

**Asit C. Mehta Financial Services Limited**  
**33<sup>rd</sup> Annual Report**  
**2016-2017**

## FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Net Worth*	574	606	834	880	1,033
Borrowings	3,352	2,427	1,573	1,508	1,543
Net fixed Assets (including revaluation)	6,440	6,554	5,607	5,729	4,539
Investments	1,547	1547	1,547	1,547	1,547
Book Value per share (in rupees)	11.59	12.23	16.85	17.77	20.86
Gross Income	652	340	372	256	197
Operating and Other expenses	686	582	430	416	267
Profit Before Tax	(34)	(243)	(57)	(160)	(70)
Profit After Tax	(32)	(229)	(42)	(153)	(64)
Equity Dividend Per share – (in rupees)	-	-	-	-	-

\*excluding revaluation reserve

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## Corporate Information

### Board of Directors

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

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

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

**Mr. Vijay Ladha**  
Independent Director  
DIN: 00168663

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

**Mr. Pundarik Sanyal**  
Independent Director  
DIN: 01773295

**Manager**  
Mr. Pankaj Jeevanlal Parmar

**Chief Financial Officer**  
Ms. Purvi Ambani

**Company Secretary & Compliance Officer**  
Ms. Meha Singh Sikarwar  
w.e.f. 27th May, 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, 701, Ganjawala Residency,  
Ganjawala Lane, Borivali (West), Mumbai: 400092

### Registrar and Transfer Agent

Link Intime India Private Limited,  
C 101, 247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai - 400083  
Phone no:022- 4918 6270 Fax no.:022-4918 6060  
Website: www.linkintime.co.in

### Bankers

ICICI Bank  
Bank of India  
State Bank of India

### Registered office Address

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

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

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### ASIT C. MEHTA FINANCIAL SERVICES LIMITED

(CIN: L65900MH1984PLC091326)

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

Tel: 022-28570781 / 28583333

Website: [www.acmfsl.com](http://www.acmfsl.com) Email id: [investorgrievance@acmfsl.co.in](mailto:investorgrievance@acmfsl.co.in)

### NOTICE

**NOTICE** is hereby given that the **THIRTY THIRD 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 at 11.00 a.m., on Thursday, 31st August, 2017 to transact the following business: -

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements containing the Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Asit C. Mehta (DIN: 00169048), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Chandrakant & Sevantilal, Chartered Accountants (Firm Registration No. 101675W), be and is hereby appointed as the Statutory Auditors of the Company (in place of M/s. Manek & Associates, Chartered Accountant(s){Firm Registration Number: 0126679W}, the retiring Statutory Auditors), to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of Thirty Eighth Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting till the Thirty Eighth (38th) Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

**FOR AND ON BEHALF OF THE BOARD**

**Date: 20th May, 2017**

**Place: Mumbai**

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

#### REGISTERED OFFICE:

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

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

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### NOTES:

1. An Explanatory Statement is annexed hereto, though strictly not required as per Section 102 of the Act relating to the item No. 3, Ordinary Business to be transacted at the Meeting.
2. The Register of Members and Transfer Books of the Company will remain closed from Thursday, 24th August, 2017 to Thursday, 31st August, 2017 both days inclusive.
3. **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, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members 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.

4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature(s) of their representative(s) who are authorized to attend and vote on their behalf at the Meeting.
5. 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.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
7. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can write to the Registrar & Transfer Agents of the Company at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) for assistance in this regard.
8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
9. **Transfer of Unclaimed/ Unpaid dividend amounts and Shares to the Investor Education and Protection Fund (IEPF):**

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') all unclaimed / unpaid dividend amounts along with the interest, remaining unclaimed/ unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/ unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account maintained by the authority on behalf of Central Government.

The Ministry of Corporate Affairs (MCA) vide its notification no. G.S.R. 854(E) dated 5th September, 2016 notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 07th September, 2016 which described the manner for transfer of shares to the IEPF, in

accordance with the notification, the Company has sent notices to all the members whose shares are liable to be transferred to IEPF in respect of which dividends are lying unpaid / unclaimed against their name for seven consecutive years or more. Members were requested to claim their unclaimed dividend and shares from the Company on or before 31st December, 2016. In case the dividends were not claimed by the said date, necessary steps are being initiated by the Company to transfer shares held by the members to IEPF without further notice.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and by sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

Members who have not yet encashed their dividend warrant(s) pertaining to the final dividend for the financial year 2009-10 onwards for the Company, are requested to write to the company or send e-mail to [investorgrievance@acmfsl.co.in](mailto:investorgrievance@acmfsl.co.in). It may be noted that the unclaimed Final Dividend for the financial year 2009-10 declared by the Company on 1st September, 2010 can be claimed by the Members on or before 7th October, 2017.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has placed on its website [www.acmfsl.com](http://www.acmfsl.com), the information on details of the members whose amount of dividend remain with the Company unclaimed as on 1st September, 2010 i.e. the date of the 26th Annual General Meeting of the Company . The information is also available on the website of the IEPF Authority viz. [www.iepf.gov.in](http://www.iepf.gov.in).

10. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office on all working days of the Company during business hours up to the date of the Meeting.
11. Electronic copy of the Annual Report for financial year 2016-17 and the Notice of 33rd 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's Registrar and Share Transfer Agents /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 2016-17 and the Notice of 33rd 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 Share Transfer Agents/Depositories.
12. Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions, brief profile of the Director who is proposed to be appointed/re-appointed is annexed hereto.
13. A Route map showing directions to reach the venue of the 33rd AGM is given at the end of the Notice as per the requirement of Secretarial Standards-2 on "General Meeting".
14. **Process and manner of voting through Electronic Means:**
  - i. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and 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 AGM) and the business as set out in this notice may be transacted by the members through such voting. The remote e-voting facility is provided through e-voting platform of Central Depository Services (India) Limited ("CDSL").
  - ii. The facility for voting through poll paper shall also be made available at the AGM. The members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.
  - iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - iv. 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

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Form shall be treated as invalid

- v. The members holding shares of the company as on Thursday, August 24, 2017 (i.e. the cut-off date) shall be entitled to cast vote either through remote e-voting facility or through poll paper at the venue of the AGM.
- vi. The Board of Directors has appointed Mrs. Dipti Mehta, Partner, M/s Mehta & Mehta, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting at the meeting and remote 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.
- vii. 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.
- viii. 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 voting period begins on Monday August 28, 2017 at 9.00 a.m. and will end on Wednesday August 30, 2017 at 5.00 p.m. During this period, shareholders' of the company, holding shares either in physical form or in dematerialized form, as on August 24, 2017 (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 demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in De-mat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both de-mat shareholders as well as physical shareholders) • 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. • 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 letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach the Company selection screen.

However, members holding shares in 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 demat holders for voting for resolutions of any other company on which they are

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- 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 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 Please follow the instructions as prompted by the mobile app while voting through your mobile.
- (xviii) Note on Non - Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians 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)

**FOR AND ON BEHALF OF THE BOARD**

**Date: 20th May, 2017**  
**Place: Mumbai**

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

**REGISTERED OFFICE:**

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



## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### 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 No. 3 of the accompanying Notice:

#### Item 3:

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

M/s. Manek & Associates, Chartered Accountants, Mumbai, (Firm Registration Number: 0126679W) were appointed as the Auditors of the Company at the Thirtieth Annual General Meeting (AGM) of the Company held on September 26, 2014 for a term of three years to hold office till the conclusion of this AGM. M/s. Manek & Associates have been the Auditors of the Company since financial year 2008-09.

As per the provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. In view of the above, M/s. Manek & Associates can continue as the Auditors of the Company only up to the conclusion of this Annual General Meeting ('AGM'), having completed their term as per the provisions of Section 139 of the Act.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on May 20, 2017, proposed the appointment of M/s. Chandrakant & Sevantilal, Chartered Accountants (Firm Registration No. 101675W) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the Thirty Eighth (38th) AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the Act).

M/s. Chandrakant & Sevantilal, Chartered Accountants (Firm Registration No. 101675W) have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 3 of the Notice.

#### Details of Director(s) seeking appointment / re-appointment at the forthcoming 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. Asit C. Mehta</b>	
<b>Date of Birth</b>	24th August 1959	
<b>Date of Appointment</b>	1st April, 2001	
<b>Age</b>	57	
<b>Qualifications</b>	B. Com., ACA, PG Diploma in Securities Law	
<b>Expertise in specific functional areas</b>	Corporate Debt, Inter-bank, Forex Broking, Investment Banking, Portfolio management, Stock Broking.	
<b>Remuneration last drawn</b>	Nil (Except sitting fees)	
<b>No. of Meetings of the Board attended during the year.</b>	Held	Attended
	4	4
<b>Directorships held in other Companies</b>	1.Asit C Mehta Investment Intermediates Limited 2.Asit C Mehta Forex Private Limited 3.Asit C. Mehta Real Estate Services Private Limited 4.Asit C. Mehta Comdex Services, DMCC – Dubai 5.ACM Commodity Services Pvt. Ltd.	
<b>Memberships/Chairmanships held in committees of the Board of other companies</b>	1.Asit C Mehta Investment Intermediates Limited	Member of Audit Committee
<b>Number of shares held in the Company</b>	2,284,138 equity shares of Rs. 10/- each.	
<b>Relationship with other Directors</b>	Mrs. Deena A. Mehta	Spouse

FOR AND ON BEHALF OF THE BOARD

ASIT C. MEHTA  
CHAIRMAN

Date: 20th May, 2017

Place: Mumbai

DIN: 00169048

REGISTERED OFFICE:

