

**Asit C. Mehta Financial Services Limited**  
**32<sup>nd</sup> Annual Report**  
**2015-2016**

**FINANCIAL HIGHLIGHTS****(Rs. in lakhs)**

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Net Worth*	606	834	880	1,033	1,097
Borrowings	2,427	1,573	1,508	1,543	1,216
Net fixed Assets (including revaluation)	6,554	5,607	5,729	4,539	4,621
Investments	1,547	1,547	1,547	1,547	1,547
Book Value per share (in rupees)	12.23	16.85	17.77	20.86	22.15
Gross Income	340	372	256	197	165
Operating and Other expenses	582	430	416	267	226
Profit Before Tax	(243)	(57)	(160)	(70)	(61)
Profit After Tax	(229)	(42)	(153)	(64)	(54)
Equity Dividend Per share – (in rupees)	-	-	-	-	-

\*excluding revaluation reserve

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## CORPORATE INFORMATION

### Board of Directors

**Asit C. Mehta**  
Chairman  
DIN: 00169048

**Deena A. Mehta**  
Non-Executive Director  
DIN:00168992

**Kirit H.Vora**  
Non-Executive Director  
DIN: 00168907

**Vijay Ladha**  
Independent Director  
DIN: 00168663

**Radha Krishna Murthy**  
Independent Director  
DIN: 00221583

**Pundarik Sanyal**  
Independent Director  
DIN: 01773295

### Manager

- Stanley Santmayor  
till 31st August, 2015
- Pankaj Jeevanlal Parmar  
w.e.f. 10th February, 2016

### Chief Financial Officer

- Purvi Ambani

### Company Secretary

- Raj Gandhi  
till 31st May, 2015
- Kavita J Shah  
w.e.f. 1st June, 2015  
till 15th February, 2016

### 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](http://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](mailto:investorgrievance@acmfsl.co.in)  
Website: [www.acmfsl.com](http://www.acmfsl.com)  
CIN: L65900MH1984PLC091326

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

Regd. Off.: Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai: 400072  
 CIN : L65900MH1984PLC091326  
 Telephone: 28570781/28583333  
 Email ID : [investorgrievance@acmfsl.co.in](mailto:investorgrievance@acmfsl.co.in) Website: [www.acmfsl.com](http://www.acmfsl.com)

**NOTICE**

**NOTICE** is hereby given that the **THIRTY SECOND ANNUAL GENERAL MEETING (AGM)** of the Members of Asit C. Mehta Financial Services Limited will be held at the registered office of the Company situated at Nucleus House, Saki Vihar Road, Andheri (East), Mumbai: 400072, on Thursday, 22nd September, 2016 at 3.00 pm to transact the following business: -

**ORDINARY BUSINESS:**

- To receive, consider and adopt the Audited Financial Statements (including audited consolidated financial statements) containing Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Report of the Board's and Auditor's thereon.
- To appoint a Director in place of Mr. Kirit H. Vora (DIN: 00168907) who retires by rotation and, being eligible, offers himself for re-appointment.
- 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. 0126679W), 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:**

- To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the applicable provisions, if any, of the Companies Act, 2013 read with applicable rules and regulations made thereunder and in terms of applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any amendment or modification thereof) and also pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings, the approval of the shareholders of the Company be and is hereby accorded to ratify the material related party transaction entered into between Asit C. Mehta Financial Services Limited and Asit C. Mehta Investment Intermediates Limited, a subsidiary of the company, for purchase of office premises, pursuant to Deeds of Apartment dated 31<sup>st</sup> March, 2016, as per details given below:

Built-up Area In sq. ft.	Property Description	Sale Consideration (Rs.)
3600 (Equivalent to 334.45– sq.mtrs.)	Unit No. 301B at 3rd Floor, B'Wing, Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai 400072	59,399,000/-
851 (Equivalent to 79.05 – sq.mtrs.)	Unit No. 801A at 8th Floor, A'Wing, Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai 400072	14,741,500/-

- To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to applicable provisions, if any, of the Companies Act, 2013 read with applicable rules and regulations made thereunder and in terms of applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any amendment or modification thereof) and also pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings, the approval of the shareholders of the Company be and is hereby accorded to ratify the material related party transaction entered into between Asit C. Mehta Financial Services Limited and Asit C. Mehta Commodity Services Limited, a related party, for purchase of office premises, pursuant to a Deed of Apartment dated 31st March, 2016, as per details given below:

Built-up Area In sq. ft.	Property Description	Sale Consideration (Rs.)
1518 (Equivalent to 141.02– sq.mtrs.)	Unit No. 101B at 1st Floor, B'Wing, Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai 400072	25,045,500/-

**FOR AND ON BEHALF OF THE BOARD**

**Date: 27th May, 2016**  
**Place: Mumbai**

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

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

**NOTES :**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF 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 10% 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(1) of the Companies Act, 2013, relating to the Special Business - Item No. 4 and 5 to be transacted at the Annual General Meeting is annexed hereto. However, the Company has voluntarily provided explanatory statement relating to Ordinary Business - Item No.3.
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. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions, brief profile(s) of the Director (s) who is proposed to be appointed/re-appointed is annexed hereto.
6. The Register of Members and Transfer Books of the Company will remain closed from Thursday, 15th September, 2016 to Thursday, 22nd September, 2016 both days inclusive.
7. Members are entitled to hold their shares in dematerialized ("Demat") form. Those Members who are holding shares in physical form are requested to dematerialize their shares by approaching any of the Depository Participant(s). In case any Member wishes to dematerialize his/her/its shares and needs any assistance, he/she/it may write to the Registrar & Transfer Agents of the Company at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
8. Electronic copy of the Annual Report for financial year 2015-16 and the Notice of 32nd Annual General Meeting ("AGM") along with Attendance Slip and Proxy Form are being sent to all the Members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report for FY 2015-16 and the Notice of AGM along with Attendance Slip and Proxy Form are being sent by the permitted mode. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar and Transfer Agents/Depositories.
9. As mandated by the Securities and Exchange Board of India (SEBI), Members holding shares in electronic form are requested to submit their Permanent Account Number ("PAN") details to their respective Depository Participants and Members holding shares in physical form are requested to submit the PAN details to the Company or its Registrar and Transfer Agents.
10. A Route map showing directions to reach the venue of the 32nd AGM is given at the end of the Notice as per the requirement of Secretarial Standards-2 on "General Meeting".

**11. Updation of Members' Details:**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing the additional details is appended at the end of the Annual Report. Members holding shares in physical form are requested to submit the filled in form to the Company or its Registrar and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant(s).

12. 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 Annual General Meeting.
13. Statutory Registers maintained pursuant to the provisions of the Companies Act, 2013, will be accordingly available for inspection by the Members at the Annual General Meeting.
14. Members are requested to notify immediately any change in their addresses to the Registered Office.
15. The dividend for the year 2008-09 will become due for transfer to Investor Education and Protection Fund (IEPF) on 29th October, 2016. After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
16. The shareholders who have not yet claimed their dividend for any past period are requested to write to the company or send e-mail to [investorgrievance@acmfsl.co.in](mailto:investorgrievance@acmfsl.co.in)

**17. Process and manner of voting through Electronic Means:**

- i. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and according to Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide facility for remote e-voting (i.e. e-voting from a place other than venue of Annual General Meeting) 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").
- ii. The members of the company holding shares of the company as on Thursday, September 15, 2016 (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 Annual General Meeting.
- iii. The facility for voting through poll paper shall also be made available at the Annual General Meeting. 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 e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Poll Form shall be treated as invalid.
- vii. Mr. Anshul Kumar Jain, Partner, M/s. Mehta & Mehta, Practicing Company Secretaries or failing him Mrs. 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 results shall be declared on or after the AGM. The results along with the requisite enclosures etc. shall be placed on the website of the Company and will also be forwarded simultaneously to BSE Ltd., where the shares of the Company are listed.
- 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 secure manner is as under:

**Time schedule for remote E-voting:**

The e-voting period begins on Monday September 19, 2016 at 9.00 a.m. and will end on Wednesday September 21, 2016 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 15, 2016 (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](http://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 de-mat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form or Physical Form</b>	
<b>PAN*</b>	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"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letter Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA0000001 in the PAN field.</li> </ul>
<b>DOB</b>	Enter the Date of Birth as recorded in your de-mat account or in the company records for the said de-mat account or folio in dd/mm/yyyy format.

<b>DIVIDEND BANK DETAILS</b>	<p>Enter the Dividend Bank Details as recorded in your de-mat account or in the company records for the said de-mat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If both the details are not recorded with the depository or company please enter member ID/Folio Number in the Dividend Bank details field as mentioned in instruction (iii) .</p>
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- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach Company selection screen.  
However, members holding shares in de-mat 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 can also be used by the de-mat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the 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 a 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for Android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30 June 2016. Please follow the instructions as prompted by the mobile app while voting through your mobile.

**(xviii) Note on Non - Individual Shareholders and Costadians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodian are required to log on to [www.evotingindia.com](http://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](mailto: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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**Date: 27th May, 2016**  
**Place: Mumbai**

**FOR AND ON BEHALF OF THE BOARD**

**REGISTERED OFFICE:**  
Nucleus House,  
Saki- Vihar Road, Andheri (East),  
Mumbai – 400 072

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

CIN: L65900MH1984PLC091326

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

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3, 4 and 5 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. 0126679W), Chartered Accountants, were appointed as the Statutory Auditors of the Company for a period of three years at the 30th 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 (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

**Item 4 & 5:**

As a group's policy it is desired that group office premises located at Nucleus House are owned by one Group Company. The Company has purchased two office premise from M/s. Asit C. Mehta Investment Intermediates Limited (ACMIIL), Subsidiary of the Company and one office premises from M/s. Asit C Mehta Commodity Services Limited (ACMCSL), Related Party to the Company.

The company purchased two office premises from ACMIIL, Subsidiary of the Company, the details of which are given below:

Built-up Area In sq. ft.	Property Description	Sale Consideration (Rs.)
3600 (Equivalent to 334.45– sq.mtrs.)	Unit No. 301B at 3rd Floor, B'Wing, Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai 400072	59,399,000/-
851 (Equivalent to 79.05 – sq.mtrs.)	Unit No. 801A at 8th Floor, A'Wing, Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai 400072	14,741,500/-

Further, the company also purchased one office premise from ACMCSL, a related party, the details of which are given below:-

Built-up Area In sq. ft.	Property Description	Sale Consideration (Rs.)
1518 (Equivalent to 141.02– sq.mtrs.)	Unit No. 101B at 1st Floor, B'Wing, Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai 400072	25,045,500/-

The transaction entered into with ACMIIL and ACMCSL is at arm's length basis at the rate as prescribed in the relevant Stamp duty Ready Reckoner as well as entered in to by the company in its ordinary course of business and Pursuant to Section 188(1) of the Companies Act, 2013 and rule made there under, the prior approval of members is not required for any transaction entered into by the Company in its ordinary course of business and if the transactions are on arm's Length basis.

However transaction entered into with ACMIIL and ACMCSL is a material transaction as per the provisions of Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. All the material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions.

The consent of the shareholders is therefore sought in accordance to the provisions of Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for purchase of certain office premises from ACMIIL and ACMCSL.

The Board of Directors of your Company accordingly recommends the Resolution as set out in Item No. 4 & 5 of the accompanying Notice for the approval of members of the Company as Ordinary Resolution.

Except Mr. Asit C. Mehta, Mrs Deena A. Mehta, the Directors of the Company and their relatives and Mr. Kirit H. Vora, Director of the Company, none of the other Directors and Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested financially or otherwise in the resolution except to the extent of their shareholding, if any.

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

Information regarding Director(s) seeking appointment / re-appointment at the Thirty Second Annual General Meeting (Pursuant to Clause 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations:

<b>Particulars</b>	<b>Mr. Kirit H. Vora</b>	
<b>Date of Birth</b>	26/12/1958	
<b>Date of Appointment</b>	04/03/1992	
<b>Age</b>	57	
<b>Qualifications</b>	B. Com., ACA, PG Dip in Sec Law	
<b>Expertise in specific functional areas</b>	Wide experience of 34 years in, Financial Services sector	
<b>Remuneration last drawn</b>	Nil (Except Sitting Fees)	
<b>No. of Meetings of the Board attended during the year.</b>	Held	Attended
	5	5
<b>Directorships held in other Companies</b>	1.Asit C. Mehta Investment Intermediates Limited-Whole Time Director 2.Securities Industry Association of India	
<b>Memberships/Chairmanships held in committees of the Board of other companies</b>	NIL	
<b>Number of shares held in the Company</b>	23,520 equity shares of Rs. 10/- each.	
<b>Relationship with other Directors</b>	None	

**Date: 27th May, 2016**  
**Place: Mumbai**

**FOR AND ON BEHALF OF THE BOARD**

**REGISTERED OFFICE:**  
Nucleus House,  
Saki- Vihar Road, Andheri (East),  
Mumbai – 400 072

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

CIN: L65900MH1984PLC091326

**Route Map to the Venue of the Annual General Meeting**



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

## DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the Thirty Second Annual Report and the Company's audited financial statement for the financial year ended March 31, 2016.

### 1. FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2016 is summarized below:

Particulars	Standalone (Rs. In lakhs)		Consolidated (Rs. In lakhs)	
	2015-16	2014-15	2015-16	2014-15
Total Revenue	339.51	372.41	3137.33	1435.69
<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>136.42</b>	<b>226.44</b>	<b>130.44</b>	<b>256.21</b>
Less: Interest	333.87	238.02	638.80	376.72
Less: Depreciation	45.48	45.57	157.83	113.17
Profit/ (Loss) Before Tax	(242.93)	(57.15)	(666.19)	(233.68)
Tax Expenses				
Current Tax	-	-	-	-
Deferred Tax	14.01	14.78	(23.35)	23.48
Prior Period tax	(0.11)	-	35.00	(10.68)
<b>Net Profit/ (Loss) after Tax</b>	<b>(229.03)</b>	<b>(42.37)</b>	<b>(654.54)</b>	<b>(220.88)</b>
Profit / (Loss) of Shares in Associate Concern	-	-	-	-
Minority Interest	-	-	211.69	17.73
<b>Add:</b> Amount brought forward from Last Year	-	-	-	-
<b>Less: Appropriations</b>	-	-	-	-
Proposed Dividend	-	-	-	-
Tax on Proposed Dividend	-	-	-	-
Transfer to General Reserve	-	-	-	-
<b>Balance carried to Balance Sheet</b>	<b>(229.03)</b>	<b>(42.37)</b>	<b>(442.85)</b>	<b>(238.61)</b>
Paid up Equity Share Capital	49.52	49.52	49.52	49.52
EPS (Equity Shares of Rs. 10/- each) Basic & Diluted (in Rs.)	(4.62)	(0.86)	(8.94)	(4.82)

the consolidated figures of 2015-16 includes the figures of two subsidiaries for entire year where as the consolidated figures of 2014-15 includes the figures for 3.5 months only of one subsidiary (ACMIIL).

### 2. DIVIDEND

In view of the losses, the Directors do not recommend any dividend for the Financial Year 2015-2016.

### 3. OPERATIONAL REVIEW/COMPANY'S PERFORMANCE

On a Standalone basis, the gross earnings dropped to Rs.339.51 lakhs from Rs.372.41 lakhs. The year ended with a loss after tax of Rs. 229.03 lakhs as compared to loss of Rs.42.37 lakhs in the previous year.

The Company has let out part of the Office premises on Leave and License basis to external companies including ICICI Bank. The Company offered advisory and consultancy services to certain clients and earned the fees aggregating to Rs.35.53 lakhs from Advisory and Consultancy Division.

On a consolidated basis, the gross revenues were at Rs.3,137.33 lakhs as compared to Rs.1,435.69 lakhs in the previous year and loss after tax was at Rs.654.54 lakhs as against loss of Rs. 220.88 lakhs in the previous year. The overall consolidated loss aggregated to Rs.442.85 lakhs (including share of loss from an Associate concern) as against loss of Rs. 238.61 lakhs in the previous year (including share of loss from an Associate concern)

Nucleus IT Enabled Services Ltd., a wholly-owned subsidiary of the company– engaged in to ITeS services and Income from Operations was increased to Rs. 368.81 and the profit before depreciation and finance cost was increased to Rs. 64.23 lakhs as against loss of Rs. 120.52 lakhs in the previous year. The overall profit stood at Rs.6.48 lakhs as against overall loss of Rs.214.00 lakhs in the previous year.

**4. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company has three subsidiaries as on March 31, 2016. 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.

Asit C Mehta Investment Intermediates Limited (ACMILL) is a subsidiary of the Company pursuant to section 2(87) of the Act and material non-listed Indian subsidiary of the Company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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.

Your Company has formulated and adopted a "Policy for determining Material Subsidiaries" so that your company could identify such subsidiaries and formulate governance framework for them. The same is also available on the website of the Company [www.acmfsl.com](http://www.acmfsl.com).

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 all the subsidiaries of the Company including Asit C. Mehta Comdex Services DMCC has been consolidated with the Company's financial statements unlike last year when the financial statements 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. SHARE CAPITAL**

The paid up Equity Share Capital as on 31st March, 2016 was Rs.49,525,600/- divided into 4,952,560 equity shares of Rs. 10/- each. There is no change in Equity share Capital of the Company during the year.

**6. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**a. Directors**

As on the date of this report, Company's Board comprises of 6 (Six) Directors, out of which, 3 (Three) independent directors representing 50% of total strength of the Board and remaining 3 (Three) are Non-Executive Directors (NEDs) representing 50% of the total strength including 1 (one) Woman Director.

**b. Retirement by Rotation**

In accordance with the provisions of the Act, Mr. Kirit H. Vora, Non-Executive Director of the Company, retires by rotation and being eligible has offered himself for re-appointment.

**c. Declaration by Independent Directors**

Pursuant to the provisions of Section 149 of the Act, Dr. Radha Krishna Murthy and Mr. Pundarik Sanyal were appointed as Independent Directors at the 30th Annual General Meeting of the Company held on September 26, 2014 and Mr. Vjay Ladha, was appointed as Independent Director at the 31st Annual General Meeting of the Company held on September 24, 2015. 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 Regulation 16 (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances, which may affect their status as Independent Director during the year.

**d. Board Effectiveness:**

- a) Familiarisation Programme for the Independent Directors: In compliance with the requirement of SEBI LODR Regulations, the Company has put in place a familiarisation programme for the Independent Directors to familiarise them with their role, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarisation programme is available on the website of the Company [www.acmfsl.com](http://www.acmfsl.com).

- b) Evaluation of the performance of the Board, its Committees and the Directors: Pursuant to the provisions of the Act and the SEBI LODR Regulations, the Board has carried out an annual evaluation of its own performance. The performance evaluation of all the independent directors have been done by the entire Board excluding the director being evaluated. On the basis of performance evaluation done by the Board, determines whether to extend or continue their terms of appointment, whenever the respective term expires.

The directors expressed their satisfaction with the evaluation process.

**e. Key Managerial Personnel**

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed thereunder:

- a) Ms. Purvi Ramesh Ambani, Chief Financial Officer (CFO);
- b) Mr. Stanley Santmayor, Manager resigned w.e.f. 31st August, 2015.
- c) Mr. Pankaj Jeevanlal Parmar, appointed as Manager of the Company w.e.f. 10th February, 2016.
- d) Mr. Raj Gandhi, Company Secretary resigned w.e.f. 31st May, 2015.
- e) Ms. Kavita Shah, Company Secretary appointed w.e.f. 1st June, 2015 and she resigned w.e.f. 15th February, 2016.

**Criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Leadership Positions:** Your Company has laid down a well-defined criteria for the selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Leadership Positions. Directors' Remuneration Policy & Criteria for matters under Section 178 of the Companies Act, 2013. Information regarding Directors' Remuneration Policy & Criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act are provided in the section of Corporate Governance Report

**7. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors states that:

- a. in the preparation of the annual accounts for the year ended March 31, 2016, 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, 2016 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 this 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.

**8. MEETINGS OF THE BOARD**

Five 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 this report.

**9. 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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.

#### **10. 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.

#### **11. 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.

#### **12. AUDIT COMMITTEE**

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

#### **13. AUDITORS**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s Manek & Associates (Firm Registration No 0126679W) Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of the 30th Annual General Meeting (AGM) of the Company held on September 26, 2014 till the conclusion of the 33rd 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 0126679W) Chartered Accountants, as the Statutory Auditors of the Company for the remaining tenure is placed before the members in the ensuing Annual General Meeting.

The Audit Committee and Board have reviewed their eligibility criteria, as laid down under Section 141 of the Companies Act, 2013 and recommended the ratification of their re-appointment as Statutory Auditors for the remaining tenure.

#### **14. AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT**

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

Pursuant to Section 204 of the Companies Act, 2013, 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 2015-16 in Form MR 3 given by M/s. Mehta & Mehta, Company Secretaries in practice is attached as **Annexure I** with this report. The Report does not contain any qualifications, reservations or adverse remarks

#### **15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

**Amounts outstanding as at 31st March 2016**

	(Rs. in lakhs)
<b>Particulars</b>	<b>Amount</b>
Loans given	29.69
Guarantees given	1,345.00
Investments made	1,546.57

(Rs. in lakhs)

Name of Entity	Relation	Amount (in lakhs)	Particulars of Loan/Guarantee/Investments	Purpose
Nucleus IT Enabled Services Ltd.(NITES)	Wholly Owned Subsidiary	29.69*	Loan	Business Purpose
Asit C Mehta Investment Intermmediates Limited (ACMIIIL)	Subsidiary	500.00	Guarantee	Business Purpose
Asit C. Mehta Investment Intermmediates Ltd. (ACMIIIL)	Subsidiary	845.00	Guarantee	Business Purpose
Asit C Mehta Investment Intermmediates Limited (ACMIIIL)	Subsidiary	1246.57	Investments	Investment in Equity Shares of the company
Nucleus IT Enabled Services Limited (NITES)	Wholly Owned Subsidiary	300.00	Investments	Investment in Equity Shares of the company

\*Including Interest on Loan Rs.3.35 Lacs

## 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 and do not attract provisions of Section 188 of the Act. The Company has entered into material contracts, with the related parties under SEBI LODR Regulations during the year 2015-16 and other contracts or arrangement is in the ordinary course of business and on arms length basis, which were approved by the Audit Committee and the Board from time to time. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 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 2015-16:

- 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, Manager of the Company. However, there is increase in the remuneration of Ms. Purvi Ambani, Chief Financial Officer of the Company to Rs. 18.02 Lakhs as compared to Rs. 17.12 Lakhs in the last year.

iii) **The percentage change in the median remuneration of employees in the financial year:**

There was a decrease of 20.03% in median remuneration of employees in the financial year.

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

The Company has 5 (Five) permanent Employees on the rolls of Company as on 31st March, 2016 as compared to 4 (Four) permanent employees as on 31st March, 2015.

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

On an average, employees received an annual increase of 8%-10%. The individual increment varied from 8% to 10% 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 performance, apart from an individual's performance.

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

(Rs. in lakhs)

Aggregate remuneration of Key Managerial Personal	25.54
Revenue	339.50
Remunerations of KMP ( as % of above)	7.52
Profit / Loss before tax	(242.93)
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 and**

(Rs. in lakhs)

Particulars	March 31,2016	March 31, 2015	% Change
Market Capitalisation (No. of Shares X Market price)	1220.80	2104.84	(42.00)
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:**

(In Rs.)

Particulars	March 2016	24th April 1995 (IPO)	% Change
Market price (BSE)	24.65	35.00	(29.57)

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:

(Rs. in lakhs)

Name of Entity	Mr. Stanly Santamayor	Mr. Pankaj J. Parmar	Ms. Purvi Ambani	Mr. Raj Gandhi	Ms. Kavita Shah
	Manager	Manager	Chief Financial Officer	Company Secretary	Company Secretary
Remuneration in FY 2016	14.00	--	16.54	1.26	1.26
Remuneration as % of revenue	4.12	--	4.87	0.37	0.37
Profit before tax (PBT)	(242.93)	(242.93)	(242.93)	(242.93)	(242.93)
Remuneration as % of PBT	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:

The Directors of the Company are not paid any remuneration except the sitting fees, therefore there is no highest paid director in the Company.

- 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 was not less than sixty lakhs per annum ;
- 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 two percent or more 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 Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 entered into with the stock exchange, **Corporate Governance Report** with Auditors' Certificate thereon and **Management Discussion and Analysis** are attached, which form part of the Annual Report.

Details of the **Familiarization Programme** of the independent directors are available on the website of the Company. (URL: [http://www.acmfsl.com/pdf/Policies/Familiarisation\\_programme\\_for\\_Independent\\_Directors.pdf](http://www.acmfsl.com/pdf/Policies/Familiarisation_programme_for_Independent_Directors.pdf))

Policy for determining **Material Subsidiaries of the Company** is available on the website of the Company. (URL: [http://www.acmfsl.com/pdf/Policies/Policy\\_for\\_determination\\_of\\_material\\_subsidary.pdf](http://www.acmfsl.com/pdf/Policies/Policy_for_determination_of_material_subsidary.pdf))

Policy on **Dealing with Related Party Transactions** is available on the website of the Company. (URL: [http://www.acmfsl.com/pdf/Policies/Related\\_Party\\_Transactions\\_Policy.pdf](http://www.acmfsl.com/pdf/Policies/Related_Party_Transactions_Policy.pdf))

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 Regulation 22 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015  
(URL: [http://www.acmfsl.com/pdf/Policies/Whistle\\_Blower\\_Policy.pdf](http://www.acmfsl.com/pdf/Policies/Whistle_Blower_Policy.pdf))

**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 Material orders passed by the regulator or courts or tribunals against the company impacting its status as going concern and on its operations.

**26. ACKNOWLEDGMENT**

The Directors thank the Company's employees, customers, vendors, investors and academic institutions 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 Ltd.

**FOR AND ON BEHALF OF THE BOARD**

**27th May, 2016  
Mumbai**

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

## Annexure I

**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**  
(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 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 Rd.,**  
**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 covering the financial year ended on 31st March, 2016, 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 on 31st March, 2016 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing; (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, 2015;
  - (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 (Share Based Employee Benefits) Regulations, 2014 (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);

## ASIT C. MEHTA FINANCIAL SERVICES LIMITED

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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 examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India;
- b) Listing Agreement entered with BSE Limited for the period from 1st April 2015 to 30th November 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st December 2015 to 31st March 2016;

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

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

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, 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 further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board are 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 meetings of the Board and any of its committee.

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. which are: -

The Company had conducted postal ballot and passed special resolution at the Extra-Ordinary General Meeting held on September 19, 2015 to approve the following matters:

- a) authorise the Board of Directors of the Company or any committee thereof to give loan or give any guarantee or provide security in connection with a loan or acquire securities of any other body corporate under section 186 of the Act for an amount not exceeding Rs.50,00,00,000/- (Rupees Fifty Crores Only) over and above the paid up capital and free reserves of the Company;
- b) material related party transaction proposed to be entered into between the Company and Asit C. Mehta Investment Intermediaries Limited, a subsidiary of the Company, for giving guarantee/ providing security upto an aggregate value of Rs. 8,45,00,000/- (Rupees Eight Crore Forty Five Lakhs Only)

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

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

Place: Mumbai  
Date : May 27, 2016

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  
Nucleus House  
Saki-Vihar Rd.,  
Andheri (E),  
Mumbai- 400072

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

- i) 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.
- ii) 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.
- iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- iv) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- v) 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.
- vi) 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  
FCS No: 5547  
CP No.: 13181**

Place: Mumbai  
Date : May 27, 2016

Annexure II

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on March 31, 2016  
[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](mailto:investorgrievance@acmfsl.co.in)  
Website: [www.acmfsl.com](http://www.acmfsl.com)
6. **Whether listed company:** Yes, Listed only on BSE Ltd.
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](http://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	10.46%
2.	Rental Income	68100	84.41%

**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, 5th Floor, Saki-Vihar Road, Andheri (East), Mumbai: 400072	U65990MH1993PLC075388	Subsidiary	50.05%	2(87)
2.	Nucleus IT Enabled Services Limited (NITES) Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai: 400072	U2900MH2008PLC182793	Subsidiary Wholly owned	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 (by ACMIL)	100 %	2(87)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## (a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3,279,416	0	3,279,416	66.22	3,279,416	0	3,279,416	66.22	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	414,370	0	414,370	8.37	414,370	0	414,370	8.37	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>3,693,786</b>	<b>0</b>	<b>3,693,786</b>	<b>74.58</b>	<b>3,693,786</b>	<b>0</b>	<b>3,693,786</b>	<b>74.58</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2): -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3,693,786</b>	<b>-</b>	<b>3,693,786</b>	<b>74.58</b>	<b>3,693,786</b>	<b>-</b>	<b>3,693,786</b>	<b>74.58</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	294	0	294	0.01	294	0	294	0.01	0
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1): -</b>	<b>294</b>	<b>0</b>	<b>294</b>	<b>0.01</b>	<b>294</b>	<b>0</b>	<b>294</b>	<b>0.01</b>	<b>0</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	131,074	7,500	138,574	2.80	151,445	2,500	153,945	3.11	11.09
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	347,246	126,182	473,428	9.56	301,680	125,082	426,762	8.62	9.86

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	641,413	-	641,413	12.95	606,213	-	606,213	12.24	5.49
c) Others (specify)									
Qualified Foreign Investor (Individual & Corporate)	-	-	-	-	-	-	-	-	-
Clearing Member	2758	0	2,758	0.06	7,787	0	7,787	0.16	182.34
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	11,411	-	11,411	0.23	1,530.14
Holding Company	-	-	-	-	-	-	-	-	-
HUF	602	-	602	0.01	51,357	-	51,357	1.04	8,431.06
Trusts	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2): -</b>	<b>1,124,798</b>	<b>133,682</b>	<b>1,258,480</b>	<b>25.41</b>	<b>1,130,898</b>	<b>127,582</b>	<b>1,258,480</b>	<b>25.41</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1,125,092</b>	<b>133,682</b>	<b>1,258,774</b>	<b>25.42</b>	<b>1,131,192</b>	<b>127,582</b>	<b>1,258,774</b>	<b>25.42</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>4,818,878</b>	<b>133,682</b>	<b>4,952,560</b>	<b>100</b>	<b>4,824,978</b>	<b>127,582</b>	<b>4,952,560</b>	<b>100</b>	<b>0</b>

**(b) Shareholding of Promotes**

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			% Change in share holding 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	0	2,284,138	46.12	0	No change
2	Deena A. Mehta	900,358	18.18	0	900,358	18.18	0	No change
3	Asit C. Mehta Commodity Services Limited	400,470	8.09	0	400,470	8.09	0	No change
4	Asit C Mehta HUF	77,000	1.55	0	77,000	1.55	0	No change
5	Asit C. Mehta Forex private Limited	13,900	0.28	0	13,900	0.28	0	No change
6	Aditya Asit Mehta	7,400	0.15	0	7,400	0.15	0	No change
7	Jayesh Desai HUF	7,120	0.14	0	7,120	0.14	0	No change
8	Gopa Jayesh Desai	1,900	0.04	0	1,900	0.04	0	No change
9	Rupa Atul Shah	1,500	0.03	0	1,500	0.03	0	No change
	<b>Total</b>	<b>3,693,786</b>	<b>74.58</b>	<b>0</b>	<b>3,693,786</b>	<b>74.58</b>	<b>0</b>	<b>No change</b>

## (c) 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-2015	at the beginning of the year	2,284,138	46.12	2,284,138	46.12	
			31-Mar-2016	at the end of the year			2,284,138	46.12	No Change
2.	1201320000000019	Deena A. Mehta	1-Apr-2015	at the beginning of the year	900,358	18.18	900,358	18.18	
			31-Mar-2016	at the end of the year			900,358	18.18	No Change
3.	1301190100041046 (Folio no. is changed)	Asit C. Mehta Commodity Services Limited	1-Apr-2015	at the beginning of the year	400,470	8.09	400,470	8.09	
			31-Mar-2016	at the end of the year			400,470	8.09	No Change
4.	1201320000576191	Asit C Mehta HUF	1-Apr-2015	at the beginning of the year	77,000	1.55	77,000	1.55	
			31-Mar-2016	at the end of the year			77,000	1.55	No Change
5.	1201320000005775	Asit C. Mehta Forex Private Limited	1-Apr-2015	at the beginning of the year	13,900	0.28	13,900	0.28	
			31-Mar-2016	at the end of the year			13,900	0.28	No Change
6.	1201320000007597	Aditya Asit Mehta	1-Apr-2015	at the beginning of the year	7,400	0.15	7,400	0.15	
			31-Mar-2016	at the end of the year			7,400	0.15	No Change
7.	1201320001087905	Jayesh Desai HUF	1-Apr-2015	at the beginning of the year	7,120	0.14	7,120	0.14	
			31-Mar-2016	at the end of the year			7,120	0.14	No Change
8.	1201320000334594	Gopa Jayesh Desai	1-Apr-2015	at the beginning of the year	1,900	0.04	1,900	0.04	
			31-Mar-2016	at the end of the year			1,900	0.04	No Change
9.	1302340000293910	Rupa Atul Shah	1-Apr-2015	at the beginning of the year	1500	0.03	1,500	0.03	
			31-Mar-2016	at the end of the year			1,500	0.03	No Change

(d) 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.	Charu S. Shah (IN30154953204270)	24,500	0.49	1-Apr-15			
				31-Jul-15	30,000 (Transfer)	54,500	1.10
				11-Sep-15	2,000 (Transfer)	56,500	1.14
				09-Oct-15	171,000 (Transfer)	227,500	4.59
				11-Dec-15	55,000 (Transfer)	282,500	5.70
		282,500	5.70	31-Mar-16			
2.	Purvi Ramesh Ambani* (1301190100041937)	0	0	1-Apr-15			
				27-Nov-15	118,985 (Transfer)	118,985	2.40
		118,985	2.40	31-Mar-16			
3.	Suman Marble Industries Private Limited (IN30014210381532)	50,000	1.01	1-Apr-15	Nil movement during the year		
		50,000	1.01	31-Mar-16			
4.	Ravi Navratn Jain (1201320000335657)	40,100	0.81	1-Apr-15	Nil movement during the year		
		40,100	0.81	31-Mar-16			
5.	Jash Ketan Karani (1204510000004931)	48,946	0.99	1-Apr-15			
				26-Jun-15	(21,233) Transfer	27,713	0.56
		27,713	0.56	31-Mar-16			
6.	Balmukund Investment Company Private Limited (1201320000005756)	27,500	0.56	1-Apr-15	Nil movement during the year		
			27500	0.56	31-Mar-16		
7.	Nichi Investment Company Private Limited (1201320000005737)	27,000	0.55	1-Apr-15	Nil movement during the year		
		27,000	0.55	31-Mar-16			
8.	Shirish Ranchhodlal Shah HUF. (1201260000173146)	24,250	0.49	1-Apr-15	Nil movement during the year		
		24,250	0.49	31-Mar-16			
9.	Trupti Ketan Karani (IN30027110093659)	23,722	0.48	1-Apr-15	Nil movement during the year		
		23,722	0.48	31-Mar-16			
10.	Kirit Himatlal Vora (1201320000000456)	23,520	0.48	1-Apr-15	Nil movement during the year		
		23,520	0.48	31-Mar-16			
11.	Jaswant Jayantilal Shah**	60,000	1.21	1-Apr-15			
				10-Apr-15	(35,000)(Transfer)	25,000	0.50
				17-Apr-15	(50)(Transfer)	24,950	0.50
				24-Jul-15	(10)(Transfer)	24,940	0.50
				04-Sep-15	(100)(Transfer)	24,840	0.50
				15-Jan-16	(12,335)(Transfer)	12,505	0.25
		12,505	0.25	31-Mar-16			

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
12.	Ketan Jayantilal Karani** (1204470004120171)	163,364	3.30	1-Apr-15			
				17-Apr-15	54,686(Transfer)	218,050	4.40
				26-Jun-15	21,233(Transfer)	239,283	4.83
				11-Sep-15	(1,075)(Transfer)	238,208	4.81
				30-Sep-15	(171a,000)(Transfer)	67,208	1.36
				11-Dec-15	(55,000)(Transfer)	12,208	0.25
				26-Feb-16	(7,105)(Transfer)	5,103	0.10
		3,739	0.08	31-Mar-16	(1,364)(Transfer)	3,739	0.08
13.	Tushar Chhabildas Kapadia**	118,985	2.40	1-Apr-15			
				27-Nov-15	(118,985)(Transfer)	0	0
		0	0.00	31-Mar-16			
14.	Shirish R Shah**	30,000	0.61	1-Apr-15			
				31-Jul-2015	(30,000)(Transfer)	0	0
		0	0.00	31-Mar-16			

\* Ms. Purvi Ramesh Ambani holds share in her capacity as trustee of Nucleus Stock Trust.

\*\*Ceased to be in the list of Top 10 shareholders as on 31-03-2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2014.

#### V 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.	Asit Chimanlal Mehta	2,284,138	46.12	2,284,138	46.12
2.	Deena Asit Mehta	900,358	18.18	900,358	18.18
3.	Kirit Himatlal Vora	23,520	0.47	23,520	0.47
4.	Radha Krishna Murthy	1,000	0.02	1,000	0.02
5.	Purvi Ramesh Ambani (CFO)	0	0	118,985	2.40
6.	Pankaj Jeevanlal Parmar (Manager)	350	0.01	350	0.01

## VI. INDEBTEDNESS

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

(Rs. In lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,573.05	400.21	--	1,973.26
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>1,573.05</b>	<b>400.21</b>	<b>--</b>	<b>1,973.26</b>
Change in Indebtedness during the financial year				
* Addition	1,869.90	500.79	--	2,370.69
* Reduction	1,015.49	400.21	--	1,415.70
Net Change	854.41	100.58	--	1,254.99
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,427.46	500.00	--	2,927.46
ii) Interest due but not paid	--	0.79	--	0.79
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>2,427.46</b>	<b>500.79</b>	<b>--</b>	<b>2,928.25</b>

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In lakhs)

Sr. no.	Particulars of Remuneration	Name of the MD/WTD/Manager	
		Mr. Stanley Santmayor Manager *	Mr. Pankaj Jeevanlal Parmar ** Manager
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.34	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission		
	- as % of profit	--	--
5.	Others, please specify	--	--
	Total (A)	6.34	--
	Ceiling as per the Act	--	--

\*Resigned w.e.f 31st August, 2016 as Manager of the Company. The remuneration is on pro rata basis.

