investment Intermediates Ltd (upto 14.12.2014)	Leave & License Deposit Received	-	26,251,740
	Leave & License Deposit repaid	-	10,000,000
	Office Premises purchased	-	120,968,000
	Rent Received	8,750,580	-
	Conversion of debentures into 32,11,111 equity shares of face value of ₹10/- each at a premium of ₹20/- per share	96,333,330	288,750
Key Managerial Personnel	Remuneration	2,612,250	-
	Leave and License fees paid	2,720,000	1,950,000
	Sitting fees paid	45,000	45,000
	Loan Received	630,000	-
	Loan Returned	630,000	-
	Interest paid	64,224	-
	Brokerage Received	347,390	-
	Issue of Preference shares	20,000,000	-
	Issue of unsecured compulsory convertible debentures	18,000,000	-
	Leave & License deposit given	-	1,200,000
	Leave & License deposit received	1,200,000	-
Relatives of KMP	Brokerage Received	428,093	-

e) Outstanding Balance as at close of the year

	31.3.2015	31.3.2014
Receivable		
Asit C Mehta Investment Intermediates Limited	-	123,997
Key Managerial Personnel (Towards deposit for premises)	42,500,000	1,200,000
Asit C Mehta Commodity Services Ltd	1,484,774	-
Asit C Mehta Comdex Services, DMCC	1,227,208	-
Payable		
Asit C Mehta Investment Intermediates Limited	-	121,818,879
Asit C Mehta Commodity Services Ltd	40,021,699	-
Asit C Mehta Real Estate Services P. Ltd	-	359,084

35 Earnings per share:

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

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A) Weighted average number of equity shares of ₹10 each outstanding during the year.	4,952,560	4,952,560
B) Net profit/(Loss) after tax and minority interest attributable to shareholders	(23,860,860)	(22,454,919)
C) Basic and diluted earnings per share	(4.82)	(4.53)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

36 Earnings in foreign currency (on accrual basis)

₹

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Export of IT Enabled services	9,149,811	6,646,162

37 Disclosures of Derivatives

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Trade Receivables	USD 11,688.76	₹731,598
	(USD 17,242.85)	(₹10,36,295)

(Figures in bracket relates to previous period)

- 38 The share in loss of the Associate , Asit C Mehta Investment Intermediates Ltd (ACMIIL) upto 31.3.2014 was not recognized in the Consolidated Financial Statement to the extent of ₹2,03,00,888 as the carrying value of the investment as at 1.4.2013 was Nil. ACMIIL was an associate upto 14.12.2014 and the share in profit of ₹12,57,295/- for the period from 1.4.2014 to 14.12.2014 is adjusted against the brought forward unabsorbed loss in the investment.

- 39 Disclosure of additional information pertaining to parent company and subsidiaries :

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss	
	As % of Consolidated Net Assets	Net Assets ₹	As % of Consolidated Profit or Loss	Profit / (Loss) ₹
Parent Company				
Asit C Mehta Financial Services Ltd	124.98	412,409,186	(58.35)	(13,922,937)
Indian Subsidiaries				
Asit C Mehta Investment Intermediates Ltd	35.67	117,701,703	25.57	6,101,415
Nucleus GIS And ITES Ltd	(17.93)	(59,174,071)	(59.79)	(14,266,530)
Total	142.71	470,936,818	(92.57)	(22,088,052)
Less: Minority Interest in:				
Asit C Mehta Investment Intermediates Ltd	42.71	140,948,071	7.43	1,772,807
	100.00	329,988,748	(100.00)	(23,860,859)
Associate Company				
Asit C Mehta Investment Intermediates Ltd upto 14.12.2014	N A	Refer Note below ii	-	-

Note:

- i) The above figures are after eliminating intra group transactions and intra group balances as at 31.3.2015.
- ii) Asit C Mehta Investment Intermediates Ltd has ceased to be an Associate concern as at 31.3.2015 and The share in profit as an associate concern upto 14.12.2014, is wholly adjusted against the brought forward loss of previous year as per note 38).
- 40 The financial statement of Asit C. Mehta Comdex Services DMCC has not been consolidated with the Company's financial statements pursuant to Rule 6 of Companies (Accounts) Rules, 2015, which gives an exemption with respect to consolidation of the financial statement of subsidiary or subsidiaries incorporated outside India only for the financial year commencing on or after 1st April, 2014.
- 41 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. During the course of the current year i.e. on 15.12.2014, the Company acquired controlling stake in ACMIIL, whose financials are considered in these statements from 15.12.2014 to 31.3.2015 and as a consequence the figures of the previous year are not directly comparable with that of the current year.