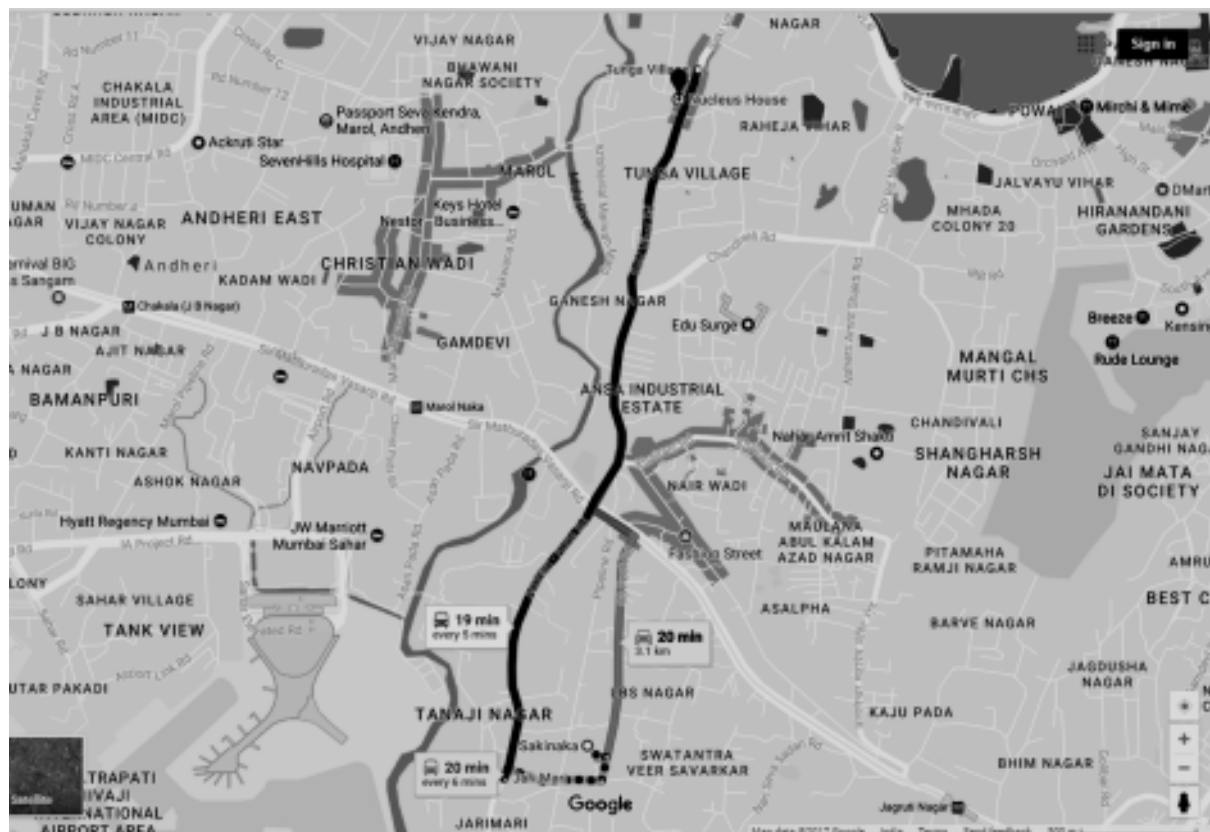
Nucleus House,

Saki- Vihar Road, Andheri (East),

Mumbai – 400 072

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 present the Thirty Third Annual Report and the Company's audited financial statement for the financial year ended March 31, 2017.

**1. FINANCIAL RESULTS**

The Company's financial performance, for the year ended March 31, 2017 is summarized below:

Particulars	Standalone (Rs. In lakhs)		Consolidated (Rs. In lakhs)	
	2016-17	2015-16	2016-17	2015-16
Total Revenue	652.44	339.51	3941.76	3137.33
<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>506.09</b>	<b>171.24</b>	<b>716.85</b>	<b>190.35</b>
Less: Interest	404.08	368.69	811.13	698.71
Less: Depreciation	135.67	45.48	221.00	157.83
Profit/ (Loss) Before Tax	(33.66)	(242.93)	(315.28)	(666.19)
Tax Expenses				
Current Tax	-	-	-	-
Deferred Tax	2.55	14.01	(59.06)	(23.35)
Prior Period tax	(0.49)	(0.11)	(1.09)	35.00
<b>Net Profit/ (Loss) after Tax</b>	<b>(31.60)</b>	<b>(229.03)</b>	<b>(375.43)</b>	<b>(654.54)</b>
Profit / (Loss) of Shares in Associate Concern	-	-	-	-
Minority Interest	-	-	127.79	211.69
Add: Amount brought forward from Last Year	-	-	-	-
Less: Appropriations	-	-	-	-
Proposed Dividend	-	-	-	-
Tax on Proposed Dividend	-	-	-	-
Transfer to General Reserve	-	-	-	-
Balance carried to Balance Sheet	(31.60)	(229.03)	(247.64)	(442.85)
Paid up Equity Share Capital	495.26	495.26	495.26	495.26
EPS (Equity Shares of Rs. 10/- each) Basic & Diluted (in Rs.)	(0.64)	(4.62)	(5.00)	(8.94)

The consolidated figures include the figures of two subsidiaries for entire year.

**2. DIVIDEND**

In view of the losses, the Directors do not recommend any dividend for the Financial Year 2016-2017.

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

On a Standalone basis, the gross earnings raised to Rs 652.44 lakhs from Rs. 339.51 lakhs. The year ended with a loss after tax of Rs. 31.60 lakhs as compared to loss after tax of Rs 229.03 lakhs in the previous year.

The Company has let out part of the Office premises on Lease/Leave and License basis to external companies including ICICI Bank Limited. The Company offered advisory and consultancy services to certain clients and earned the fees aggregating to Rs 90.00 lakhs from Advisory and Consultancy Division.

On a consolidated basis, the gross revenues raised at Rs 3941.76 lakhs as compared to Rs Rs 3137.33 lakhs in the previous year and loss after tax was at Rs 375.43 lakhs as against Rs 654.54 lakhs in the previous year. The overall consolidated loss aggregated to Rs. 247.64 lakhs (including share of loss from an Associate concern) as

against loss of 442.85 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 reduced to Rs.336.71 Lakhs as compared to Rs 368.81 lakhs in the previous year and the profit before depreciation and finance cost was reduced to Rs. 30.52 lakhs as compared to Rs 64.46 lakhs in the previous year. . The overall loss stood at Rs. 87.99 lakhs as against overall profit of Rs 6.48 lakhs in the previous year.