\*\* Appointed w.e.f. 10th February, 2016 Manager of the Company. The remuneration is on pro rata basis

**B. Remuneration to other directors**

(Rs. in thousands)

Sr. no.	Particulars of Remuneration	Fees for Attending Board /Committee Meetings	Commission	Others pls specify	Total Amount
<b>1</b>	<b>Independent Directors</b>				
	Mr. Vijay Ladha	37.50	--	----	37.50
	Mr. Radha Krishna Murthy	52.50	--	--	52.50
	Mr. Pundarik Sanyal	35.00	--	--	35.00
	<b>Total (1)</b>	<b>125.00</b>	<b>--</b>	<b>--</b>	<b>125.00</b>
<b>2</b>	<b>Other Non-Executive Directors</b>				
	Mr. Asit Mehta	45.00	--	--	45.00
	Mrs. Deena Mehta	45.00	--	--	45.00
	Mr. Kirit Vora	62.50	--	--	62.50
	<b>Total (2)</b>	<b>152.50</b>	<b>--</b>	<b>--</b>	<b>152.50</b>
	<b>Total (B)=(1+2)</b>	<b>277.50</b>	<b>--</b>	<b>--</b>	<b>277.50</b>
	<b>Total Managerial Remuneration</b>	<b>277.50</b>	<b>--</b>	<b>--</b>	<b>277.50</b>
	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**

(Rs. in lakhs)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Raj Gandhi Company Secretary	*Ms. Kavita Shah 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	0.22	0.95	18.02	19.19
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- as % of profit	--	--	--	--
5	Others, please specify	--	--	--	--
	<b>Total</b>	<b>0.22</b>	<b>0.95</b>	<b>18.02</b>	<b>19.19</b>

\* Resigned w.e.f 31st May, 2015

\*\* appointed w.e.f 1st June, 2015 and resigned w.e.f. 15th February, 2016

**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Company earns revenues from letting out of properties to group 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 Rs 26.96 lakhs during the year under review.

Nucleus IT Enabled Services Ltd (NITES), wholly owned Indian subsidiary is engaged into ITes / BPO services and Asit C. Mehta Investment Intermediates Ltd. (ACMIIL), the material subsidiary of the Company is engaged into Stock broking, depository and allied services.

NITES's performance for the year 2015-16 was better and the Company reported gross income of Rs 370.13 lakhs as against Rs 223.16 lakhs in the previous year. The Company reported a profit after tax of Rs. 6.48 lakhs as against loss after tax of Rs. 214.04 lakhs in the previous year. This was on account of increase in Revenue from Operations from Rs. 214.73 lakhs in the previous year to Rs. 368.80 Lakhs. The Company operates into BFSI (banking, financial services & insurance) segment – mainly into insurance industry services.

ACMIIL's performance for the year 2015-16 was better as compared to last year. Company has reported gross income of Rs. 3136 lakhs as against the Rs. 3062 lakhs in previous year. The company has reported Net profit of Rs.76.85 lakh as against Rs.80.28 lakh 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 2016 as shown in Table below is of the Company, its wholly-owned subsidiary (NITES) and material subsidiary (ACMIIL).**

**Summarized Consolidated financials**

(Rs. In lacs)

Segment Revenue			Segment Results Profit/(Loss) after depreciation and interest		
	2015-16	2014-15		2015-16	2014-15
ITes	368.81	214.73	ITes	90.45	(76.71)
Investments Activities	146.00	169.68	Investments Activities	(14.43)	(105.96)
Advisory and Consultancy	26.96	95.07	Advisory and Consultancy	(25.57)	31.90
Stock Broking and allied services	2,297.29	884.17	Stock Broking and allied services	(341.24)	79.51
Unallocable	298.27	72.04	Unallocable	---	---

**B) Standalone Financial Results:**

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

Particulars	2015-16	2014-15
Revenues from Operations	328.32	361.60
Other Income	11.19	10.80
Total Revenue	339.51	372.40
Total Expenditure	582.44	429.56
Profit Before Tax	(242.93)	(57.15)
Profit After Tax	(229.03)	(42.36)

The Share Capital remained unchanged. The Network (including Revaluation Reserve) of the Company decreased from Rs. 4,285.90 lakhs to Rs. 3,984.54 lakhs. The Bank term loans borrowing stood at Rs 9.41 Lakhs as at March 31, 2016 from NIL at March 31, 2015. Other secured loan was Rs. 1,486 lakhs as at 31.03.2016 from Rs. 1,573 lakhs in previous year.

**Opportunities, Threats, risks and concerns**

The Company's income mainly comprises of rents, dividends, fees etc accruing from investments made in the group companies. The company will be affected as per the impact on workings of 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 its efforts 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 company is relatively new entrant in the field although it has backing of its name recognition from other financial fields in investment banking area.

The performance of its wholly owned subsidiary – Nucleus IT Enabled Services Ltd which is engaged into ITeS Services would depend on the growth of BFSI industry. The WOS operates in BFSI vertical (mainly insurance) which represents a mature 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.

The outlook of the Subsidiary ACMIIL 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, 2016, the Company has six Directors. Of the six directors, three are Non-Executive Directors and three are Independent Directors. The company has a Non-Executive Chairman and the number of Independent Directors is more than one third of the total number of Directors. The company is in conformity with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015– i.e. not less than fifty percent of the Board of Directors comprises of non-executive directors with at least 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.

The Chairman is primarily responsible for ensuring that the Board provides effective governance to the company and in doing so presides over meetings of the Board and shareholders of the company. The Chairman takes a lead role in managing the Board and facilitating effective communication among Directors.

The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015– and Section 149 of the Act.

The names and categories of the Directors on the Board, their attendance at board meetings held during the year, the number of directorships and committee chairmanships / memberships held by them in other public companies and their relationship with other directors as on March 31, 2016 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 Attended during the year 2015-16		No. of Directorships in other companies	Relationship with other Directors	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 DIN: 00169048	Promoter and Non-Executive	5	5	1	Spouse of Mrs. Deena A. Mehta	1	NIL	Yes
Mrs. Deena A. Mehta, Director DIN: 00168992	Promoter and Non-Executive	5	5	7	Spouse of Mr. Asit C. Mehta	1	NIL	No
Mr. Kirit H. Vora, Director DIN: 00168907	Non-Executive	5	5	2	-	NIL	NIL	Yes
Mr. Vijay Ladha, Director DIN: 00168663	Non-Executive	5	3	NIL	-	NIL	NIL	No
Dr. R. Krishnamurthy, Director DIN: 00221583	Independent		5	4	NIL	-	NIL	NILNo
Mr. Pundarik Sanyal Director, DIN: 01773295	Independent	5	4	4	-	2	2	No

**B. Meetings of the Board**

1. Five 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  
29th May, 2015, 10th August, 2015, 9th November 2015, 27th January, 2016 and 10th February, 2016.  
The necessary quorum was present for all the meetings.
2. The information as mentioned in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration.
3. The terms and conditions of appointment of the Independent Directors and the familiarisation programme of the Company for its Independent Directors are disclosed on the website of the Company viz. [www.acmfsl.com](http://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 Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

**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 board'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.
  - f. statement of deviations:
    - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**II. COMPOSITION OF AUDIT COMMITTEE:**

As on March 31, 2016, the committee consists of 3 (three) members. All the members of the Audit Committee possess financial/accounting expertise.

As on March 31, 2016, 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 Vora	Member	Non-Executive
3.	Dr. Radha Krishna Murthy	Member	Independent & Non-Executive

**III. MEETINGS OF THE AUDIT COMMITTEE**

Four 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, 2015, 10th August, 2015, 9th November 2015 and 10th February, 2016.

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	4	3
Dr R Krishnamurthy	4	4
Mr. Kirit H Vora	4	4

Besides the above meetings, another meeting of the Audit Committee was held on 27th May, 2016 at which the Audited Accounts for the year ended 31st March, 2016, 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 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 of the Company is constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013

**I. Terms of Reference:**

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, Key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- Devising a policy on diversity of board of directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**II. COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee comprises of three Directors, all of them being Non-Executive Directors with at least fifty percent of the directors are Independent Directors.

The committee comprises the following members:

Name of the Member	Position	Category
Dr. Radha Krishna Murthy	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 Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**III. MEETINGS OF THE NOMINATION AND REMUNERATION COMMITTEE:**

Two Nomination and Remuneration Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:

29th May, 2015 and 08th February, 2016.

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
Dr. Radha Krishna Murthy	2	2
Mr. Asit C. Mehta	2	2
Mr. Pundarik Sanyal	2	1

The company does not have any employee stock option scheme.

**IV. 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.

**V. 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.

- Details of total sitting fees paid to Non-Executive Director and Non-Executive Independent Directors for the year ended March 31, 2016

Name of the Director	Category	Sitting Fees
Mr. Asit Mehta	Non-Executive Director	Rs 45,000/-
Mrs. Deena Mehta	Non-Executive Director	Rs 45,000/-
Mr. Kirit Vora	Non-Executive Director	Rs. 62,500/-
Mr. Vijay Ladha	Independent Director	Rs. 37,500/-
Dr. Radha Krishna Murthy	Independent Director	Rs. 52,500/-
Mr. Pundarik Sanyal	Independent Director	Rs. 35,000/-

ii. Details of equity shares of the Company held by the Directors as on March 31, 2016 are given below:

Name of the Director	Number of Equity Shares
Mr. Asit Mehta	2,284,138
Mrs. Deena Mehta	900,358
Mr. Kirit H. Vora	23,520
Mr. Radha Krishna Murthy	1,000

### C. Stakeholders' Relationship Committee

The Company have a Stakeholders' Relationship 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.

Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

One meeting of the Stakeholders' Relationship Committee was held during the year on 27th July, 2015.

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

Name	Designation	Category	Number of meetings during the financial year 2015-16	
			Held	Attended
Mrs. Deena Mehta	Chairperson	Non-executive Director	1	1
Mr. Kirit Vora	Member	Non-executive Director	1	1

### Compliance Officer

- Mr. Raj Gandhi, Company Secretary and Compliance officer resigned w.e.f. 31st May, 2015.
- Ms. Kavita Shah, Company Secretary and Compliance appointed w.e.f. 1st June, 2015 and she resigned w.e.f. 15th February, 2016.

Details of investor complaints received and redressed during the year 2015-16 are as follows:

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

### IV. RISK MANAGEMENT POLICY

Pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provision in respect of forming Risk Management Committee is not applicable to the Company. However, the Company also has in place a mechanism to inform Board about the risk assessment and minimisation procedures and periodical review to ensure that executive management controls risk through means of a properly defined framework.

### V. GENERAL BODY MEETINGS

#### i. General Meeting

##### a. Annual General Meeting:

Financial Year	Date	Time	Number of special Resolutions passed	Venue
2012-13	29 <sup>th</sup> AGM held on September 27, 2013	3.30 p m	NIL	Nucleus House, Opp L&T Gate No.7, Saki- Vihar Road, Andheri (East), Mumbai: 400072
2013-14	30th AGM held on September 26, 2014	4.00 p m	8	
2014-15	31 <sup>st</sup> AGM held on September 24, 2014	3.30 p m	1	

##### b. Extra-Ordinary General Meeting:

No extraordinary general meeting of the members was held during the year 2015-16.

ii. **Special Resolutions:**

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

<b>Date of General meeting</b>	<b>Details of Special Resolution</b>
<b>September 24, 2015</b>	1. Appointment of Mr. Vijay Ladha as Independent Director
<b>September 26, 2014</b>	<ol style="list-style-type: none"> <li>1. Appointment of Dr. Radha Krishna Murthy as Independent Director</li> <li>2. Appointment of Mr. Pundarik Sanyal as Independent Director</li> <li>3. Resolution passed under section 180(1)(c) of the Companies Act 2013 to borrow sum of money not exceeding Rs. 50 crore.</li> <li>4. Resolution passed under section 180(1)(a) of the Companies Act 2013 for creation of charge on the assets of the Company</li> <li>5. Resolution passed under Section 188 of the Companies Act 2013 for entering into the related party transactions</li> <li>6. Resolution passed under Section 42 of the Companies Act 2013 for issue of Non- convertible debentures on private placement basis.</li> <li>7. Resolution passed under section 94 of the Companies Act 2013 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</li> <li>8. Alteration in the Articles of Association of the Company</li> </ol>
<b>September 27, 2013</b>	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:

<b>Particulars</b>	<b>Date of Declaration of Result</b>	<b>% of Votes in favour of resolution</b>	<b>% of Votes against the resolution</b>
Resolution passed under section 186 that the total loans/investments made/guarantee given and securities provided should not exceed Rs. 50 Crores over and above the paid up capital of the Company and its free reserves.	25 <sup>th</sup> September, 2014	99.89%	0.11%
<ol style="list-style-type: none"> <li>1. Resolution passed for approval for giving loans/guarantees/providing securities/making investments under section 186 of the Companies Act, 2013, not exceeding Rs. 50 crores over and above the paid up capital and free reserves of the Company</li> <li>2. Resolution passed as per the provisions clause 49(VII) of the Listing Agreement and other applicable provisions of Companies Act, 2013 for entering into material related party transaction between Company and Asit C Mehta investment Intermediates Limited, a related party for giving guarantee/ providing security upto an aggregate value of Rs. 84,500,000/- .</li> </ol>	24 <sup>th</sup> September, 2015	84.21%	15.79%

The Company conducted the postal ballot exercise in the manner provided under the provisions of Section 110 and other applicable provisions, if any, of the Act read together with Rule 22 of the Companies (Management and Administration) Rules, 2014. The Company had provided Electronic Voting ("remote e-voting") facility as an alternate, to all its Members, to enable them to cast their votes electronically. The Company had engaged the services of CDSL to provide e-voting facility to its Members.

The notice of postal ballot was accompanied with detailed instructions kit to enable the members to understand the procedure and manner in which postal ballot voting (including remote e-voting) to be carried out.

Mr. Anshul Kumar Jain, Partner, Mehta & Mehta, Company Secretaries, 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 had been followed for the Postal Ballot conducted during the year for the resolutions 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.

**VI. DISCLOSURES**

**i. Related Party Transactions**

All Related Party Transactions (RPTs) which were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and do not attract provisions of Section 188 of the Act, however Company has entered into material RPTs under SEBI LODR Regulations.

During FY 2015-16, the RPTs were placed before Audit Committee for prior approval. A summary statement of transactions with related parties was placed periodically before the Audit Committee during the year. Suitable disclosures, as required by the Accounting Standard - 18 have been made in the financial statements.

Details of 'material' transactions, if any, with the Related Parties are disclosed quarterly. The Company has entered into material related party transactions during the year, however it had no potential conflict with the interests of the Company. A Policy on materiality of RPTs and also on dealing with RPTs has been formulated by the Board and the same is placed on the Company's website [www.acmfsl.com](http://www.acmfsl.com).

**ii. Compliances by the Company**

There were no instances of non-compliance by the Company, nor has there been any penalties and strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority/regulatories 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](http://www.acmfsl.com/cor_gov.htm)

**iv. CEO/CFO Certification**

The manager and CFO have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8) of the SEBI LODR Regulations.

**v. Reconciliation of Share Capital**

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 the 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, 2016. The Annual Report of the Company contains a Certificate by the Chairman of the company in terms of Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to this Report.

**viii. Compliance of discretionary requirements specified under Regulation 27 of the SEBI LODR Regulations**

The Company is complying with all the mandatory requirements of the SEBI LODR Regulations. The Company has also complied with the discretionary requirement with respect to the regime of financial statements with unmodified audit opinion.

**vii. 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](http://www.acmfsl.com/cor_gov.htm)

#### viii. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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](http://www.acmfsl.com) soon after their declaration.

#### ix. General shareholder information

##### 1. Annual General Meeting

Date : 22nd September, 2016  
Time : 3.00 p.m.  
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 15th August, 2016  
Second Quarter Results : On or before 15th November, 2016  
Third Quarter Results : On or before 15th February, 2017  
Fourth Quarter Results : On or before 30th May, 2017

4. Date of Book Closure : Thursday, 15th September, 2016 to Thursday, 22nd September, 2016 (both days inclusive)

5. Dividend : No dividend is recommended for the financial year 2015-2016.

6. Listing on Stock Exchanges : BSE Limited (BSE)  
25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001  
Stock code - 530723

7. Listing fees : The Company has paid the Annual Listing fees to BSE for the Financial Year 2016-17

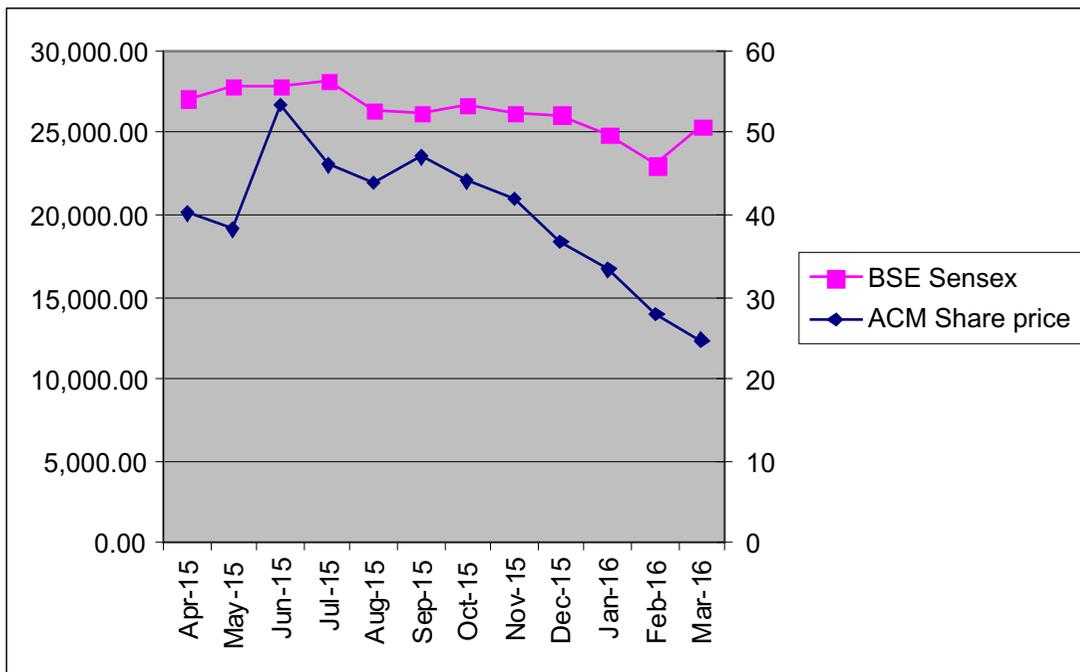
8. ISIN for Equity Shares : INE0141B01014 (NSDL and CSDL)

9. Market Price Data :

High, low (based on daily closing prices) and number of equity shares traded during each month in the year 2015-16 on BSE:

Month	High (Rs)	Low (Rs)	Total Number of Equity Shares Traded
April 2015	40.40	38.30	55,156
May 2015	38.20	38.20	2
June 2015	53.50	40.10	21,933
July 2015	50.85	45.95	48
August 2015	43.75	40.00	353
September 2015	49.60	39.55	1,73,352
October 2015	53.80	42.00	532
November 2015	41.80	41.80	2
December 2015	41.25	35.00	57,513
January 2016	38.45	31.40	14,248
February 2016	34.50	26.60	22,748
March 2016	28.65	23.50	3,724

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



9. **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

10. **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.