For Manek & Associates
Chartered Accountants
Firm Registration No.: 126679W

For and on behalf of the Board

Shailesh L. Manek
Proprietor
Membership No.: 034925

Asit C Mehta
Chairman
Kirit H Vora
Director

Mumbai, 29th May, 2015

Purvi Ambani
Chief Financial Officer
Raj Gandhi
Company Secretary

Form AOC- 1

[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in lakhs)

Sr. No	Name of the Subsidiary	Asit C.Mehta Investment Intermediates Limited (ACMIL)	Nucleus IT Enabled Services Limited	Asit C Mehta Comdex Services DMCC
1.	Reporting period for the Subsidiary	March 31,2015	March 31,2015	March 31,2015
2.	Reporting Currency	Indian Rupees (INR)	Indian Rupees (INR)	AED
3.	Exchange Rate (as on the last date of the relevant Financial year in the case of foreign subsidiaries.			1AED = 17.00 INR
4.	Share Capital	1911.11	300	6
5.	Reserves & Surplus	109.07	(750.26)	2.73
6.	Total Assets	7587.28	294.16	4.33
7.	Total Liabilities	7587.28	294.16	4.33
8.	Investments	320.23	-	-
9.	Turnover	3062.30	223.16	-
10.	Profit Before Tax	61.17	(214.04)	(0.59)
11.	Provision for Taxation	19.11	0.04	-
12.	Profit After Tax	80.28	(214.00)	(0.59)
13.	Proposed Dividend	-	-	-
14.	% of shareholding	50.05%	100%	100% of ACMIL

Part "B": Associates and Joint Ventures

Not Applicable

For Manek & Associates
Chartered Accountants
Firm Registration No.: 126679W

For and on behalf of the Board

Shailesh L. Manek
Proprietor
Membership No.: 034925

Asit C. Mehta
Chairman

Kirit H. Vora
Director

Mumbai
29th May, 2015

Purvi Ambani
Chief Financial Officer

Raj Gandhi
Company Secretary

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

CIN: L65900MH1984PLC091326

Registered Office: 'Nucleus House', Saki-Vihar Road, Andheri (East), Mumbai: 400072.

Phone: Tel: 28570781 / 28583333, Email id: investorgrievance@acmfsl.co.in Website: www.acmfsl.com

ATTENDANCE SLIP

(To be presented at the entrance).

31st ANNUAL GENERAL MEETING ON THURSDAY, 24TH SEPTEMBER, 2015 AT 3.30 P.M.

at Nucleus House', Saki-Vihar Road, Andheri (East), Mumbai 400072.

Folio No. _____ DP No. _____ Client ID No. _____

Name of the Member _____ Signature _____

Name of the Proxy holder _____ Signature _____

1. Only Member/Proxy can attend the meeting
2. Member / Proxy must bring the Attendance slip to the Meeting and hand it over, duly signed, at the registration counter

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

CIN: L65900MH1984PLC091326

Registered Office: 'Nucleus House', Saki-Vihar Road, Andheri (East), Mumbai: 400072.

Phone: Tel: 28570781 / 28583333, Email id: investorgrievance@acmfsl.co.in Website: www.acmfsl.com

PROXY FORM

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

Name of the Member (s)	:	
Registered Address	:	
Email id	:	
Folio No./Client Id.	:	

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

1. Name: Email Id:.....
Address:

Signature: or failing him

2. Name: Email Id:.....
Address:

Signature: or failing him

3. Name: Email Id:.....
Address:

Signature:

as my/our proxy to attend and vote (on poll) for me / us and on my/our behalf at the 31st Annual General Meeting of the Company to be held on Thursday , 24th September, 2015 at 3.30 p.m. at Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai 400072 and at any adjournment thereof in respect of such resolutions as indicated below :

Item No.	Description of Resolution
1.	To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the report of the Directors' and Auditors' thereon.
2.	Re-appointment of Mrs. Deena A. Mehta, who retires by rotation.
3.	Ratification of appointment of Auditors of the Company.
4.	Appointment of Mr. Vijay Ladha, as an Independent Director, for a period of five years.

Signed this _____ day of _____ 2015

Affix
Revenue
Stamp

Signature of Shareholder: Signature of Proxy holder(s):

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the aforesaid meeting.
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.

ASIT C MEHTA FINANCIAL SERVICES LIMITED

CIN: L65900MH1984PLC091326

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