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

The Company has three subsidiaries as on March 31, 2017. 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 (ACMIIL) 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 ACMIIL, 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.

#### 5. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 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) are independent directors representing 50% of total strength of the Board and remaining 3 (Three) are Non-Executive Directors (NEDs) represent 50% of the total strength including 1 (one) Woman Director.

##### b. Retirement by Rotation

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

##### c. 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 Directors 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

- i. **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 responsibility 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 are available on the website of the Company [www.acmfsl.com](http://www.acmfsl.com).
- ii. **Evaluation of the performance of the Board, its Committees and the Directors:** 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:

- a. Expertise;
- b. Objectivity and Independence
- c. Guidance and support in context of life stage of the Company;
- d. Understanding of the Company's business;
- e. Understanding and commitment to duties and responsibilities;
- f. Willingness to devote the time needed for effective contribution to Company;
- g. Participation in discussions in effective and constructive manner;
- h. Responsiveness in approach;
- i. 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

### 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. Pankaj Jeevanlal Parmar, Manager
- c. Ms. Meha Singh Sikarwar, Company Secretary appointed w.e.f. May 27, 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 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.

### f. 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.

### 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, 2017, 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, 2017 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

#### a. Board Meetings

Four 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.

#### b. Audit Committee

The Audit Committee comprises three members. The Chairman of the Committee is an Independent Director. The Committee met four times during the year. Details of the role and responsibilities of the Audit Committee, the particulars of meetings held and attendance of the Members at such Meetings are given in the Corporate Governance Report.

### 9. 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.

### 10. AUDITORS

#### a. Statutory Auditors

As per the provisions of Section 139 of the Companies Act 2013, the term of office of M/s Manek & Associates (Firm Registration No 0126679W) Chartered Accountants, as Statutory Auditors of the Company will conclude from the close of the forthcoming Annual General Meeting of the Company.

The Board of Directors places on record its appreciation for the services rendered by M/s Manek & Associates, Chartered Accountants as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s. Chandrakant & Sevantilal, Chartered Accountants (Firm Registration No. 101675W) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

Members' attention is drawn to a Resolution proposing the appointment of M/s. Chandrakant & Sevantilal, Chartered Accountants as Statutory Auditors of the Company, which is included at Item No 3 of the Notice

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

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convening the Annual General Meeting.

### b. Secretarial Audit

The Company has appointed M/s Mehta & Mehta, Company Secretaries, to undertake the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Companies Act 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

## 11. AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

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

The Secretarial Audit Report for the FY 2016-17 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

## 12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Amounts outstanding as at 31st March 2017

(Rs. in lakhs)

<u>Particulars</u>	<u>Amount</u>
Loans given	30.00
Guarantees given	-
Investments made	1,546.57

<u>Name of Entity</u>	<u>Relation</u>	<u>Amount (in lakhs)</u>	<u>Particulars of Loan/Guarantee/Investments</u>	<u>Purpose</u>
Divine WindFarm Private Limited	None	30.00	Loan	Business Purpose
Asit C Mehta Investment Intermediates Limited (ACMIL)	Subsidiary	1,246.57	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

## 13. TRANSACTIONS WITH RELATED PARTIES

The Company has not entered into any material contracts, with the related parties during the year 2016-17 and other contracts or arrangements are in the ordinary course of business and on an arm's length basis, which were approved by the Audit Committee and the Board from time to time. Therefore, there are no particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 to disclose in the prescribed form AOC-2 and may be treated as not applicable.

## 14. 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.

## 15. 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 2016-17:

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

### 16. INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS

Pursuant to the notification, issued by The Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, the Company will adopt "IND AS" with effect from April 01, 2017.

### 17. 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.

### 18. 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. 18.86 Lakhs as compared to Rs. 18.02 Lakhs in the last year.

**iii. The percentage increase in the median remuneration of employees in the financial year:**

There was an increase of 5.48% in median remuneration of employees in the financial year.

Note that Salary of employees who were employed for less than 12 months is also taken in to consideration for above calculation.

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

The Company has 1 (One) permanent Employee on the rolls of Company as on 31st March, 2017 as compared to 4 (Four) permanent employees as on on 31st March, 2016.

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

Employee received an annual increase of 6% 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:**



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(Rs. in Lakhs)

Aggregate remuneration of Key Managerial Personal	18.86
Revenue	652.44
Remunerations of KMP (as % of above)	2.89
Profit / Loss before tax	(31.60)
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**

(Rs. in Lakhs)

Particulars	March 31,2017	March 31, 2016	% Change
Market Capitalisation (No. of Shares X Market price)	1139.09*	1220.80	(6.69)
Price Earning Ratio	NIL	NIL	

\*As no trading was done as on 31.03.2017, therefore Market price of 30.03.2017 is disclosed

**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 2017	24th April 1995 (IPO)	% Increase
Market price (BSE)	23.00	35.00	(34.28)

**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 remuneration of Key Managerial Personnel against the performance of the company:**

(Rs. in lakhs)

Particulars	Ms. Purvi Ambani	Mr. Pankaj Parmar	Ms. Meha Singh Sikarwar
	Chief Financial Officer	Manager	Company Secretary
Remuneration in FY 2016-17	18.86	-	-
Remuneration as % of revenue	2.89	-	-
Profit / Loss before tax (PBT)	(31.60)	(31.60)	(31.60)
Remuneration as % of PBT	Not computable due to loss	Not computable due to loss	Not computable due to loss

**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:

- a. receipt of remuneration which was not less than sixty lakhs per annum ;
- b. five lakh rupees per month;
- c. 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.