11. **Distribution of Shareholding:**

a. **Distribution of equity shareholding as on March 31, 2016.**

No. of Equity Shares	No. of Shareholders	% Percentage	No. of Shares	% Percentage
1- 500	892	81.02	142,185	2.87
501-1000	105	9.54	84,339	1.70
1001-2000	35	3.18	51,457	1.04
2001-3000	11	1.00	27,774	0.56
3001-4000	10	0.91	37,084	0.75
4001-5000	11	1.00	51,892	1.05
5001-10000	15	1.36	116,289	2.35
10001 & above	22	1.99	4,441,540	89.68
	<b>1101</b>	<b>100.00</b>	<b>4,952,560</b>	<b>100.00</b>

**b. Categories of equity shareholders as on March 31, 2016:**

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	153,945	3.11
Indian public and Others	1,032,975	20.86
Clearing Member	7,787	0.16
Non-Resident Indians	12,416	0.25
Hindu Undivided Family	51,357	1.03
<b>TOTAL</b>	<b>4,952,560</b>	<b>100.00</b>

**12. 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 4,824,978 Equity shares of the Company constituting 97.42% of the Company's equity share capital are dematerialised as on March 31, 2016. A total of 127,582 Equity shares are in physical form as on March 31, 2016.

**13. 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, 2016, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

**14. Transfer of unclaimed / unpaid amounts to the investor education and protection fund (IEPF):**

As per Section 124 of the Act any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, the unpaid/unclaimed dividend for the year 2008-09 shall become transferable to the IEPF on 29th October, 2016. Shareholders are requested to verify their records and send claims, if any, before the amount becomes due for transfer to the IEPF.

Further, the Ministry of Corporate Affairs (MCA) vide its notification dated 10 May, 2012 prescribed the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 which mandates all the companies to file the particulars of all the unclaimed and unpaid amounts through 'e-Form 5INV' on the web portal of MCA [www.iepf.gov.in](http://www.iepf.gov.in) and subsequently also upload the data on the website of the Company. During the year under review, the Company has accordingly filed the necessary 'Form-5INV' on 16th December, 2015 for the financial year ended 31 March 2015. The details of unclaimed dividends for the financial years 2008-09 and 2009-10 have been uploaded on the Company's website: [www.acmfsl.com](http://www.acmfsl.com).

**15. Address for Correspondence:****Asit C. Mehta Financial Services Limited**

Nucleus House, Saki-Vihar Road,

Andheri (East), Mumbai: 400072

Telephone: 28570781/28583333

Email ID for Investor Services: [investorgrievance@acmfsl.co.in](mailto:investorgrievance@acmfsl.co.in)

Website: [www.acmfsl.com](http://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

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that, to the best of my knowledge and belief, all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Business Conduct & Ethics for the year ended 31 March 2016.

27th May, 2016

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

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### 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended March 31, 2016.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

26th July, 2016

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**INDEPENDENT AUDITOR'S 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 31 March, 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 31 March, 2016 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, 2016 ("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, a statement on the matters specified in the paragraph 3 and 4 of the order.
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 purposes of our audit.

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigation on its financial position in financial statements—Refer Note 26 and 27 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's registration number: 0126679W**

**Mumbai**  
**Dated: May 27th, 2016**

**(SHAILESH MANEK)**  
**Proprietor**  
**Membership number.034925**

**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is a service company, primarily rendering investment activity and advisory & consultancy services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has granted unsecured loans to a wholly own subsidiary Company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the subsidiary company listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
- (b) In the case of the loans granted to the subsidiary company listed in the register maintained under section 189 of the Act, the borrower have been regular in the payment of the principal and interest as stipulated.
- (c) There are no overdue amounts in respect of the loan granted to a subsidiary company listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and for providing guarantees and securities, as applicable.
- (v) 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 close 3(v) of the order is not applicable.
- (vi) 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 service activities carried on by the Company and therefore, the provision of clause 3(vi) of the Order is not applicable
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March, 2016 for a period of more than six months from the date they became payable except Property tax as per detail given below.

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where the amounts not deposited
Property Tax	Property Tax on Premises	74,69,333/-	2011-2016	Brihanmumbai Mahanagar Palika

- (c) According to the information and explanation given to us, there are no dues of income tax, sale tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except under Foreign exchange regulation Act and Service Tax as per details given below.

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs.)</b>	<b>Period to which the amount relates</b>	<b>Forum where the amounts not deposited</b>
Foreign Exchange Regulation Act, 1973	Contravention of FERA regulations	10,000,000/-	1994-95	Appellate Tribunal Foreign Exchange
Service Tax	Service tax on Brokerage Income	6,798,386/-	1996-2000	Commissioner of Central Excise (Appeals)

- (viii) 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 institutions. Further, the Company has not issued any debentures and therefore, the provision of clause 3 (viii) of the Order to that extent is not applicable
- (ix) During the financial year, the company has not raised any money by way of initial public offer or further public offer (including debt instruments). However the terms loan raised during the year were applied for the purposes for which those are raised.
- (x) According to information and explanations given to us there were no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year and therefore, the provision of clause 3 (x) of the Order is not applicable.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the company is not a chit fund or a nidhi and therefore, the provisions of clause 3(xii) of the Order are not applicable to the company.
- (xiii) According to information and explanation given to us, all the transactions with related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS)-18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts)Rules,2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore, the provisions of clause 3(xiv) of the Order are not applicable to the company.
- (xv) During the financial year, the Company has not entered into any non-cash transactions with directors or persons connected with him and therefore, the provisions of clause 3(xv) of the Order are not applicable to the company.
- (xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore, the provisions of clause 3(xvi) of the Order are not applicable to the company.

**For MANEK & ASSOCIATES**  
**Chartered Accountants**  
**Firm's registration number: 0126679W**

**Mumbai**  
**Dated: May 27th, 2016**

**(SHAILESH MANEK)**  
**Proprietor**  
**Membership number.034925**

**Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **ASIT C. MEHTA FINANCIAL SERVICES LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

**For MANEK & ASSOCIATES**  
Chartered Accountants  
Firm's registration number: 0126679W

Mumbai  
Dated: May 27th, 2016

(SHAILESH MANEK)  
Proprietor  
Membership number.034925

## BALANCE SHEET AS AT 31 MARCH, 2016

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Particulars	Note No	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	49,525,600	49,525,600
(b) Reserves and Surplus	4	348,927,914	379,064,579
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	5	242,745,762	157,304,879
(b) Deferred tax liabilities (Net)	6	255,697	1,656,967
(c) Other Long term liabilities	7	6,340,500	88,251,740
(d) Long term provisions	8	93,066	103,736
<b>Current Liabilities</b>			
(a) Short-term borrowings	9	50,000,000	-
(b) Trade payables	10	969,618	271,646
(c) Other current liabilities	11	140,508,376	70,172,813
(d) Short-term provisions	12	32,247	17,999
<b>Total</b>		<b>839,398,780</b>	<b>746,369,959</b>
<b>II. Assets</b>			
<b>Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	13	655,032,782	560,739,755
(ii) Intangible assets		396,503	-
(b) Non-current investments	14	154,657,070	154,657,070
(c) Long term loans and advances	15	7,409,763	6,106,904
<b>Current Assets</b>			
(a) Trade Receivables	16	3,955,584	6,251,094
(b) Cash and cash equivalents	17	13,873,559	10,391,157
(c) Short term Loans and advances	18	3,738,480	7,036,224
(d) Other Current Assets	19	335,039	1,187,755
<b>Total</b>		<b>839,398,780</b>	<b>746,369,959</b>

See accompanying notes 1 to 32 forming part of the financial statements

For Manek & Associates  
Chartered Accountants  
Firm Registration No.: 0126679W

For and on behalf of the Board

Shailesh L. Manek  
Proprietor  
Membership No.: 034925

Asit C Mehta  
Chairman

Kirit H Vora  
Director

Mumbai, 27<sup>th</sup> May, 2016

Purvi Ambani  
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

₹

Particulars	Note No	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Revenue from Operations	20	32,831,850	36,160,998
Other Income	21	1,118,840	1,079,945
<b>Total Revenue</b>		<b>33,950,690</b>	<b>37,240,944</b>
<b>Expenses:</b>			
Employee benefits expense	22	4,648,638	5,894,664
Finance costs	23	36,869,475	25,960,502
Depreciation	25	4,548,156	4,557,060
Other expenses	24	12,177,859	6,543,861
<b>Total Expenses</b>		<b>58,244,128</b>	<b>42,956,087</b>
Profit / (Loss) before tax		(24,293,438)	(5,715,143)
Tax expense:			
(a) Current tax			
(b) Deferred tax credit		1,401,270	1,478,187
(c) Prior year Tax Adjustment		11,040	-
Profit/(Loss) after tax		<b>(22,903,208)</b>	<b>(4,236,956)</b>
Earning per equity share:			
(1) Basic		(4.62)	(0.86)
(2) Diluted		(4.62)	(0.86)

See accompanying notes 1 to 32 forming part of the financial statements

For Manek & Associates  
Chartered Accountants  
Firm Registration No.: 0126679W

For and on behalf of the Board

Shailesh L. Manek  
Proprietor  
Membership No.: 034925

Asit C Mehta  
Chairman

Kirit H Vora  
Director

Mumbai, 27<sup>th</sup> May, 2016

Purvi Ambani  
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

₹

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit/(loss) before tax		(24,293,438)		(5,715,143)
Adjustments for				
Depreciation & Amortization	4,548,156		4,557,060	
Asset Discarded	-		-	
Interest income	(702,253)		(725,160)	
Dividend	-		-	
Loss / (Profit) on Sale of Investment	-		(354,786)	
Interest expense	10,199,301	14,045,204	9,652,969	13,130,084
Operating profit/(loss) before working capital changes		(10,248,234)		7,414,941
<b>Adjustments for (increase)/Decrease in operating assets</b>				
(Increase) / Decrease in Long Term loans & Advances	(1,302,859)		81,460	
(Increase) / Decrease in Short Term loans & Advances	3,297,744		(4,393,700)	
(Increase) / Decrease in Trade receivables	2,295,510		(815,092)	
(Increase) / Decrease in Other Current assets	852,716		47,483	
(Increase) / Decrease in Bank Fixed Deposits	(2,830,259)		-	
(Increase) / Decrease in Other Non Current Assets	-		-	
<b>Adjustments for increase/(Decrease) in operating liabilities</b>				
Increase / (Decrease) in Long Term liabilities	(81,911,240)		51,000,000	
Increase / (Decrease) in Long Term Provisions	(10,670)		(160,049)	
Increase / (Decrease) in Trade payables	697,970		(7,941)	
Increase / (Decrease) in Other current liabilities	70,335,564		(50,153,663)	
Increase / (Decrease) in Short term Provision	14,248	(8,561,275)	(25,638)	(4,427,140)
Cash used / in operations before taxes		(18,809,509)		2,987,801
Refund recd / (Taxes paid)		(11,040)		(950,955)
<b>Net cash used in operating activities - A</b>		<b>(18,820,549)</b>		<b>2,036,846</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(106,471,143)		-	
Interest Received	702,253		725,160	
Dividend Received				
Proceeds form Sale of investment	-		354,786	
<b>Net cash used in investing activities - B</b>		<b>(105,768,890)</b>		<b>1,079,945</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
(Repayment) / Proceed on Term Loan A/c	85,440,883		6,482,446	
Proceed of unsecured Loan (Net of repayments)	50,000,000		-	
Interest Paid	(10,199,301)		(9,652,969)	
<b>Net cash used in financing activities - C</b>		<b>125,241,582</b>		<b>(3,170,523)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)=D</b>		<b>652,143</b>		<b>(53,732)</b>
<b>Cash and cash equivalents at the beginning of the year-E</b>		<b>2,298,157</b>		<b>2,351,889</b>
<b>Cash and cash equivalents at the end of the year (D+E)</b>		<b>2,950,300</b>		<b>2,298,157</b>

NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

- Cash & Cash Equivalents Include :

Cash on Hand	148,309	32,984
Balance with Banks In Current Accounts	2,801,991	2,265,173
	<b>2,950,300</b>	<b>2,298,157</b>
- 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.: 0126679W

For and on behalf of the Board

Shailesh L. Manek  
Proprietor  
Membership No.: 034925

Asit C Mehta  
Chairman

Kirit H Vora  
Director

Mumbai, 27<sup>th</sup> May, 2016

Purvi Ambani  
Chief Financial Officer

## 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 and outsiders. 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 on a straight line method basis over the remaining useful life based on an evaluation basis. Further incase, where the remaining useful life had been completed on April, 1, 2014, the carrying amount of assets, after retaining residual value, amounting to Rs. 3,90,051/- had been recognized in the opening balance of retained earnings of the previous year. Intangible asset being software is amortized over a period of five years for which the Company expects the benefits to accrue.

**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.

**2.1 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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR**
**2.12 Provision for Income Tax**

Provision for current tax is computed in accordance with the relevant tax regulation.

Deferred Tax is recognised for all timing differences between accounting income and taxable income and quantified using the enacted / substantially enacted tax rates as at the balance sheet date.

Deferred Tax Assets are recognised where realisations are reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognised only if there is a virtual certainty of realisation 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, 2016		As at 31st March, 2015	
	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, 2016		As at 31st March, 2015	
	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, 2016		As at 31st March, 2015	
	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, 2016		As at 31st March, 2015	
	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, 2016	As at 31st March, 2015
Capital Reserve	759,500	759,500
Securities Premium Account	41,043,960	41,043,960
Revaluation Reserve		
Opening Balance	345,131,591	352,365,048
Less: Utilised for set off against depreciation (Refer Note 4.1 below)	7,233,457	7,233,457
Closing Balance	337,898,134	345,131,591
General Reserve	-	-
Surplus/Deficit balance in		
Statement of Profit and Loss Account		
Opening Balance	(7,870,472)	(3,243,466)
Add : Profit / (Loss) for the year	(22,903,208)	(4,236,956)
Less: Adjustment as per Schedule II to the Companies Act, 2013 (Refer Note 2.7)	-	(390,050)
Closing Balance	(30,773,680)	(7,870,472)
<b>Total</b>	<b>348,927,914</b>	<b>379,064,579</b>

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, 2016	As at 31st March, 2015
a. Term Loans from a Bank (refer note (i) below)	94,182,487	-
b. Term Loan from STCI Finance Ltd (refer note (ii) below)	-	100,000,000
c. Term Loan from ECL Finance Ltd (refer note (iii) below)	92,807,287	-
d. Term Loan from a Edelweiss (refer note (iv) below)	55,755,988	57,304,879
<b>Total</b>	<b>242,745,762</b>	<b>157,304,879</b>

## Notes:

The above loans including current maturities are secured by:

- Mortgage of commercial property on nos 4th Floor, 5th Floor and 6th Floor of 'B' wing at 'Nucleus House' Andheri E, Mumbai with Co-borrowers Asit C Mehta Investment Intermediates Limited, Asit C Mehta Commodity Services Limited, Mr. Asit C Mehta and Mrs. Deena Asit Mehta of the said loan. Rate of interest (Floating) - 11.00%  
Repayment of Term Loan from a Bank in 120 monthly installment of Rs.13,77,501 (including interest) per month commencing from Apr'2016.
- 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.  
Term Loan from STCI Finance Ltd has since been repaid during the year.
- Mortgage of commercial property situated at Nucleus House, Saki Vihar Road, Andheri (East), Mumbai, bearing nos 3rd, 4th, 5th, 6th & 7th floor 'A' Wing, with Co-borrower Asit C Mehta Investment Intermediates Limited. Rate of Interest 11.90%.  
Repayment of Term Loan from ECL Finance Limited in 108 monthly installments of Rs.15,12,790 (including interest) per month commencing from Feb'16
- Secured by Equitable / registered mortgaged of the properties located at Nucleus House "B" Wing, 2nd and 7th Floor - Rate of Interest -13%.  
Repayment of Term Loan of Edelweiss in 180 monthly instalments of Rs.7,59,146 (including interest) per month commencing from May'2014

## Note 6 : Deferred Tax Liability

₹

Particulars	Deferred Tax Liability/(Asset) as at 1st April, 2015	Charge/(Reversal) during the Year	Deferred Tax Liability/(Asset) as at 31st March, 2016
Deferred Tax Liability			
Difference in book value and tax value of fixed assets	5,702,313	(1,345,308)	4,357,004
Total Liability	5,702,313	(1,345,308)	4,357,004
Deferred Tax Assets			
Unabsorbed Depreciation and Business Losses	(4,012,786)	(59,326)	(4,072,112)
43B items (Gratuity, leave encashment etc.)	(32,560)	3,364	(29,196)
Total Assets	(4,045,346)	(55,962)	(4,101,308)
<b>Total</b>	<b>(1,656,967)</b>	<b>1,401,270</b>	<b>(255,697)</b>

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

## Note 7 : Other Long-term liabilities

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Security deposit received from :		
- Wholly owned subsidiary (refer note 29.3)	-	22,000,000
- an associate concern / subsidiary (refer note 29.3)	-	26,251,740
- Others	6,340,500	-
Inter corporate Borrowing (refer note 29.3)	-	40,000,000
<b>Total</b>	<b>6,340,500</b>	<b>88,251,740</b>

## Note 8 : Long-term provision

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Gratuity (unfunded)	93,067	103,736
<b>Total</b>	<b>93,067</b>	<b>103,736</b>

## Note 9 : Short Term Borrowings

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured		
Loans and advances from Others		
Inter Corporate Deposit		
- Fortune Credit Capital Limited	50,000,000	-
(Repayable on Demand and Rate of Interest- 16% (P.Y- Nil))		
<b>Total</b>	<b>50,000,000</b>	<b>-</b>

## Note 10 : Trade Payable

₹

Particulars	As at 31 March, 2016	As at 31 March, 2015
Micro, Small and Medium Enterprises (refer note 28)	-	-
Others	969,618	271,646
<b>Total</b>	<b>969,618</b>	<b>271,646</b>

## Note 11 : Other Current liabilities

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Current Maturities of Long Term borrowings	14,037,994	2,318,048
Interest payable on borrowings accrued and due	78,904	-
Security Deposit from wholly-owned subsidiary (refer note 29.3)	8,000,000	-
Security Deposit from subsidiary (refer note 29.3)	26,251,740	-
Security Deposit from Others	2,276,916	-
Interest payable on borrowings accrued but not due	1,969,027	556,446
Due to subsidiary (refer note 29.3)	478,195	-
Due to subsidiary towards purchase of fixed assets (refer note 29.3)	75,310,919	58,064,720
Due towards purchase of fixed assets (refer note 29.3)	2,295,045	-
Unclaimed dividends	79,385	169,951
Income Received in advance	599,028	-
Statutory dues	9,131,222	9,063,648
<b>Total</b>	<b>140,508,375</b>	<b>70,172,813</b>

## Note 12 : Short term provisions

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits		
Towards PF payable	30,833	16,366
Towards Gratuity	1,414	1,633
Towards Leave Encashment	-	-
<b>Total</b>	<b>32,247</b>	<b>17,999</b>

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

## Note 13 : FIXED ASSETS -

₹

Description	Gross Block			Accumulated Depreciation					Net Block		
	Balance as at 1/04/2015	Additions / Deductions	Addition on Account of Revaluation	Balance as at 31/03/2016	Balance as at 1/04/2015	For the year	Adjustment due to revaluation	Other Adjustments*	Balance as at 31/03/2016	Balance as at 31/03/2016	Balance as at 31/03/2015
<b>Tangible Assets</b>											
Office Premises	616,581,215 (616,581,215)	105,749,447 -	- -	722,330,662 (616,581,215)	57,181,932 (45,782,787)	4,180,272 (4,165,688)	7,233,457 (7,233,457)	- -	68,595,661 (57,181,932)	653,735,001 (559,399,283)	559,399,283 (570,798,428)
Computer	12,075 (12,075)	- -	- -	12,075 (12,075)	5,174 (979)	4,195 (4,195)	- -	- -	9,369 (5,174)	2,706 (6,901)	6,901 (11,096)
Electrical Fittings	587,841 (587,841)	- -	- -	587,841 (587,841)	558,449 (324,054)	- -	- -	- (234,395)	558,449 (558,449)	29,392 (29,392)	29,392 (263,787)
Air Conditions	351,822 (351,822)	- -	- -	351,822 (351,822)	334,232 (273,574)	- (34,996)	- -	- (25,662)	334,232 (334,232)	17,590 (17,590)	17,590 (78,248)
Furniture & Fixtures	4,338,951 (4,338,951)	270,000 -	- -	4,608,951 (4,338,951)	3,149,428 (2,816,746)	337,822 (332,682)	- -	- -	3,487,250 (3,149,428)	1,121,701 (1,189,523)	1,189,523 (1,522,205)
Office Equipments	621,622 (621,622)	51,696 -	- -	673,318 (621,622)	531,988 (426,965)	22,370 (19,499)	- -	- (85,524)	554,358 (531,988)	118,960 (89,634)	89,634 (194,657)
Projector	148,650 (148,650)	- -	- -	148,650 (148,650)	141,218 (96,748)	- -	- -	- (44,470)	141,218 (141,218)	7,432 (7,432)	7,432 (51,902)
	<b>622,642,176</b>	<b>106,071,143</b>	<b>-</b>	<b>728,713,319</b>	<b>61,902,421</b>	<b>4,544,659</b>	<b>7,233,457</b>	<b>-</b>	<b>73,680,537</b>	<b>655,032,782</b>	<b>560,739,755</b>
	<b>(622,642,176)</b>	<b>-</b>	<b>-</b>	<b>(622,642,176)</b>	<b>(49,721,853)</b>	<b>(4,557,060)</b>	<b>(7,233,457)</b>	<b>(390,051)</b>	<b>(61,902,421)</b>	<b>(560,739,755)</b>	<b>(572,920,323)</b>
<b>Intangible Assets</b>											
Software	- -	400,000 -	- -	400,000 -	- -	3,497 -	- -	- -	3,497 -	396,503 -	- -
	-	400,000	-	400,000	-	3,497	-	-	3,497	396,503	-
	-	-	-	-	-	-	-	-	-	-	-
<b>Total:</b>	<b>622,642,176</b>	<b>106,471,143</b>	<b>-</b>	<b>729,113,319</b>	<b>61,902,421</b>	<b>4,548,156</b>	<b>7,233,457</b>	<b>-</b>	<b>73,684,034</b>	<b>655,429,285</b>	<b>560,739,755</b>
<b>Previous Year:</b>	<b>(622,642,176)</b>	<b>-</b>	<b>-</b>	<b>(622,642,176)</b>	<b>(49,721,853)</b>	<b>(4,557,060)</b>	<b>(7,233,457)</b>	<b>(390,051)</b>	<b>(61,902,421)</b>	<b>(560,739,755)</b>	<b>(572,920,323)</b>

Note- Figures in bracket relates to the previous year.

\* In accordance with the provision of schedule II to the Companies Act, 2013, in case of fixed assets which had completed their useful lives, as on 1st April 2014, their carrying value (net of 5%) residual value in the previous year Rs. 3,90,051/- had been recognised against the opening balance of Statement of Profit and Loss.

## Note 14 : Non-current investments

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Investments:		
Trade - Unquoted		
i) In Equity Instruments:		
a) of wholly-owned subsidiary		
1) 30,00,000 (Previous year 30,00,000) equity shares of Rs 10 each fully paid in Nucleus IT Enabled Services Ltd (refer note 31)	30,000,000	30,000,000
b) in Subsidiary Company*		
55,61,111 (Previous year 55,61,111) equity shares of Rs 10 each fully paid in Asit C Mehta Investment Intermediates Ltd	124,657,070	124,657,070
<b>Total</b>	<b>154,657,070</b>	<b>154,657,070</b>

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

## Note 15 : Long term loans and advances

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured and considered good		
Advance Income Tax	4,006,213	4,393,577
Deposits	1,131,018	520,934
Pre-paid expenses	1,080,139	-
Others (refer note 30)	1,192,393	1,192,393
<b>Total</b>	<b>7,409,763</b>	<b>6,106,904</b>

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

## Note 16 : Trade Receivables

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	3,181,514	2,403,982
Other receivables	774,070	3,847,112
<b>Total</b>	<b>3,955,584</b>	<b>6,251,094</b>

## Note 17 : Cash and Cash Equivalents

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
a) Cash and Bank Balances		
Cash on hand	148,309	32,984
Balances in Current Accounts	2,801,991	2,265,173
b) Other Bank balances		
with Banks having Maturity of not more than Twelve months*	8,093,000	8,093,000
with Banks having Maturity of more than Twelve months	2,830,259	-
<b>Total</b>	<b>13,873,559</b>	<b>10,391,157</b>

\*(not readily convertible in cash)

## Note 18 : Short-term Loans and Advances

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured and considered good:		
Due from Nucleus GIS And ITeS Ltd (a wholly-owned subsidiary) (refer note 29.3)	2,634,116	6,664,633
Deposit	50,000	-
Balances with Government		
Service Tax Credit	142,119	34,771
Pre-paid expenses	537,756	333,524
Others	374,488	3,296
<b>Total</b>	<b>3,738,479</b>	<b>7,036,224</b>

## Note 19 : Other Current Assets

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest receivable (refer note 29.3)	335,039	1,187,755
<b>Total</b>	<b>335,039</b>	<b>1,187,755</b>

## Note 20 : Revenue from Operations

₹

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A) Interest		
i) Debenture Interest	-	10,384,208
ii) From subsidiary	372,266	1,319,728
B) Rental Income	28,656,603	14,624,580
C) Profit on trading in securities/currencies	250,133	325,616
D) Advisory charges	3,552,848	9,506,867
<b>Total</b>	<b>32,831,850</b>	<b>36,160,998</b>

## Note 21 : Other Income

₹

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
a) Interest Income:		
- on Bank Deposits	702,253	725,160
- on Income Tax Refund	405,699	-
b) Profit on sale of investment	-	354,786
c) Excess provision of Gratuity written back	10,888	
<b>Total</b>	<b>1,118,840</b>	<b>1,079,945</b>

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

## Note 22 : Employee Benefit Expenses

₹

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
a) Salary and allowance	4,338,109	5,522,676
b) Contribution to PF and other fund	135,693	95,050
c) Staff welfare expense	30,403	29,530
d) Gratuity	-	89,108
e) Leave encashment	144,433	158,300
<b>Total</b>	<b>4,648,638</b>	<b>5,894,664</b>

## Note 23 : Finance Costs

₹

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
a) Interest expense on:-		
- Term Loans	23,190,907	23,721,633
- Others	10,196,133	80,151
b) Other borrowing costs		
Loan processing ,registration fee and stamp duty	2,703,360	1,580,000
Bank Charges	779,075	578,718
<b>Total</b>	<b>36,869,475</b>	<b>25,960,502</b>

## Note 24 : Other Expenses

₹

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Insurance	82,651	45,394
Rates and Taxes	3,479,173	3,749,613
Legal and Professional fees	1,925,834	911,056
Directors sitting fees	277,500	152,500
Brokerage / Commission Charges	411,850	-
Internet	743,351	-
Leave and Licence fees	-	150,000
Electricity charges	1,437,156	18,874
Conveyance & Travelling	307,337	112,752
Auditor remuneration –		
Audit fees	150,000	125,000
Tax Audit	50,000	25,000
Other Services	200,614	116,682
Bad Debts	450,000	-
Repairs and Maintenance – Building	2,052,971	629,000
Miscellaneous Expenses	608,410	470,059
Prior Period Expenses	1,011	37,932
<b>Total</b>	<b>12,177,859</b>	<b>6,543,861</b>

## 25 Depreciation and amortization

₹

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Depreciation for the year on tangible assets as per note 13	11,781,613	11,790,517
Less: Utilized from revaluation reserve	7,233,457	7,233,457
<b>Total Depreciation and amortization</b>	<b>4,548,156</b>	<b>4,557,060</b>

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

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

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

₹

Particulars	*31.3.2016	*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						31.03.2011

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

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

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Service Tax Matter under dispute	6,798,386	6,798,386
FERA matter (refer Note 27)	10,000,000	10,000,000
Disputed Property Taxes	-	2,991,348

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

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

- 28 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2002 ("MSMED Act"), and therefore no such disclosures under the Act is considered necessary. This has been relied upon by the auditors.

Amounts payable to Micro and Small Enterprises	As at 31st March, 2016	As at 31st March, 2015
(i) the principal amount and the interest due thereon	Nil	Nil
(ii) interest Paid during the year	Nil	Nil
(iii) the amount of interest due and payable for the period of delay in making payment	Nil	Nil
(iv) the amount of interest accrued and remaining unpaid	Nil	Nil
(v) the amount of further interest remaining due and payable	Nil	Nil

## 29 Disclosures under Accounting Standards

## 29.1 Employee benefits plan

## a. Post-employment benefit plans

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.

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

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

₹

Particulars	Gratuity	
	As at 31st March	
	2016	2015
Reconciliation of liability recognized in the Balance sheet	-	-
Present value of commitments at the year end	94,481	105,369
Fair value of plans	-	-
Net liability in the Balance sheet	94,481	105,369
Movement in net liability recognized in the Balance sheet	-	-
Net liability at the beginning of the year	105,369	223,953
Net expense recognized in the Profit and Loss account	(10,888)	89,108
Contribution during the year	-	(207,692)
Net liability at the year end	94,481	105,369
Expense recognized in the Statement of Profit and Loss	-	-
Current service cost	53,033	53,788
Interest cost	8,293	11,050
Expected return on plan assets	-	-
Actuarial (gains)/ losses	(72,214)	24,270
Expense charged to the Profit and Loss account	(10,888)	89,108
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	105,369	223,953
Current service cost	53,033	53,788
Interest cost	8,293	11,050
Paid benefits	-	(207,692)
Actuarial (gains)/ losses	(72,214)	24,270
Closing balance of the fair value of the defined plan at the year end	94,481	105,369

**Note: Since the Leave Encashment fully paid at the year end as well as in previous year, therefore no liability existed at the year end.**

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	31.03.2016	31.03.2015
Mortality	IALM(2006-08)Ult.	
Discount Rate	8%	7.87%
Rate of increase in compensation	5%	5%
Withdrawal rates	0.80%	0.80%

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

## 29.2 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.

₹

Particulars	2015 - 16		
	Investment activities	Advisory and Consultancy	Total
Segment Revenue:			
External revenue	29,279,002	3,552,848	32,831,850
Segment Results	13,235,497	(2,557,375)	10,678,122
Less: Interest expense			36,090,400
Add: Other Income			1,118,840
Total profit / (loss) before tax			(24,293,438)
Capital employed			
Segment Assets	832,456,688	3,313,894	835,770,582
Unallocable assets			3,628,197
Total Assets			839,398,779
Segment liabilities	439,850,335	125,313	439,975,649
Unallocable liabilities			969,618
Total liabilities			440,945,266
Segment Capital Employed	392,606,353	3,188,581	395,794,933
Unallocable			2,658,579
Total Capital Employed			398,453,513
Capital Expenditure			106,471,143
Depreciation			4,548,156
Non-cash expenses			-

## 29.3 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 Intermmediary 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 Commodity Services Limited
  - Asit C Mehta Real Estate Services Pvt Ltd. (Formerly known as AllAlertz.com P Ltd)
  - Edgytal Digital Marketing Pvt Ltd
  - Pentation Analytics Pvt Ltd

## C. Key Management Personnel

- i) Mr. Asit C Mehta
- ii) Mrs. Deena A. Mehta
- iii) Purvi Ambani
- iv) Stanley Santmayor
- v) Pankaj J Parmar
- vi) Kavita Shah

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

Details of Transactions	Wolly owned subsidiary (NITES)	Subsidiary (ACMIL)	Associates	KMP	Total
Rent Received	3,982,000 (5,814,000)	10,324,505 (8,750,580)	365,000 (60,000)	- -	14,671,505 (14,624,580)
Rent Paid	-	-	-	(150,000)	(150,000)
Debenture Interest Received	-	-	-	-	-
	-	(10,384,208)	-	-	(10,384,208)
Conversion of debentures into equity shares	-	-	-	-	-
	-	(96,333,330)	-	-	(96,333,330)
Interest Received on Loans	372,266 (1,319,728)	-	-	-	372,266 (1,319,728)
Interest paid on Loans	-	5,250,604	4,031,830	11,106	9,293,540
	-	-	(24,110)	(2,088)	(26,198)
Inter - Corporate loan Given	53,879,563 (156,811,869)	-	-	-	53,879,563 (156,811,869)
Inter - Corporate loan received back	57,910,080 (150,147,236)	-	-	-	57,910,080 (150,147,236)
Short Term Loan taken	-	-	2,500,000	2,450,500	4,950,500
	(12,565,000)	-	(40,000,000)	(630,000)	(53,195,000)
Short Term Loan returned	-	-	42,500,000	2,450,500	44,950,500
	(12,565,000)	-	-	(630,000)	(13,195,000)
Lease deposit Repaid towards Premises	14,000,000	-	-	-	14,000,000
	-	-	-	-	-
Purchase of Fixed Assets	-	79,401,654	25,045,500	-	104,447,154
	-	-	-	-	-
Lease deposit Received towards Premises	-	-	25,000	-	25,000
	-	-	-	-	-
Directors Sitting Fees paid	-	-	-	90,000	90,000
	-	-	-	(45,000)	(45,000)
Salary Paid	-	-	-	2,445,718	2,445,718
	-	-	-	(1,132,292)	(1,132,292)
Reimbursement of Expenses - Paid	-	1,302,029	-	-	1,302,029
	-	-	-	-	-
Reimbursement of Expenses - Received	298,450	366,101	16,476	-	681,027
	-	-	-	-	-
Payment in the nature of Expenses	-	-	235,000	-	235,000
	-	-	-	-	-
Closing balance Payable- towards Lease Deposit	8,000,000 (22,000,000)	26,251,740 (26,251,740)	25,000	-	34,276,740 (48,251,740)
Closing balance Payable - Other	-	75,789,114 (58,064,720)	2,295,045 (40,000,000)	-	78,084,159 (98,064,720)
Closing balance Receivable	3,075,192 (7,852,388)	-	57,250	-	3,132,442 (7,852,388)

(Figures in bracket relates to the previous year)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

29.4 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, 2016	For the year ended 31st March, 2015
	₹	₹
A) Weighted average number of equity shares of Rs 10 each outstanding during the year.	4,952,560	4,952,560
B) Net profit /(Loss) after tax attributable to shareholders	(22,903,208)	(4,236,956)
C) Basic and diluted earnings per share	(4.62)	(0.86)

- 30 Loans and advances include Balance with Nucleus Stock Trust representing 118,985 (Previous year: 118,985) 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.
- 31 As at 31st March, 2016, 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 Rs.300 lacs in 30 lacs equity shares of Rs.10 each have be made by the Company. However, the Company is of the opinion that the above investment is strategic and long-term in nature and diminution, if any, in the value of investments is temporary in nature and as a consequence no provision for diminution in the value of Equity shares of Nucleus IT Enabled Services Ltd is made.
- 31 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For Manek & Associates  
Chartered Accountants  
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, 27<sup>th</sup> May, 2016

Purvi Ambani  
Chief Financial Officer

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**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS.**

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** ("the Holding Company") and its subsidiaries (the Holding Company, its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2016, 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 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 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. 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

**Basis for Qualified Opinion**

- (1) The other auditor of this subsidiary Asit C. Mehta Investment Intermediaries Limited (ACMIIL), who audited the financial statements/financial information of the subsidiary, has reported that, it continues to carry forward balance of deferred tax asset amounting to Rs. 1,37,25,069/- out of the total deferred tax asset to the extent of Rs. 2,66.69,073/-, which was created and recognized in the past by the subsidiary Company, based on the business loss and unabsorbed depreciation.

Considering the ACMIIL's business losses in the past, the carrying amount of the said deferred tax assets needed further review in the current year. However the ACMIIL has reviewed it only partially and the said balance is carried forward as it is virtually certain about future taxable profits.

In absence of adequate evidence supporting the views taken by the ACMIIL about the future taxable profits as above, 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 Accounting Standard- 22- "Accounting for Taxes on Income". Had the ACMIIL reviewed the said deferred tax asset and written it down, then the Consolidated Statement of Profit & Loss would have reflected net loss of Rs.60,40,564/- and to the extent of not writing it down, the Non-Current Assets are overstated and the negative amounts of Reserves and Surplus are understated

- (2) In respect of the ACMIIL's Trade Receivables of Rs. 1,91,19,694/- and Amounts due from Constituents to the extent of Rs. 1,45,51,988/-, reflected in and classified as Non-Current Assets in the Consolidated Balance Sheet, 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. Also, they have remained unrealized since last five years or thereabout. In the absence of sufficient appropriate audit evidence supporting the carrying amounts and their resultant realisability, they are unable to express an audit opinion about the ACMIIL's view for non-provision for doubtful debts, in the current year. Had the ACMIIL prudently made provision for the doubtful debts in respect of the said amounts, then the Consolidated Statement of Profit & Loss would have reflected net loss of Rs. 2,59,87,1771/- for the extent of non-provision for doubtful debts of the said amounts, the Non-Current Assets are overstated and the negative amounts of Reserves and Surplus are understated.
- (3) In respect of the amounts carried forward as Fixed assets held for disposal of ACMIIL, the other auditor who audited the financial statements / financial information of the subsidiary ACMIIL has reported that fixed Assets held for disposal ("these Assets") at Rs. 55,26,1821, reflected in and classified as Other Current Assets in the Consolidated Balance Sheet, they were unable to obtain sufficient appropriate audit evidence about their carrying amounts as well as their realisability. Also, these Assets have remained undisposed off or unrealized since last four years or thereabout. Moreover, over a period of four years or thereabout, the Group has written off about Rs. 1,64,41,849/- as impairment loss.

Thus, in absence of sufficient appropriate audit evidence supporting the carrying amounts and their resultant realisability and further ACMIIL's actions of writing off them as impairment losses year after year, they are unable to express an audit opinion about the Group's view for so classifying and carrying and reflecting them at net realisable value in the current year. Had the ACMIIL prudently reviewed the said amounts and consequently written off in the current year, then the Consolidated Statement of profit & Loss would have reflected net profit of Rs. 21,58,323/-. To the extent of not writing off, the Other Current Assets are overstated and the negative amounts of Reserves and Surplus are understated.