**19. 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))

**20. 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.

**21. 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.

Your Company has installed Roof-Top Solar PV system at the registered office of the Company in March, 2017. Installation of 25kw capacity of system will result in energy saving of 37,500 kwh approx.

**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.

**22. 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.

**23. 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.

**24. ACKNOWLEDGEMENT**

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**

**Date: 20th May, 2017**  
**Place: Mumbai**

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

**Annexure I**

**FORM No. MR-3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration 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 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, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 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;

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

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- 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);

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India;
- b. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

The Company is in the business of providing advisory and consultancy services on Fund mobilization and restructuring of Companies and renting vacant properties. As per the representation made by the Company, the business activities of the Company are not regulated by any authority, hence, we cannot comment on the same.

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 was no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

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

**Atul Mehta**  
**Partner**  
**FCS No : 5782**  
**CP No. : 2486**

Place : Mumbai  
Date : May 20, 2017

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.

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

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

**Atul Mehta  
Partner  
FCS No : 5782  
CP No. : 2486**

Place : Mumbai  
Date : May 20, 2017

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Annexure II

#### Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017  
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

1. **CIN** : L65900MH1984PLC091326
2. **Registration Date** : January 25, 1984
3. **Name of the Company** : Asit C. Mehta Financial Services Limited
4. **Category/Sub-category of the Company** : Company Limited by Shares/ Indian Non-Government Company
5. **Address of the Registered office & contact details** : Nucleus House, Saki-Vihar Road, Andheri (East),  
Mumbai: 400072  
Tel. No.:022-28570781/28583333  
Email id:investorgrievance@acmfsl.co.in  
Website: www.acmfsl.com
6. **Whether listed company** : Yes Listed only on BSE Ltd.
7. **Name, Address & contact details of the Registrar & Transfer Agent, if any.** : Link Intime India Pvt. Ltd.,  
C 101, 247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai - 400083.  
Phone no:022- 4918 6270 /Fax no.:022-4918 6060  
Website: www.linkintime.co.in

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Advisory & Consultancy	66190	13.79
2.	Rental Income	68100	82.40

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

Sr. No	Name and Address of the Company	CIN/GLN	Holding/S subsidiary/ Associate	% of shares held	Applicable Section
1.	Asit C Mehta Investment Intermediates Limited (ACMIIL) 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	Wholly owned subsidiary	100%	2(87)
3.	Asit C Mehta Comdex Services (DMCC) Unit No. 14, Floor 9, Bldg No.2, DMCC, Dubai, UAE.	Registration Number: 0677	Subsidiary	100 % (by ACMIIL)	2(87)

**ASIT C MEHTA FINANCIAL SERVICES LIMITED**
**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 1-April -2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% 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	66.21	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) BodiesCorporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2): -	-	-	-	-	-	-	-	-	-
<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>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	294	0	294	0.01	-	-	-	-	100%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1): -	294	0	294	0.01	-	-	-	-	100%
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	151,445	500	153,945	3.11	162,966	2,500	165,466	3.34	7.48
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	301,680	125,082	426,762	8.62	325,268	125,082	450,350	9.09	5.53



## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### 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 1-April -2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% 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	606,213	-	606,213	12.24	592,185	0	592,185	11.96	2.31
c) Others (specify)									
Qualified Foreign Investor (Individual & Corporate)	-	-	-	-	-	-	-	-	-
Clearing Member	7,787	0	7,787	0.16	9,541	-	9,541	0.19	22.52
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)	11,411	-	11,411	0.23	11,511	-	11,511	0.23	0.88
Holding Company	-	-	-	-	-	-	-	-	-
HUF	51,357	-	51,357	1.04	28,716	-	28,716	0.58	44.09
Trusts	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2): -</b>	<b>1,130,898</b>	<b>127,582</b>	<b>1,258,480</b>	<b>25.41</b>	<b>1,131,192</b>	<b>127,582</b>	<b>1,258,774</b>	<b>25.42</b>	<b>0.02</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1,131,192</b>	<b>127,582</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>-</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4,824,978</b>	<b>127,582</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>-</b>

#### (b). Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2016)			Shareholding at the end of the year (As on 31-03-2017)			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Asit C. Mehta	2,284,138	46.12	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>

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### (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	01-Apr-2016	at the beginning of the year	2,284,138	46.12	2,284,138	46.12	
			31-Mar-2017	at the end of the year			2,284,138	46.12	No change
2.	1201320000000019	Deena A. Mehta	01-Apr-2016	at the beginning of the year	900,358	18.18	900,358	18.18	
			31-Mar-2017	at the end of the year			900,358	18.18	No change
3.	1201320001703896	Asit C. Mehta Commodity Services Limited	01-Apr-2016	at the beginning of the year	400,470	8.09	400,470	8.09	
			31-Mar-2017	at the end of the year			400,470	8.09	No Change
4.	1201320000576191	Asit C Mehta HUF	01-Apr-2016	at the beginning of the year	77,000	1.55	77,000	1.55	
			31-Mar-2017	at the end of the year			77,000	1.55	No Change
5.	1201320000005775	Asit C. Mehta Forex private Limited	01-Apr-2016	at the beginning of the year	13,900	0.28	13,900	0.28	
			31-Mar-2017	at the end of the year			13,900	0.28	No Change
6.	1201320000007597	Aditya Asit Mehta	01-Apr-2016	at the beginning of the year	7,400	0.15	7,400	0.15	
			31-Mar-2017	at the end of the year			7,400	0.15	No Change
7.	1201320001087905	Jayesh Desai HUF	01-Apr-2016	at the beginning of the year	7,120	0.14	7,120	0.14	
			31-Mar-2017	at the end of the year			7,120	0.14	No Change
8.	1201320000334594	Gopa Jayesh Desai	01-Apr-2016	at the beginning of the year	1,900	0.04	1,900	0.04	
			31-Mar-2017	at the end of the year			1,900	0.04	No Change
9.	1302340000293910	Rupa Atul Shah	01-Apr-2016	at the beginning of the year	1500	0.03	1,500	0.03	
			31-Mar-2017	at the end of the year	-	-	1,500	0.03	No Change

**ASIT C MEHTA FINANCIAL SERVICES LIMITED**
**(d). Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2015)/ end of the year (31-03-2016)		Date	Increase & Decrease	Cumulative Shareholding during the year (31-03-2016)	
		No of Shares	% of total Shares of the Company			No of Shares	% of total Shares of the Company
1.	Trupti Ketan Karani (IN30027110093659 & 1204510000007069)	23,722	0.48	1-Apr-16			
				30-Sep-16	113,014 (Transfer)	136,736	2.76
				09-Dec-16	435 (Transfer)	137,171	2.77
				16-Dec-16	3,471(Transfer)	140,642	2.84
				23-Dec-16	5,049 (Transfer)	145,691	2.94
				17-Feb-17	4,520 (Transfer)	150,211	3.03
				24-Feb-17	1,815 (Transfer)	152,026	3.07
				03-Mar-17	2,757 (Transfer)	154,783	3.12
				10-Mar-17	1,600 (Transfer)	156,383	3.16
				17-Mar-17	950 (Transfer)	157,333	3.18
		157,333	3.18	31-Mar-17			
2.	Purvi Ramesh Ambani (1301190100041937)*	118985	2.40	1-Apr-16	Nil movement during the year		
		118985	2.40	31-Mar-17			
3.	Ketan Jayantilal Karani (1204510000007054 & IN30027110174681)	3,739	0.08	1-Apr-16			
				23-Sep-16	1,000(Transfer)	4,739	0.09
				30-Sep-16	100,000(Transfer)	104,739	2.11
				28-Oct-16	(1,950) (Transfer)	102,789	2.07
				04-Nov-16	(1,500) (Transfer)	101,289	2.04
				20-Jan-17	4,356 (Transfer)	105,645	2.13
				27-Jan-17	750 (Transfer)	106,395	2.15
				03-Feb-17	665 (Transfer)	107,060	2.16
				10-Feb-17	1,875 (Transfer)	108,935	2.20
				17-Feb-17	543 (Transfer)	109,478	2.21
		109,478	2.21	31-Mar-17			
4.	Anshul Ketan Karani (1204510000007639)	2,209	0.04	1-Apr-16			
				30-Sep-16	47,791(Transfer)	50,000	1.01
				21-Oct-16	300(Transfer)	50,300	1.01
				11-Nov-16	3,940(Transfer)	54,240	1.09
				18-Nov-16	225(Transfer)	54,465	1.1
				02-Dec-16	1,000(Transfer)	55,465	1.1
				06-Jan-17	(1,000)(Transfer)	54,465	1.1
				03-Feb-17	(1,000)(Transfer)	53,465	1.08
		53,465	1.08	31-Mar-17			
5.	Suman Marble Industries Private Limited (IN30014210381532)	50,000	1.01	1-Apr-16	Nil movement during the year		
		50,000	1.01	31-Mar-17			
6.	Ravi Navratn Jain (1201320000335657)	40,100	0.81	1-Apr-16	Nil movement during the year		
		40,100	0.81	31-Mar-17			
7.	Balmukund Investment Company Private Limited (1201320000005756)	27,500	0.56	1-Apr-16	Nil movement during the year		
		27,500	0.56	31-Mar-17			
8.	Nichi Investment Company Private Limited (1201320000005737)	27,000	0.55	1-Apr-16	Nil movement during the year		
		27,000	0.55	31-Mar-17			
9.	Kirit Himatlal Vora (1201320000000456)	23,520	0.47	1-Apr-16	Nil movement during the year		
		23,520	0.47	31-Mar-17			