The combined possible financial effects of the above item (1), (2) and (3) are that:

the Consolidated Statement of Profit & Loss would have reflected net loss of Rs. 4,52,38,428/-, against the net profit reflected presently at Rs. 76,84,505/- and consequently, the balance of Reserves and Surplus would have been in negative at Rs. (8,31,07,770/-), against the said balance presently being reflected at Rs. (3,01,84,8371); and the Non-Current Assets and Other Current Assets would have been lower by an aggregate amount of Rs. 5,29,22,933/-.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group as at 31st March, 2016, and its consolidated profit/loss and its consolidated cash flows for the year ended on that date.

### **Other Matters**

We did not audit the Consolidated financial statements of Asit C Mehta Investment Intermediaries Limited subsidiary, whose financial statements reflect total assets of Rs. 723,166,296/- as at 31st March, 2016, total revenues of Rs. 313,631,668/- and net cash flows amounting to Rs. 19,054,672/- for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Subsidiary's share of net profit/loss of Rs. 7,684,505/- for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of Asit C Mehta Investment Intermediaries Limited, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports 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 these subsidiaries and associates, 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 subsidiaries, is based solely on the reports of the other auditors.

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 reports of the other auditor and the financial statements certified by the Management

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report, to the extent applicable that:
  - (a) We have sought and except for the possible effects of the matters described in the basis for Qualified opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The 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 account;
- (d) In our opinion, except for the possible effects of the matters described in the basis for Qualified opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March,2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March,2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 financial statements—Refer Note 26 and 27 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's registration number: 0126679W**

**Mumbai**  
**Dated: May 27th, 2016**

**(SHAILESH MANEK)**  
**Proprietor**  
**Membership number.034925**

**Annexure - A to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **ASIT C MEHTA FINANCIAL SERVICES LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company, its subsidiaries together referred to as "the Group") as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Qualified Opinion on Subsidiary ACMIL:**

According to the information and explanation given to us by the other auditor of the subsidiary Asit C Mehta Investment Intermediaries Limited (ACMIL), who have audited the financial statements/financial information of the subsidiary, have reported that, the following material weaknesses have been identified as at 31st March, 2016:

- (a) The Subsidiary ACMIIL did not have an appropriate internal control system in respect of obtaining external evidence with regard to the outstanding dues/balance confirmation from the Customers and Amounts due from Constituents Clients, from whom the amounts are due and receivable as per its books since long period of time, which could potentially result adversely in establishing its claims and therefore reasonable certainty of their ultimate collection.
- (b) The Subsidiary ACMIIL did not have an appropriate internal control system in respect of conducting periodically the physical verification of the fixed assets and of the fixed assets held for disposal and their reconciliation with the book records.

As a result, the Subsidiary ACMIIL could not ascertain the discrepancy between the book records and the assets lying physically and also could not ascertain the resultant loss of the said assets.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

#### **Opinion**

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Group has maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group as at 31<sup>st</sup> March, 2016, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Group, except to the extent stated therein.

**For MANEK & ASSOCIATES**  
**Chartered Accountants**  
**Firm's registration number: 0126679W**

**Mumbai**  
**Dated: May 27th, 2016**

**(SHAILESH MANEK)**  
**Proprietor**  
**Membership number.034925**

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

₹

Particulars	Note No	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	49,525,600	49,525,600
(b) Reserves and Surplus	4	228,944,200	280,463,146
Minority Interest		119,779,072	140,948,071
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	5	310,745,762	225,304,879
(b) Deferred tax liabilities (Net)	6a	255,697	1,656,967
(c) Other Long term liabilities	7	42,174,381	78,270,357
(d) Long term provisions	8	1,344,610	1,179,272
<b>Current Liabilities</b>			
(a) Short term borrowings	9	291,586,426	216,378,395
(b) Trade payables	10	16,288,442	17,501,192
(c) Other current liabilities	11	290,186,778	294,243,414
(d) Short-term provisions	12	329,159	230,311
<b>Total</b>		<b>1,351,160,126</b>	<b>1,305,701,604</b>
<b>II. Assets</b>			
<b>Non-Current Assets</b>			
(a) Fixed assets	13		
(i) Tangible assets		679,714,898	677,253,975
(ii) Intangible assets		51,016,427	46,340,247
(b) Non-current investments	14	24,509,218	32,023,588
(c) Deferred tax Assets (Net)	6b	13,499,148	17,235,300
(d) Long term loans and advances	15	91,236,608	98,479,890
(e) Other non-current assets	16	53,552,701	48,911,333
<b>Current Assets</b>			
(a) Trade Receivables	17	16,814,199	22,039,298
(b) Cash and cash equivalents	18	257,005,186	221,976,786
(c) Short term Loans and advances	19	90,526,126	46,755,897
(d) Other Current Assets	20	73,285,615	94,685,290
<b>Total</b>		<b>1,351,160,126</b>	<b>1,305,701,604</b>

See accompanying notes 1 to 42 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, 27<sup>th</sup> May, 2016

Purvi Ambani  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

₹

Particulars	Note No	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Revenue from Operations	21	283,906,143	136,365,546
Other Income	22	29,826,642	7,203,871
<b>Total Revenue</b>		<b>313,732,785</b>	<b>143,569,417</b>
<b>Expenses:</b>			
Employee benefits expense	23	106,611,845	40,534,227
Finance costs	24	69,870,805	40,957,972
Depreciation and amortisation expense	28	15,782,715	11,317,052
Other expenses	25	188,086,796	74,127,855
<b>Total Expenses</b>		<b>380,352,161</b>	<b>166,937,106</b>
Profit / (Loss) before tax		(66,619,376)	(23,367,689)
Tax expense:			
(a) Current tax			-
(b) Deferred tax credit		(2,334,883)	2,348,322
(c) Prior period tax adjustment		3,499,770	(1,068,686)
Profit/(Loss) after tax before Minority Interest		(65,454,488)	(22,088,053)
Less: Minority Interest		(21,168,998)	1,772,807
Add: Share of profit of Associate	38	-	
Less: Brought forward loss adjusted			-
Profit after tax, Minority Interest and share of profit of Associate		<b>(44,285,490)</b>	<b>(23,860,859)</b>
Earning per share	35		
Nominal Value per share - Rs 10			
Basic Earning per share Rs		(8.94)	(4.82)
Diluted Earning per share - Rs		(8.94)	(4.82)

See accompanying notes 1 to 42 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, 27<sup>th</sup> May, 2016

Purvi Ambani  
Chief Financial Officer

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

₹

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit/(loss) before tax		(66,619,376)		(23,367,689)
Adjustments for:				
Depreciation & Amortization	15,782,715		11,317,052	
Loss on sale of fixed assets / asset discarded	49,995		11,283	
Fixed Assets Written Off	2,617,443		293,961	
Impairment Loss On Assets held for Disposal	3,521,197		1,900,274	
Interest Expenses	69,870,805		24,650,439	
Interest income	(25,931,018)		(5,953,683)	
Dividend Income	(11,249)		(21,685)	
Loss / (Profit) on Sale of Investment	-	65,899,888	(374,393)	31,823,248
Operating profit/(loss) before working capital changes		(719,488)		8,455,559
Adjustments for:				
Changes in Current Assets				
(Increase) / Decrease in Long Term loans & Advances	7,243,282		(89,962,033)	
(Increase) / Decrease in Short Term loans & Advances	(43,770,229)		(43,549,180)	
(Increase) / Decrease in Trade receivables	5,225,099		(12,215,786)	
(Increase) / Decrease in Other Current assets	21,399,675		(93,424,806)	
(Increase) / Decrease in Other Non Current Assets	(4,641,368)		(38,433,593)	
Changes in Current Liabilities				
Increase / (Decrease) in Long Term liabilities	(36,095,976)		52,018,617	
Increase / (Decrease) in Long Term Provisions	165,338		196,844	
Increase / (Decrease) in Trade payables	(1,212,750)		16,358,703	
Increase / (Decrease) in Other current liabilities	(4,056,636)		177,789,219	
Increase / (Decrease) in Short term Provision	98,848	(55,644,718)	170,105	(31,051,910)
Cash used in operations before taxes		(56,364,206)		(22,596,351)
Refund recd / (Taxes paid)		3,499,770		(2,019,641)
Net cash used in operating activities - A		(52,864,436)		(24,615,992)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(29,461,819)		(973,248)	
Sale of Fixed Assets	932,175		-	
Interest Received	25,931,018		5,953,683	
Dividend Received	11,249		21,685	
Acquisition of Minority Interest	(297,897)		19,361,591	
Investment in fixed deposit	(14,959,880)		(189,701,579)	
Proceeds form Sale of investment	-		374,393	
Net cash used in investing activities - B		(17,845,153)		(164,963,475)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
(Repayment) / Proceed on Term Loan A/c	85,440,883		56,482,446	
Issue of 14% Debentures	-		18,000,000	
(Repayment) / Borrowing of Short Term Loan	75,208,031		160,403,395	
Interest Paid	(69,870,805)		(24,650,439)	
Net cash used in financing activities - C		90,778,109		210,235,402
Net increase/(decrease) in cash & cash equivalents (A+B+C)= D		20,068,520		20,655,935
Cash and cash equivalents at the beginning of the year -E		24,182,207		3,526,272
Cash and cash equivalents at the end of the year (D+E)		442,550,727		24,182,207
<b>NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016</b>				
1. Cash & Cash Equivalents Include :				
Cash on Hand			604,030	233,594
Balance with Banks In Current Accounts			43,646,696	23,948,613
			<b>44,250,726</b>	<b>24,182,207</b>
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, 27<sup>th</sup> May, 2016

For and on behalf of the Board  
Asit C Mehta  
Chairman  
Kirit H Vora  
Director  
Purvi Ambani  
Chief Financial Officer

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR****NOTE 1:****a) 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 and outsiders. The Company has classified the aforesaid business as an 'investment activities'. The Company is also rendering 'Advisory and Consultancy Services'.

The Wholly Owned Subsidiary is engaged in information technology enabled services and provides services to clients both domestic and abroad.

The Subsidiary is a member of BSE Ltd., The National Stock Exchange of India Ltd. ("NSE") and Metropolitan Stock Exchange of India Ltd. and is engaged in shares and securities broking in cash, derivative including currency derivative segment, debt markets and mutual fund along with other fund mobilization. The Subsidiary is a Category-1 Merchant Banker registered under the Securities & Exchange Board of India (Merchant Bankers) Regulations, 1992 and is also engaged in providing services of Investment Banking, Corporate Finance & Advisory.

The Subsidiary is also a Depository Participant of Central Depository Services (India) Ltd. and providing services as Depository Participant.

**b) 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.

Name of the Company	Country of Incorporation	% of voting power held as at 31.3.2016
1. Nucleus IT Enabled Services Ltd (NITES)	India	100
2. Asit C Mehta Investment Intermediates Ltd (ACMIIL)	Country of Incorporation	50.05*
3. Asit C Mehta Comdex Services, DMCC (100% Wholly Owned Subsidiary of Asit C Mehta Investment Intermediates Limited)	UAE	100

During the previous year, the excess of the cost to the Company of its investment in ACMIIL over the Company's portion of equity of ACMIIL amounting Rs 400.12 lacs, at the date of acquiring controlling stake, had been treated as 'Goodwill on Consolidation' and was 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. 31.3.2016.

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.

**c) 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, 2016.

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 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.

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

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

For the purposes of consolidation, unaudited financial statements of the foreign subsidiary for the period 1st April 2015 to 31st March, 2016 has been prepared and certified by the management and the same has been considered for consolidation.

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.

**d) 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.

**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 had been completed on April, 1, 2014, the carrying amount of assets, after retaining residual value, amounting to Rs.20,36,720/- had been recognized in the opening balance of retained earnings of the previous year. Intangible asset being software is amortized over a period of five years for which the Company expects the benefits to accrue.

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 01.04.2014, 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 onsite.
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 Equipments **	14 Years	5 years	
Electrical Installation	14 Years	10 years	
Vehicles	10 years	8 years	
Lift	32 Years	15 years	

\*\* Other equipments are Air Conditioners , Communication System and DG sets

Intangible assets, including Softwares and software licences 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 licences etc. has been adopted as nil.

Intangible assets, including Softwares and software licences 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 .

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 .

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

In case of Ultimate foreign subsidiary, the cost of fixed assets is their purchase cost together with any incidental expenses of acquisition. Minor purchases of fixed assets are depreciated fully in the year of purchase. The cost of fixed assets is depreciated by equal annual installments over their estimated useful lives.

Depreciation on addition is calculated on a pro-rata basis from the month of addition and on deletion up to and including the month of deletion of the asset.

**vii) 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.

**Notes to the Financial Statement****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.

**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; Revenue from Depository operations is considered to accrue as one time Transaction charges based on the calender year; Income from shares & securities brokerage activities is considered as accrued on the trade date of the transaction.
- e. Income from shares & securities brokerage activities is considered as accrued on the trade date of the transaction.
- f. Rental Income is accrued on time proportion basis relating to the period for which properties are let out;
- g. 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;
- h. Income from Brokerage, Demat charges, Fund Mobilization & Corporate Advisory services are exclusive of service tax.
- i. 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.

**Stock In Trade****Classification**

Shares, debentures and units of mutual funds, etc. acquired and / or held in the course of broking activities are classified as Stock in Trade.

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

**Valuation**

Shares, units, bonds and debentures are valued at lower of cost or market value.

Cost of stock in trade comprises of purchase price and other levies and taxes and it is arrived at based on Weighted Average method and the same is valued at cost or market value whichever is lower.

**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 Earning 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 Lessor 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.

**2.12 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 FINANCIAL STATEMENTS FOR THE YEAR

## Note 3 : Share Capital

₹

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	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, 2016		As at 31st March, 2015	
	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, 2016		As at 31st March, 2015	
	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, 2016		As at 31st March, 2015	
	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, 2016	As at 31st March, 2015
Capital Reserve	759,500	759,500
Securities Premium Account	41,043,960	41,043,960
Revaluation Reserve		
Opening Balance	345,131,591	352,365,048
Less: Utilised for set off against depreciation (Refer Note 4.1 below)	(7,233,457)	(7,233,457)
Closing Balance	337,898,134	345,131,591
General Reserve		
Opening Balance	-	-
Less: Adjusted against deficit		
Balance in Statement of Profit and Loss Account	-	-
Closing Balance	-	-
Surplus/Deficit balance in Statement of Profit and Loss Account		
Opening Balance	(106,471,905)	(83,546,737)
Add : Profit/(Loss) for the year	(44,285,490)	(23,860,860)
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	(150,757,395)	(106,471,905)
<b>Total</b>	<b>228,944,200</b>	<b>280,463,146</b>

**NOTES FORMING PART OF THE 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, 2016	As at 31st March, 2015
a. Term Loans from a Bank (refer note a(i) below)	94,182,487	-
b. Term Loan from STCI Finance Ltd (refer note a(ii) below)	-	100,000,000
c. Term Loan from ECL Finance Ltd (refer note a(iii) below)	92,807,287	
d. Term Loan from Edelweiss (refer note a(iv) below)	55,755,988	57,304,879
e. Loan from a NBFC (refer note a(v) below)	50,000,000	50,000,000
f. Unsecured Debentures		
6 Lacs, 14% fully convertible debentures issued by Asit C Mehta Investment Intermediates Ltd of Rs 30 each. Convertible on or before 31.1.2020 into one equity share of Rs 10 each per debenture with a premium of Rs 20/- per share.	18,000,000	18,000,000
<b>Total</b>	<b>310,745,762</b>	<b>225,304,879</b>

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

- i) Mortgage of commercial property on nos 4th Floor, 5th Floor and 6th Floor of 'B' wing at 'Nucleus House' Andheri E, Mumbai with Co-borrowers Asit C Mehta Investment Intermediates Limited, Asit C Mehta Commodity Services Limited, Mr. Asit C Mehta and Mrs. Deena A Mehta of the said loan. Rate of interest (Floating) - 11%.

Repayment of Term Loan from a Bank in 120 monthly installment of Rs. 13,77,501/- (including interest) per month commencing from April, 2016.

- ii) 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.

Term Loan from STCI Finance Ltd has since been repaid during the year.

- iii) Mortgage of commercial property situated at Nucleus House, Saki Vihar Road, Andheri (East), Mumbai, bearing nos 3rd, 4th, 5th, 6th & 7th floor 'A' Wing, with Co-borrower Asit C Mehta Investment Intermediates Limited. Rate of Interest 11.90%.

Repayment of Term Loan from ECL Finance Limited in 108 monthly installments of Rs. 15,12,790/- (including interest) per month commencing from Feb'16.

- iv) Secured by Equitable / registered mortgaged of the properties located at Nucleus House "B" Wing, 2nd and 7th Floor - Rate of Interest - 13%

Repayment of Term Loan of Edelweiss Housing Finance Limited in 180 monthly instalments of Rs. 7,59,146 /- (including interest) per month commencing from May, 2014.

- v) In case of Subsidiary ACMIL, Secured by i) Equitable Mortgage of commercial property located at Nucleus House "A" Wing, Basement, ground, 1st and 2nd floor with a personal guarantee of a Directors. Rate of Interest 14% p.a.

Repayment of Loan from NBFC in 12 quarterly instalments comprising:

-4 installments of Rs.25 Lacs each commencing from 26.06.2017 to 26.03.2018;

-4 instalments of Rs 37.50 lacs each commencing from 26.06.2018 to 26.03.2019;

-4 instalments of Rs 62.50 lacs each commencing from 26.06.2019 to 26.03.2020;

**Note 6 : Deferred Tax Liability**

₹

Particulars	Deferred Tax Liability/(Asset) as at 1st April, 2015	Charge/(Reversal) during the Year	Deferred Tax Liability/(Asset) as at 31st March, 2016
Deferred Tax Liability			
Difference in book value and tax value of fixed assets	5,702,313	(1,274,425)	4,427,888
Total Liability	5,702,313	(1,274,425)	4,427,888
Deferred Tax Assets			
Unabsorbed Depreciation and Business Losses	(4,012,786)	(130,209)	(4,142,995)
43B items (Gratuity, leave encashment etc.)	(32,560)	3,364	(29,196)
Total Assets	(4,045,346)	(126,845)	(4,172,191)
<b>Total</b>	<b>1,656,967</b>	<b>(1,401,270)</b>	<b>255,697</b>

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

## Note 6 (b) Deferred Tax Asset

₹

Particulars	Deferred Tax Liability/(Asset) as at 1st April, 2015	Charge/(Reversal) during the Year	Deferred Tax Liability/(Asset) as at 31st March, 2016
Deferred Tax Liability			
Difference in book value and tax value of fixed assets	2,190,281	(1,092,552)	1,097,729
Total Liability	2,190,281	(1,092,552)	1,097,729
Deferred Tax Assets			
Unabsorbed Depreciation and Business Losses	18,307,346	(4,582,277)	13,725,068
43B items (Gratuity, leave encashment etc.)	1,118,236	(246,427)	871,809
Total Assets	19,425,582	(4,828,704)	14,596,877
<b>Total</b>	<b>(17,235,300)</b>	<b>3,736,152</b>	<b>(13,499,148)</b>

Note 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 Rs.45,82,277/- (Previous Year Rs. 83,61,727/-) has been reversed.

Note 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 Rs. 45,28,247/- in view of absence of virtual certainty of future profits.