**ASIT C MEHTA FINANCIAL SERVICES LIMITED**

SN	Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2015)/ end of the year (31-03-2016)		Date	Increase & Decrease	Cumulative Shareholding during the year (31-03-2016)	
		No of Shares	% of total Shares of the Company			No of Shares	% of total Shares of the Company
10.	Vipul Rasiklal Shah (1201320000334425)	22,977	0.46	1-Apr-16	Nil movement during the year		
		22,977	0.46	31-Mar-17			
11.	Charu S. Shah (IN30154953204270)**	282,500	5.70	1-Apr-16			
				23-Sep-16	(100,840)(Transfer)	181,660	3.67
				30-Sep-16	(181,660)(Transfer)	0	0.0
		0	0.0	31-Mar-17			
12.	Jash Ketan Karani (1204510000004931)**	27713	0.56	1-Apr-16			
				22-Apr-16	(7,115)(Transfer)	20,598	0.41
				29-Apr-16	(1,100)(Transfer)	19,498	0.39
				17-Jun-16	(3,950)(Transfer)	15,248	0.31
				24-Jun-16	(2,479)(Transfer)	13,069	0.26
				30-Jun-16	(3,500)(Transfer)	9,569	0.19
				08-Jul-16	(164)(Transfer)	9,405	0.19
				15-Jul-16	(2,620)(Transfer)	6,785	0.14
				22-Jul-16	(3,070)(Transfer)	3,715	0.07
				29-Jul-16	(3,715)(Transfer)	0	0.0
13.	Shirish Ranchhodlal Shah HUF. (1201260000173146)**	24,250	0.49	1-Apr-16			
				23-Sep-16	24,250	0.00	0.00
		0	0.00	31-Mar-2017		0	0.0

\* 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 31-03-2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2016.

**V. Shareholding of Directors and Key Managerial Personnel:**

SN	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.	Pundarik Sanyak	-	-	-	-
6.	Vijay Ladha	-	-	-	-
7.	Purvi Ramesh Ambani (CFO)*	118,985	2.40	118,985	2.40
8.	Pankaj Jeevanlal Parmar (Manager)	350	0.01	350	0.01
9.	Meha Singh Sikarwar (Company Secretary)	-	-	-	-

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

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### 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	2427.46	500.00	-	2927.46
ii) Interest due but not paid	-	0.79	-	0.79
iii) Interest accrued but not due	-	-	-	
<b>Total (i+ii+iii)</b>	<b>2427.46</b>	<b>500.79</b>	<b>-</b>	<b>2928.25</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	1095.00	597.51	-	1692.51
* Reduction	170.45	793.75	-	964.2
Net Change	924.55	-196.24	-	728.31
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3352.01	215.00	-	3567.01
ii) Interest due but not paid	-	67.46	-	67.46
iii) Interest accrued but not due	-	22.09	-	22.09
<b>Total (i+ii+iii)</b>	<b>3352.01</b>	<b>304.55</b>	<b>-</b>	<b>3656.56</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 MD/WTD/ 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	-
	(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)	-
	Ceiling as per the Act	-

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### B. Remuneration to other directors

(Rs. in thousands)

SN.	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	45.00	---	----	45.00
	Mr. Radha Krishna Murthy	30.00	---	--	30.00
	Mr. Pundarik Sanyal	40.00	--	--	40.00
	Total (1)	115.00	--	--	115.00
<b>2</b>	<b>Other Non-Executive Directors</b>				
	Mr. Asit Mehta	40.00	--	--	40.00
	Mrs. Deena Mehta	40.00	--	--	40.00
	Mr. Kirit Vora	60.00	--	--	60.00
	<b>Total (2)</b>	<b>140.00</b>	<b>--</b>	<b>--</b>	<b>140.00</b>
	<b>Total (B)=(1+2)</b>	<b>255.00</b>	<b>--</b>	<b>--</b>	<b>255.00</b>
	<b>Total Managerial Remuneration</b>	<b>255.00</b>	<b>--</b>	<b>--</b>	<b>255.00</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)

SN	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Purvi Ambani (Chief Financial Officer)	Ms. Meha Singh Sikarwar (Company Secretary)*	Total
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.86	-	18.86
	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>18.86</b>	<b>-</b>	<b>18.86</b>

\* appointed w.e.f 27th May, 2016

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

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

**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 90 lakhs from Advisory and Consultancy Services during the year under review.

Nucleus IT Enabled Services Ltd (NITES), the 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.

The top line performance of NITES for the year 2016-17 was better and the Company reported gross income of Rs 396.92 lakhs as against Rs. 370.13 lakhs in the previous year. The Company reported a loss after tax of Rs. 87.99 lakhs as against profit after tax of Rs. 6.48 lakhs in the previous year. The company faced an increased leave and license fees and also has taken additional floor for expansion however related expenses of staff and finance cost has gone up but additional revenue was not increased so much to compensate additional cost. Hence, the Company has incurred the loss. The Company operates into BFSI (banking, financial services & insurance) segment – mainly into insurance industry services.

The top line performance of ACMIIL for the year 2016-17 was better as compared to last year. Company has reported gross income of Rs. 3211.57 lakhs as against the Rs. 3137.80 lakhs in previous year. The company has reported loss after tax of Rs. 232.24 lakhs as against profit after tax of Rs. 82.60 lakhs in the previous year. The company provides investment related services over various asset classes and by various channels. The company has provided certain write off of constituent balances towards depository charges and assets not in use. The company has also made provision of deferred tax assets during the year and hence the company has incurred the loss.