## Note 7 : Other Long-term liabilities

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Security deposit received from :		
- Others	6,340,500	
Inter corporate Borrowing (refer note 34)	-	40,000,000
Base Capital Deposits	35,833,881	38,270,357
<b>Total</b>	<b>42,174,381</b>	<b>78,270,357</b>

## 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 Rs. 35,833,881/- (Previous Year Rs. 38,270,357/-) which includes the value of securities received in the form of shares and securities of Rs.4,519,420/- (Previous Year 59,23,536/-).
- 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, 2016	As at 31st March, 2015
Provision for gratuity	1,105,009	1,053,179
Provision for Compensated absences	239,601	126,093
<b>Total</b>	<b>1,344,610</b>	<b>1,179,272</b>

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

## Note 9 : Short Term Borrowings

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured		
Overdraft from Bank of India		
(Secured against the FDR pledged with BANK of India, Stock Exchange Branch) ( Rate of Interest 1.5% above Term Deposit rate) (Security provided by The Subsidiary- M/s. ACMIIL)	56,964,383	57,000,000
From State Bank of India (Refer Note i) below; 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 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 and one of the whole time director of the subsidiary.	149,557,850	149,594,391
From Bank of India overdraft facility (Refer Note ii) below; [Secured by (i) 1. Mortgage of Commercial properties situated at Nucleus House, Saki Vihar Road, Andheri (East), Mumbai. 1st floor Block No 102, "B" Wing 201,202,203 on Second Floor in name of The Company, and 3rd Floor of "B" Wing & 7th Floor "A" Wing in name of the Subsidiary - ACMIIL. 2. Personal guarantee of the Managing Director and director of the subsidiary, The Corporate Guarantee of the Company and Associate concern - Asit C Mehta Commodity Services Limited]	35,064,192	
Unsecured:		
Inter-corporate deposits (Refer Note iii) below;	50,000,000	9,784,004
<b>Total</b>	<b>291,586,426</b>	<b>216,378,395</b>

- i) Rate of Interest by State Bank of India on Overdraft facility against Hypothecation of Fixed Assets is Base Rate + 4.1 % p.a. (Presently Rate 13.80% p.a.) (Previous Year Base Rate + 7%p.a. i.e. 17% p.a.)
- ii) Rate of Interest by Bank of India on Overdraft facility against Hypothecation of Fixed Assets is Base Rate + 3.80% p.a. (Presently Rate 13.75 % p.a.) (Previous Year Nil)
- iii) On Inter Corporate Deposit Interest is paid at varying rates @12 to 16% p.a.(Previous Year @ 13.5% p.a. from related party and 15% p.a. from outsiders)

## Note 10 : Trade Payable

₹

Particulars	As at 31 March, 2016	As at 31 March, 2015
Micro, Small and Medium Enterprises (refer note 29)	-	-
Others	16,288,442	17,501,192
<b>Total</b>	<b>16,288,442</b>	<b>17,501,192</b>

## Note 11 : Other Current liabilities

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Current Maturities of Long Term borrowings	14,037,994	2,318,048
Interest payable on borrowings accrued and due	155,080	58,624
Due towards purchase of fixed assets (refer note 34)	2,295,045	-
Salary Payable	-	11,991
Interest payable on borrowings accrued but not due	1,969,027	556,446
Security Deposit from Others	2,276,916	-
Security Deposit against Rental of Premises	4,360,500	1,058,288
Other liabilities	1,050,754	-
Unclaimed dividends	79,385	169,951
Shares Received as margin from Constituents	22,741,904	26,347,071
Statutory dues	15,442,761	18,815,423
Income Received in advance	599,028	-
Amounts Due to Constituents	225,178,384	244,907,572
<b>Total</b>	<b>290,186,778</b>	<b>294,243,414</b>

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

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

## Note 12 : Short term provisions

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits		
Towards PF payable	30,833	16,366
Towards Gratuity	125,587	44,819
Towards salary payable	16,972	18,939
Provision for Compensated absences	155,767	150,187
<b>Total</b>	<b>329,159</b>	<b>230,311</b>

## Note 13 : FIXED ASSETS - Non current

₹

Description	Gross Block					Accumulated Depreciation					Net Block			
	Balance as at 1/04/2015	Additions	Addition on Account of Revaluation	disposals/ Sales/ discarded	Depreciation on Revaluation	Balance as at 31/03/2016	Balance as at 1/04/2015	For the year	Depreciation on Revaluation	On disposals/ Sales/ discarded	Other Adjustments*	Balance as at 31/03/2016	Balance as at 31/03/2016	Balance as at 31/03/2015
<b>a) Tangible Assets- Owned</b>														
Office Premises	694,170,034 -616,581,215	103,641,923 -77,588,819	-	77,588,819 -	-	720,223,138 -694,170,034	63,171,455 -45,782,787	5,334,216 -17,388,668	7,233,808 -	7,144,169 -	-	68,595,310 -63,171,455	651,627,828 -630,998,579	630,998,579 -570,798,428a
Computers	21,121,303 -7,016,528	980,004 -14,104,775	-	1,177,704 -	-	20,923,603 -21,121,303	16,934,830 -5,994,154	1,166,433 -10,760,679	-	1,134,149 -	-179,997	16,967,114 -16,934,830	3,956,489 -4,186,473	4,186,473 -1,022,374
Electrical Fittings	15,918,016 -797,973	-	-	12,963,593 -	-	2,954,423 -15,918,016	7,242,245 -455,070	1,316,689 -6,484,172	-	6,579,351 -	-313,003	1,979,583 -7,252,245	974,840 -8,665,771	8,675,771 -342,903
Air Conditioners	951,707 -951,707	-	-	-	-	951,707 -951,707	734,592 -432,866	-	-	-	-	734,592 -734,592	217,115 -217,115	217,115 -518,841
Furniture	34,925,924 -6,916,791	270,000 -28,009,133	-	888,846 -	-	34,307,078 -34,925,924	20,076,083 -4,567,322	3,096,256 -14,810,388	-	563,122 -	-698,373	22,609,217 -20,076,083	11,697,861 -14,849,841	14,849,841 -2,349,469
Office Equipment	39,722,985 -1,388,940	429,491 -38,334,045	-	10,654,842 -	-	29,497,634 -39,722,985	22,977,766 -1,037,318	3,684,574 -21,626,929	-	7,892,708 -50,074	-363,593	18,769,632 -22,977,766	10,728,002 -16,745,219	16,745,219 -351,622
Vehicles	4,571,951 -1,646,022	-	-	1,936,245 -	-	2,635,706 -4,571,951	2,998,404 -1,308,583	137,453 -1,434,683	-	1,005,482 -	-255,138	2,130,375 -2,998,404	505,331 -1,573,547	1,573,547 -337,439
Projector	148,650 -148,650	-	-	-	-	148,650 -148,650	141,218 -96,748	-	-	-	-44,470	141,218 -141,218	7,432 -7,432	7,432 -51,902
	<b>811,530,570</b>	<b>105,321,418</b>	-	<b>105,210,049</b>	-	<b>811,641,939</b>	<b>134,276,593</b>	<b>14,735,621</b>	<b>7,233,808</b>	<b>24,318,981</b>	-	<b>131,927,041</b>	<b>679,714,898</b>	<b>677,253,976</b>
	<b>-635,447,826</b>	<b>-176,082,744</b>	-	-	-	<b>-811,530,570</b>	<b>-59,674,848</b>	<b>-72,625,098</b>	-	<b>-50,074</b>	<b>-2,036,721</b>	<b>-134,286,593</b>	<b>-677,243,977</b>	<b>-575,772,978</b>
<b>b) Intangible Assets- Owned</b>														
Computer software	25,261,427 -4,313,871	4,079,220 -20,947,556	-	39,375 -	-	29,301,272 -25,261,427	18,933,188 -4,313,871	1,047,094 -310,275	-	37,052 -	-	19,943,230 -4,624,146	9,358,042 -20,637,281	6,328,239 -
Goodwill on Consolidation	40,012,008 -	1,646,377 -40,012,008	-	-	-	41,658,385 -40,012,008	-	-	-	-	-	-	41,658,385 -40,012,008	40,012,008 -
	<b>65,273,435</b>	<b>5,725,597</b>	-	<b>39,375</b>	-	<b>70,959,657</b>	<b>18,933,188</b>	<b>1,047,094</b>	-	<b>37,052</b>	-	<b>19,943,230</b>	<b>51,016,427</b>	<b>46,340,247</b>
	<b>-4,313,871</b>	<b>-60,959,564</b>	-	-	-	<b>-65,273,435</b>	<b>-4,313,871</b>	<b>-310,275</b>	-	-	-	<b>-4,624,146</b>	<b>-60,649,289</b>	-
<b>Current Year</b>	<b>876,804,005</b>	<b>111,047,015</b>	-	<b>105,249,424</b>	-	<b>882,601,596</b>	<b>153,209,781</b>	<b>15,782,715</b>	<b>7,233,808</b>	<b>24,356,033</b>	-	<b>151,870,271</b>	<b>730,731,325</b>	<b>723,594,222</b>
<b>Previous Year</b>	<b>(639,761,697)</b>	<b>(237,042,308)</b>	-	-	-	<b>(876,804,005)</b>	<b>(63,988,719)</b>	<b>(72,935,373)</b>	-	<b>(50,074)</b>	<b>(2,036,721)</b>	<b>(138,910,739)</b>	<b>(737,893,266)</b>	<b>(575,772,978)</b>

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

## Note 14 : Non-current investments

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Investment in Equity Instruments</b>		
<b>Shares of Rs. 10/- each Fully Paid Up unless otherwise Stated</b>		
<b>Quoted- At Cost</b>		
1. 7000 Omnitex Industries Limited (7000).	30,543	30,543
<b>Unquoted -At Cost</b>		
<b>In Equity shares of Wholly Owned subsidiary (fully paid up)</b>		
2. 600 Asit C Mehta Comdex Services, DMCC [share of 1,000 Dirhams-AED] (600).	-	7,514,370
<b>In Equity shares (fully paid up)</b>		
3. 200000 Asit C. Mehta Commodity Services Ltd. * (200000).	24,200,000	24,200,000
<b>Others (fully paid up)</b>		
4. 694 BSE Limited [Share of Re 1 each] (694).	260,250	260,250
5. 2750 Vippy Industries Limited (Face Value Re. 1/- per share) (2750).	18,425	18,425
<b>Total</b>	<b>24,509,218</b>	<b>32,023,588</b>

(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 19.98% on 30/03/2015.

In view of long term and strategic holdings, Investments in Asit C. Mehta Commodity Services Ltd. are carried at cost and diminution with reference to its value, if any, is not recognized. (Previous Year 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, 2016	As at 31st March, 2015
Investment in Equity Instruments	24,509,218	32,023,588
Less : Provision for diminution in the value of Investments	-	-
	<b>24,509,218</b>	<b>32,023,588</b>

Particulars	As at 31st March, 2016	As at 31st March, 2015
Aggregate amount of quoted investments(Market value Rs.91,000/-) (Previous Year Rs.63,000/-)	30,543	30,543
<b>Aggregate amount of unquoted investments</b>	<b>24,478,675</b>	<b>31,993,045</b>

## Note 15 : Long term loans and advances

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured and considered good		
Capital Advances	5,787,500	9,567,904
Deposits	63,736,469	62,799,751
Prepaid	2,092,888	836,017
Margin Money deposit	50,000	50,000
Advance Income Tax	13,857,938	19,302,682
Shares from Business Associates	4,519,420	5923536
Others	1,192,393	-
<b>Total</b>	<b>91,236,608</b>	<b>98,479,890</b>

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

₹

Particulars	As at 31/03/2016		As at 31/03/2015	
	Balance Due	Max. Balance	Balance Due	Max. Balance
Loans and Advances include Security Deposits for premises on Leave and Licence				
To Directors (Refer Note 34)	43,000,000	43,000,000	42,500,000	42,500,000

## Note 16 Other non-current assets

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Long Term Trade Receivable		
Unsecured, considered good (Refer Note 30)	21,019,735	21,653,448
Amounts Due from Business Associates for subsidiary, ACMIIL		
Secured against Base capital Deposits	770,376	895,321
Unsecured, considered good	3,115,315	5,878,223
Doubtful (Refer Note 31)	158,878	1,036,364
Secured against Shares	5,087,528	4,874,668
Unsecured, considered good	23,400,869	14,573,309
<b>Total</b>	<b>53,552,701</b>	<b>48,911,333</b>

## Note 17 : Trade Receivables

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Receivable outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	9,034,186	9,299,978
Other receivables	-	10,029,638
Trade receivable outstanding for a period less than six months		
Unsecured, considered good	7,780,013	2,709,682
<b>Total</b>	<b>16,814,199</b>	<b>22,039,298</b>

## Note 18 : Cash and Cash Equivalents

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Cash on hand	604,030	233,594
b. Balances with bank		
in current accounts	43,646,696	23,948,613
	44,250,726	24,182,207
Fixed Deposits with Banks having Maturity of not more than Twelve months *	212,754,460	197,794,579
<b>Total</b>	<b>257,005,186</b>	<b>221,976,786</b>

\* (not readily convertible in cash)

## Notes:

- Fixed Deposits of subsidiary, ACMIIL with Banks include Rs.6,15,00,000/- (Previous year Rs.5,40,00,000/-) pledged against guarantees given by the banks.
- Fixed Deposits of subsidiary, ACMIIL, with Bank of India include Rs.6,00,00,000/- (Previous year Rs.6,00,00,000/-) pledged with Bank of India as Security against Overdraft facilities granted in the year 2014-15 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 Rs.6,25,00,000/- (Previous year Rs. 6,25,00,000/-) pledged with Bank of India as Security against Overdraft facilities granted in the year 2014-15 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 Rs. 13,43,000/- (Previous year Rs. 13,43,000) towards Custom matter pending with Bombay High Court.  
Fixed Deposit of Parent Company, ACMFSL with Bank of India include Rs. 67,50,000/- (Previous year Rs. 67,50,000) towards FEMA matter pending at Appellate Tribunal of Foreign Exchange (ATFE) New Delhi.
- The aforesaid entities in respect of whom Fixed Deposits have been pledged with Bank of India have duly complied with the Interest obligation.

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

## Note 19 : Short-term Loans and Advances

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured and considered good		
Advances recoverable in cash or kind	1,282,360	502,257
Deposit	11,056,326	-
Balances with Government		
Service Tax Credit	768,674	1,181,572
Pre-paid expenses	3,946,687	3,888,384
Service Tax Refund Receivable	553,339	
Loans to staff	551,800	230,500
Security Deposits for Premises	-	263,474
Loan to Asit C Mehta Comdex, DMCC (Refer Note 34)	-	1,227,208
Inter Corporate Loan - Edgytal (Refer Note 34)	500,000	-
Due from Asit C Mehta Commodity Services Ltd (Refer Note 34)	7,580,472	1,484,774
Deposit with Stock Exchange & Clearing house	-	3,679,019
Balances with Stock Exchanges	41,170,076	7,930,742
(i) Business Associates	-	-
Shares Received as margin from Constituents	22,741,904	26,347,071
Others	374,488	20,896
<b>Total</b>	<b>90,526,126</b>	<b>46,755,897</b>

## Note 20 : Other Current Assets

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest receivable	-	30,139
Secured against Base capital Deposits	18,205	231,629
Unsecured, considered good	10,173	234,007
Amounts Due from Constituents:		
- Secured against Shares , considered good	57,476,565	70,465,891
- Unsecured and considered good	10,172,784	14,645,206
Fixed Assets held for Disposal (At estimated Value)	5,526,182	9,047,379
Interest Accrued but Not due	81,706	31,039
<b>Total</b>	<b>73,285,615</b>	<b>94,685,290</b>

- 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, 2016	For the year ended 31st March, 2015
A) Interest		
i) Debenture Interest	-	10,384,208
B) Income from ITeS Services		
- Domestic	24,105,729	12,323,631
- Exports	12,774,957	9,149,811
C) Rental Income	14,350,098	6,258,327
D) Profit on trading in securities/currencies	250,133	325,616
E) Advisory charges	2,695,848	9,506,867
F) Stock broking and allied services	229,729,379	88,417,086
<b>Total</b>	<b>283,906,143</b>	<b>136,365,546</b>

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

## Note 22 : Other Income

₹

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
a) Interest Income:		
- on Bank Deposits	16,092,139	2,813,325
- on Inter corporate deposits	1,289,519	2,120,545
- on income Tax refund	8,549,361	1,019,813
b) Leave and License Fees Received	3,591,000	-
c) Profit on sale of investment	-	374,393
d) Exchange rate gains	19,192	-
e) Dividend Income	11,249	21,685
f) Miscellaneous income	274,182	854,110
<b>Total</b>	<b>29,826,642</b>	<b>7,203,871</b>

## Note 23 : Employee Benefit Expenses

₹

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
a) Salary and allowance	98,020,569	36,024,125
b) Contribution to PF and other fund	4,570,640	1,728,138
c) Staff welfare expense	2,322,003	954,972
d) Gratuity	1,385,486	1,495,653
e) Leave encashment	313,147	331,339
<b>Total</b>	<b>106,611,845</b>	<b>40,534,227</b>

## Note 24 : Finance Costs

₹

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
a) Interest expense on:-		
- Term Loans	30,210,086	23,892,143
- Car Loans	-	855
- Others	13,424,361	8,124,361
- Cash credit limits	20,245,658	5,654,268
b) Other borrowing costs		
Loan processing ,registration fee and stamp duty	3,486,831	2,080,000
Bank Charges	2,503,869	1,206,345
<b>Total</b>	<b>69,870,805</b>	<b>40,957,972</b>

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

## Note 25 : Other Expenses

₹

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Business Associates Expenses	96,263,885	35,910,277
Service Charges Demat	3,848,804	1,007,435
Office Maintenance	1,933,341	468,126
Marketing Expenses	6,805,306	2,044,628
Membership & Subscription	4,105,535	996,215
Communication, Connectivity & Telephone Expenses (Net)	3,611,495	1,165,774
Postage and Courier Expenses	2,198,056	1,021,830
Printing and Stationery (Net)	2,309,465	923,164
Impairment Loss On Assets held for Disposal	3,521,197	1,900,274
Securities Transaction Tax	160,729	270,468
Fees For Increase In Share Capital	-	233,553
Service Tax & Swatch Bharat Cess	360,927	269,874
Insurance	237,009	109,500
Stamp Duty & Brokers Note	4,905,100	197,023
Rates and Taxes	4,054,383	3,646,371
Legal and Professional fees	10,498,048	2,106,561
Directors sitting fees	367,500	152,500
Leave and Licence fees	2,895,908	1,084,338
Electricity charges	6,583,643	2,029,148
Conveyance & Travelling	2,366,437	506,682
Auditor remuneration –		
Audit fees	1,150,000	1,093,000
Tax Audit	225,000	190,000
Other Services	253,538	174,455
Out of pocket expenses	-	37,164
Bad Debts Written off	6,499,031	8,577,699
Exchange Rate Difference	-	69,917
Repairs and Maintenance – Building	2,052,971	635,400
Repairs and Maintenance – Others	10,414,331	1,897,061
Miscellaneous Expenses	7,389,132	4,888,175
Prior Period expenses	458,582	227,282
Fixed Assets Written Off	2,617,443	293,961
<b>Total</b>	<b>188,086,796</b>	<b>74,127,855</b>

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

₹

Particulars	As at 31st March, 2016	As at 31st March, 2015
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	0	2,991,348
Claims against Company not acknowledged as debt - Litigation matters	783,708	3,66,904
Company's claim not accepted and matters under litigation	8,93,568	8,93,568
Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances)	17,217,500	1,95,44,000
Arrears of Dividend of subsidiary:		
a) On 9% Cumulative Redeemable Preference Shares	16,200,000	1,21,50,000
b) On 4% Cumulative Redeemable Preference Shares, Redemable with Premium of 5% per year or part of year	1,208,219	608,219
c) On 4% Cumulative Redeemable Preference Shares	1,014,795	2,14,795

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

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

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

- b) The Service Tax Department had raised a demand of Rs.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, 2016	For the year ended 31st March, 2015
Depreciation for the year on tangible assets as per note 13	21,969,078	18,240,234
Amortisation on intangible assets as per note 13	1,047,094	310,275
Less: Utilized from revaluation reserve (Refer Note below)	7,233,457	7,233,457
<b>Total Depreciation and amortization</b>	<b>15,782,715</b>	<b>11,317,052</b>

Consequent to the revaluation there is an additional charge of depreciation of Rs. 72,33,457 (Previous Year Rs. 72,33,457) 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	31.3.2016	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, 2002 ("MSMED Act"), and therefore no such disclosures under the Act is considered necessary. This has been relied upon by the auditors.

Amounts payable to Micro and Small Enterprises	As at 31st March, 2016	As at 31st March, 2015
(i) the principal amount and the interest due thereon	Nil	Nil
(ii) interest paid during the year	Nil	Nil
(iii) the amount of interest due and payable for the period of delay in making payment	Nil	Nil
(iv) the amount of interest accrued and remaining unpaid	Nil	Nil
(iii) the amount of interest due and payable for the period of delay in making payment	Nil	Nil

- 30 a.) Long Term Trade receivables include amounts receivable in respect of depository services. Considering the market conditions prevailing since last about 4 to 5 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 them 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 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

- b) In the previous year, 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 Company has nothing to receive from the ILFS towards their outstanding dues.
- c) A disputed debt of Rs.19,00,041/- (Previous Year Rs.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 the Wholly Owned Subsidiary Company was received on 17/04/2012 and hence no provision was made by the Wholly Owned Subsidiary Company. However the Debtor had challenged the Arbitration order in the Bombay High Court in July 2012. The said Arbitration application of debtor was allowed recently by the Bombay High Court thereby setting aside the award dtd. 17.04.2012. The Wholly Owned Subsidiary Company has challenged the order of Bombay High Court before division bench, which is pending for hearing (at admission stage). Further, the Wholly Owned Subsidiary Company has also filed winding up petition before Delhi High Court in which Debtor appeared and filed their representation. Now the Wholly Owned Subsidiary Company will file a rejoinder and argue the matter. 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.

31 **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:

	<b>2015-2016</b>	<b>2014-2015</b>
Employer's contribution to Provident fund and Pension Fund (including of Managing & Whole time Director)	2,907,209	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.

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

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

₹

Particulars	Gratuity				Leave encashment	
	As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2016	As at 31st March, 2015
	Unfunded	Funded	Unfunded	Funded	Unfunded	Unfunded
Reconciliation of liability recognized in the Balance sheet						
Present value of commitments at the year end	94,481	7,965,679	105,369	7,232,796	395,368	276,280
Fair value of plans						
Net liability in the Balance sheet	94,481	7,965,679	105,369	7,232,796	395,368	276,280
Movement in net liability recognized in the Balance sheet						
Net liability at the beginning of the year	105,369	7,626,498	223,953	615,324	276,280	164,638
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	(10,888)	1,478,137	89,108	597,824	490,485	330,939
Transferred to Funded	-	-	-	-	-	-
Contribution during the year	-	(1,629,204)	(207,692)	-	(371,397)	(985,165)
Net liability at the year end	94,481	7,475,431	105,369	1,213,148	395,368	276,280
Expense recognized in the Statement of Profit and Loss			-	-		-
Current service cost	53,033	1,451,232	53,788	1,206,288	330,452	220,597
Interest cost	8,293	531,328	11,050	606,317	7,066	37,400
Expected return on plan assets		-	-	606,100		-
Actuarial (gains)/ losses	(72,214)	(14,175)	24,270	786,224	152,967	72,942
Expense charged to the Profit and Loss account	(10,888)		89,108	2,598,829	490,485	330,939
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	105,369	7,626,498	223,953	615,324	276,280	164,638
Add:Benefit obligation of Asit C Mehta Investment Intermmediary Ltd which became subsidiary during the year		-	-	4,889,929	-	765,868
Current service cost	53,033	1,451,232	53,788	1,206,288	330,452	220,597
Interest cost	8,293	531,328	11,050	606,317	7,066	37,400
Paid benefits	-	(1,629,204)	(207,692)	(871,286)	(371,397)	(985,165)
Transferred to Funded			-	-	-	-
Actuarial (gains)/ losses	(72,214)	(14,175)	24,270	786,224	152,967	72,942
Closing balance of the fair value of the defined plan at the year end	94,481	7,965,679	105,369	7,232,796	395,368	276,280

Note : In Holding company the Leave Encashment was fully paid at the year end as well as in previous year, and therefore no liability existed at year end.

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

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	2015-2016	2015-2016
	Gratuity	Leave Encashment
Mortality Rate (LIC)	IALM(2006-08)Ult.	IALM(2006-08)Ult.
Discount Rate	8.00%	8.00%
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
- ii) The secondary segments are geographical segments, namely:
  - a) India
  - b) U.S.A
- 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'.

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

## 33 Information about primary business segments:

₹

Particulars	Investment activities	Advisory and Consultancy	IT	Stock Broking and allied services	Total
<b>Segment Revenue</b>					
External Revenue	14,600,231	2,695,848	36,880,686	229,729,379	283,906,143
	<i>(16,968,151)</i>	<i>(9,506,867)</i>	<i>(21,473,442)</i>	<i>(88,417,086)</i>	<i>(136,365,546)</i>
Segment Results	<i>(1,442,923)</i>	<i>(2,557,375)</i>	9,045,422	<i>(34,124,205)</i>	<i>(29,079,082)</i>
	<i>(10,596,392)</i>	<i>(3,189,573)</i>	<i>(7,671,395)</i>	<i>(7,950,748)</i>	<i>(7,127,466)</i>
Less: Interest					67,366,936
					<i>(23,444,093)</i>
Add: Other Income					29,826,642
					<i>(7,203,871)</i>
Total (loss) before tax					<i>(66,619,376)</i>
					<i>(23,367,688)</i>
<b>Capital employed</b>					
Segment Assets	672,623,286	3,313,894	10,520,882	621,061,859	1,307,519,921
	<i>(575,311,246)</i>	<i>(6,252,481)</i>	<i>(7,416,920)</i>	<i>(674,412,179)</i>	<i>(1,263,392,827)</i>
Unallocable Assets					43,640,205
					<i>(42,308,778)</i>
Total Assets					1,351,160,126
					<i>(1,305,701,604)</i>
Segment Liabilities	329,809,481	125,313	59,766,821	562,240,023	951,941,638
	<i>(209,412,972)</i>	<i>(121,735)</i>	<i>(66,590,991)</i>	<i>(556,710,476)</i>	<i>(832,836,174)</i>
Unallocable Liabilities					969,618
					<i>(271,646)</i>
Total Liabilities					952,911,256
					<i>(833,107,820)</i>
Total Capital Employed					398,248,870
					<i>(472,593,784)</i>
Total Capital Expenditure	24,024,800	400,000	836,431	4,200,588	29,461,819
	-	-	<i>(314,250)</i>	<i>(658,998)</i>	<i>(973,248)</i>
Total Depreciation / Amortisation					30,249,629
					<i>(25,783,966)</i>

Figures in italics pertains to previous year.

Information about secondary segments:

	Domestic (In India)	Foreign	Total
Segment Revenue	271,131,186	12,774,957	283,906,143
	<i>(127,215,735)</i>	<i>(9,149,811)</i>	<i>(136,365,546)</i>
Total carrying value of Segment Assets	1,298,824,383	8,695,538	1,307,519,921
	<i>(1,263,392,827)</i>	-	<i>(1,263,392,827)</i>
Capital Expenditure	29,461,819	-	29,461,819
	<i>(127,848,621)</i>	-	<i>(127,848,621)</i>

Figures in italics pertains to previous year.

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

## 39 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. Stanley Santmayor, Ms. Kavita Shah

## b. Relatives of Key Management Personnel

Mr. Thakorbbhai 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. Ansuya 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

## c. Other Related parties

Asit C. Mehta Commodity Services Ltd.	Company over which the Subsidiary Company has significant influence and control (Previous Year wholly owned subsidiary of The Subsidiary 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 P Ltd (Formerly AllAlertz.com P Ltd)	Significant influence exist.
Edgytal Digital Marketing Pvt. Ltd.	Significant influence exist.
Pentation Analytics Pvt. Ltd.	Significant influence exist.

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

## d) Transactions with related parties:

Details of Transactions	Subsidiary (Previous Year upto 14.12.2014)	Associates	KMP	Relatives of KMP	Total
Rent Received	-	365,000	-	-	365,000
	-8,750,580	(60,000)	-	-	(8,810,580)
Rent Paid	-	-	-	-	-
	-	-	-150,000	-	(150,000)
Loan Received	-	104,440,000	2,450,500	-	106,890,500
	-	-579,440,165	-630,000	-	(580,070,165)
Loan Repaid	-	-	2,450,500	-	2,450,500
	-	-50,500,969	-630,000	-	(51,130,969)
Brokerage Received	-	-	-	-	-
	-	-26,276	-347,390	-428,093	(801,759)
Interest Received	-	1,133,858	-	-	1,133,858
	-	-7,534,767	-	-	-7,534,767
Interest Paid	-	4,031,830	2,538,010	-	6,569,840
	-	-24,110.00	-64,224.00	-	-88,334
Debenture Interest Received	-	-	-	-	-
	-10,384,208	-	-	-	-10,384,208
Conversion of debentures into 32,11,111 equity shares of face value of Rs. 10/- each at a premium of Rs.20/- per share	-	-	-	-	-
	-96,333,330	-	-	-	(96,333,330)
Marketing Expenses	-	2,120,509	-	-	2,120,509
	-	-	-	-	-
Remuneration	-	-	6,535,495	-	6,535,495
	-	-	-3,744,542	-	-3,744,542
Leave & Licence Fees Paid	-	-	2,160,000	-	2,160,000
	-	-	-2,720,000	-	-2,720,000
Sitting Fees	-	-	90,000	-	90,000
	-	-	-45,000	-	-45,000
Issue of Preference shares	-	-	-	-	-
	-	-	-20,000,000	-	-20,000,000
Issue of unsecured compulsory convertible debentures	-	-	-	-	-
	-	-	-18,000,000	-	-18,000,000
Leave & Licence Deposit Received	-	-	500,000	-	500,000.00
	-	-	-1,200,000	-	-1,200,000
Reimbursement of Expenses	-	16,476	-	-	16,476
	-	-	-	-	-
Payment in nature of Expenses	-	225,000	-	-	225,000
	-	-	-	-	-
Outstanding Balance - Receivable	-	7,637,722	43,000,000	-	50,637,722
	-	-1,484,774	-42,500,000	-	-43,984,774
Outstanding Balance - Payable	-	2,320,045	-	-	2,320,045
	-	-40,021,699	-	-	-40,021,699

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

**35 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, 2016	For the year ended 31st March, 2015
	₹	₹
A) Weighted average number of equity shares of Rs 10 each outstanding during the year.	4,952,560	4,952,560
B) Net profit /(Loss) after tax and minority interest attributable to shareholders	(44,285,490)	(23,860,860)
C) Basic and diluted earnings per share - in Rs	(8.94)	(4.82)

**36 Earnings in foreign currency (on accrual basis)**

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	₹	₹
Export of IT Enabled services	12,774,957	9,149,811

**37 Expenditure in Foreign Currency**

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	₹	₹
Travelling Expenses	306,042	61,025

**38 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 23740.35 (USD 11,688.76)	Rs 15,74,695 (Rs 731,598)
Short Term Loans & Advances	AED 431,542 (-)	Rs. 7,790,024 (-)
Cash & Cash Equivalentents	AED 50,163 (-)	Rs. 905,514 (-)

(Figures in bracket relates to previous period)

- 39** In the previous year, the share in loss of the Associated concern – Asit C Mehta Investment Intermediates Ltd (ACMIL) upto 31.3.2014 not recognized in the Consolidated Financial Statement was Rs 2,03,00,888 as the carrying value of the investment as at 1.4.2013 was Rs nil. ACMIL was a Associated concern upto 14.12.2014 and the share in profit of Rs.12,57,295/- for the period from 1.4.2014 to 14.12.2014 is adjusted against the brought forward loss.

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

## 40 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)
<b>Parent Company</b>				
Asit C Mehta Financial Services Ltd	139.57	388,672,975	73.01	(32,331,024)
<b>Indian Subsidiaries</b>				
Asit C Mehta Investment Intermediates Ltd	21.12	58,821,835	84.18	(37,279,762)
Nucleus GIS And ITES Ltd	(17.68)	(49,245,939)	(9.39)	4,156,298
<b>Total</b>	<b>143.01</b>	<b>398,248,871</b>	<b>147.80</b>	<b>(65,454,488)</b>
Less: Minority Interest in:				
Asit C Mehta Investment Intermediates Ltd	43.01	119,779,072	47.80	(21,168,998)
	100.00	278,469,799	100.00	(44,285,490)
<b>Associate Company</b>				
Asit C Mehta Investment Intermediates Ltd upto 14.12.2014	N A	Refer Note below ii	-	-

- Note:**
- The above figures are after eliminating intra group transactions and intra group balances as at 31.3.2016.
  - 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).

- 41** In the previous year, 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
- 42** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. In the previous year, the Company had acquired controlling stake in ACMIIL w.e.f. 15/12/2014 and accordingly its financials were considered in the previous year from 15/12/2014 to 31/03/2015. Hence the current year figures are strictly not comparable with those of the previous year.

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

Shailesh L. Manek  
Proprietor  
Membership No.: 034925

Mumbai, 27<sup>th</sup> May, 2016

For and on behalf of the Board

Asit C Mehta                      Kirit H Vora  
Chairman                              Director

Purvi Ambani  
Chief Financial Officer

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

## Form AOC-I

(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

## Part "A": Subsidiaries

(Rs. in lakhs)

Sr. No	Name of the Subsidiary	Asit C.Mehta Investment Intermediates Limited (ACMIL)	Nucleus IT Enabled Services Limited (NITES)	Asit C. Mehta Comdex Services DMCC
1.	Reporting period for the Subsidiary	March 31,2016	March 31,2016	March 31,2016
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 = 18.05INR
4.	Share Capital	1911.11	300	6
5.	Reserves & Surplus	(296.09)	(743.79)	(3.06)
6.	Total Assets	7233.20	186.27	4.82
7.	Total Liabilities	7233.20	186.27	4.82
8.	Investments	320.24	-	-
9.	Turnover	3137.80	370.13	-
10.	Profit Before Tax	84.97	6.36	(0.24)
11.	Provision for Taxation	(2.37)	0.12	-
12.	Profit After Tax	82.60	6.48	(0.24)
13.	Proposed Dividend	-	-	-
14.	% of shareholding	50.05%	100%	100% of ACMIL

## Part "B": Associates and Joint Ventures

Not Applicable

## For Manek &amp; Associates

Chartered Accountants

Firm Registration No.: 126679W

Shailesh L. Manek  
Proprietor  
Membership No.: 034925

Mumbai, 27<sup>th</sup> May, 2016

## For and on behalf of the Board

Asit C Mehta  
Chairman

Kirit H Vora  
Director

Purvi Ambani  
Chief Financial Officer

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

Registered Office: Nucleus House, Saki- Vihar Road, Andheri (East), Mumbai – 400 072.  
Phone no.: +91 (22) Fax No: +91 (22) Email: investor@grievance@acmfsl.co.in  
Website: http://www.acmfsl.com/

**ATTENDANCE SLIP**

32nd Annual General Meeting on Thursday, September 22, 2016 at 3.00 p.m. at Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai: 400072

<b>Folio No.:</b>		<b>DP ID No.:</b>		<b>Client ID No.:</b>	
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I / We hereby record my/our presence at the Thirty Second Annual General Meeting of the Company at Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai: 400072, on Thursday, 22nd September, 2016 at 3.00 p.m.

Name of the Member _____	Signature _____
Name of the Proxy holder _____	Signature _____

**Notes:**

1. Only Member/Proxy holder can attend the Meeting.
2. Please complete the Folio No./DP ID No., Client ID No. and name of the member/Proxy holder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the meeting Hall.
3. A Member/Proxy holder attending the meeting should bring copy of the Annual Report for reference at the meeting.



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

Registered Office: Nucleus House, Saki- Vihar Road, Andheri (East), Mumbai – 400 072.  
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Website: http://www.acmfsl.com/

**Form No. MGT-11  
PROXY FORM**

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

**32nd Annual General Meeting - Thursday, September 22, 2016 at 3.00 p.m.**

Name of the Member(s):	
Registered address :	
E-mail Id :	
Folio No/ Client Id :	DP ID :

I/We, being the member (s) of ..... shares of the Company, hereby appoint

Name : \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

Name : \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Second Annual General Meeting of the Company, to be held on the 22nd day of September, 2016 At 3.00 p.m. at Nucleus House, Andheri (East), Mumbai: 400072 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:



Resolution Number	Resolution	Vote (Please mark (✓) and No. of shares)		
		For	Against	Abstain
<b>Ordinary Business:</b>				
1	To receive, consider and adopt the Audited Financial Statements (including audited consolidated financial statements) containing Balance Sheet as at 31st March, 2016 and the statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the report of the Board's and Auditor's thereon.			
2	To appoint a Director in place Mr. Kirit H. Vora (DIN: 00168907) who retires by rotation and, being eligible, offers himself for re-appointment.			
3	To ratify the appointment of M/s. Manek & Associates, Chartered Accountants (Firm Registration No. 0126679W), as the statutory auditors of the company.			
<b>Special Business:</b>				
4.	To Purchase Office Premises from Asit C. Mehta Investment Intermediates Limited (ACMIIL), subsidiary company of the company.			
5.	To Purchase Office Premises from M/s. Asit C Mehta Commodity Services Limited (ACMCSL), a related party of the company.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of shareholder Signature of Proxy holder(s)

**Note:**

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 Meeting.
2. Those Members who have multiple folios with different folios may use copies of this Attendance slip/Proxy.

To,  
Link Intime India Private Limited  
**Unit: Asit C. Mehta Financial Services Limited**  
Nucleus House', Saki Vihar Road, Andheri (E), Mumbai 400 072

**Updation of Shareholder Information**

I / We request you to record the following information against my / our Folio No.:

**General Information:**

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN/ Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

\*Self attested copy of the document(s) enclosed

**Bank Details:**

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank:	
Bank Branch Address:	

\* A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that, the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No./beneficiary account.

Place:

Date:

\_\_\_\_\_

Signature of Shareholder

**ASIT C MEHTA FINANCIAL SERVICES LIMITED**

**CIN: L65900MH1984PLC091326**

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