**Financial Performance:**

**A) Consolidated Financial Results for the year ended 31st March 2017 as shown in Table below is of the Company, its wholly-owned subsidiary (NITES) and material subsidiary (ACMIIL).**

**Summarized Consolidated financials**

(Rs. in lakhs)

Segment Revenue			Segment Results Profit/(Loss)after depreciation and interest		
	2016-17	2015-16		2016-17	2015-16
ITeS	318.61	368.81	ITeS	40.58	90.45
Investments Activities	291.03	146.00	Investments Activities	56.69	(14.43)
Advisory and Consultancy	90.00	26.96	Advisory and Consultancy	37.45	(25.57)
Stock Broking and allied services	2,944.66	2297.29	Stock Broking and allied services	41.74	(341.24)
Unallocable	297.47	298.27	Unallocable	---	---

**B) Standalone Financial Results:**

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

(Rs. in lakhs)

Particulars	2016-17	2015-16
Revenues from Operations	640.29	324.60
Other Income	12.15	14.91
Total Revenue	652.44	339.51
Total Expenditure	686.10	582.44
Profit Before Tax	(33.66)	(242.93)
Profit After Tax	(31.60)	(229.03)

The Share Capital remained unchanged. The Networth (including Revaluation Reserve) of the Company decreased from Rs. 3984.54 lakhs to Rs. 3952.93 lakhs. The Bank term loans borrowing stood at Rs 876.65 Lakhs as at March 31, 2017 from 941.82 Lakhs at March 31, 2016. Other secured loan was Rs. 2475.36 lakhs as at 31.03.2017 from Rs. 1485.63 lakhs in previous year.

### **Opportunities, Threats, risks and concerns**

Financial services segment is expanding rapidly in view of the high growth rates being enjoyed by the country. This is likely to continue for a while barring unforeseen circumstances. Demand for funds, financial assets and advisory are likely to significant rise. Your company is likely to benefit from the same. Recent promulgation of Real Estate Regulatory Authority (RERA) Bill is likely to bring stability to the real estate markets by curtailing half-baked unviable projects and restoring buyer/user confidence in the properties developers. This too will benefit the company in leasing out space. The company is cautiously optimistic about its prospects.

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

The Company is actively pursuing 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 (WOS) – 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 (GST and Demonetisation) and political fronts (UP elections) coupled with risk return equation in the international markets 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, 2017, 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 25 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 and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2017 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 2016-17		No. of Directorships in other companies	Relationship with other Directors	No. of Committee positions held in Other companies		Attendance at the AGM held on 22/09/2016
		Held	Attended			Member	Chairman	
Mr. Asit C. Mehta, Chairman DIN: 00169048	Promoter and Non-Executive	4	4	1	Spouse of Mrs. Deena A. Mehta	1	NIL	Yes
Mrs. Deena A. Mehta, Director DIN: 00168992	Promoter and Non-Executive	4	4	5	Spouse of Mr. Asit C. Mehta	2	Nil	Yes
Mr. Kirit H. Vora, Director DIN: 00168907	Non-Executive	4	4	1	-	NIL	NIL	Yes
Mr. Vijay Ladha, Director DIN: 00168663	Independent	4	3	NIL	-	NIL	NIL	No
Dr. Radha Krishna Murthy, Director DIN: 00221583	Independent	4	2	NIL	-	NIL	NIL	No
Mr. Pundarik Sanyal Director, DIN: 01773295	Independent	4	4	4	-	3	2	No

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### B. Directors' Profile:

The Board of Directors comprises highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision-making process. The brief profile of the Company's Board of Directors is as under:

Name of the Directors	Mr. Asit C. Mehta	Mrs. Deena A. Mehta	Mr. Kirit H. Vora	Mr. Vijay Ladha	Dr. Radha Krishna Murthy	Mr. Pundarik Sanyal
Date of Birth	24th August 1959	18th February, 1961	26th December, 1958	15th August, 1959	22nd August, 1953	28th January, 1950
Date of Appointment	1st April, 2001	25th March, 1991	4th March, 1992	29th October, 2002	31st January, 2006	31st July, 2014
Expertise /Experience in specific functional areas	Corporate Debt, Inter-bank, Forex Broking, Investment Banking, Portfolio management, Stock Broking.	Wide experience in Capital Market, Finance, Human Resource Management and General Management	Wide experience of more than 34 years in, Financial Services sector	Wide experience in the field of Commerce and Finance	Specialized in the field of Industrial Relations, Labour Laws and Human Resources Management	Wide experience of more than 34 years in Banking and Finance.
Qualification	B. Com., ACA, PG Diploma in Securities Law	B.Com, FCA, MMS, PG Diploma in Securities Law	B. Com., ACA, PG Dip in Sec Law	B.Com, FCA	B.Sc, LLB, MMS, PhD in Management.	B.Sc Tech
No. & % of Equity shares held	B. Com., ACA, PG Diploma in Securities Law	900,358 18.18%	23,520 0.47%	NIL	1,000 0.02%	NIL
List of outside Company's directorship held	1.Asit C Mehta Investment Intermediates Limited 2.Asit C Mehta Forex Private Limited 3.Asit C. Mehta Real Estate services Private Limited 4.Asit C. Mehta Comdex Services, DMCC – Dubai 5.ACM Commodity Services Pvt. Ltd.	1.Asit C. Mehta Investment Intermediates Limited 2.Reliance Asset Reconstruction Company Ltd 3.Reliance Home Finance Limited 4.Reliance Commercial Finance Limited 5.Gandhar Oil Refinery (India) Limited 6.NMIMS Business School Alumni Association 7.National Payments Corporation of India 8.Asit C. Mehta Comdex Services, DMCC	1.Asit C. Mehta Investment Intermediates Limited 2.Securities Industry Association of India 3.Asit C Mehta Forex Private Limited 4.Balmukund Investment Company Private Limited 5.Asit C. Mehta Comdex Services, DMCC – Dubai 6.ACM Commodity Services Pvt. Ltd. 7.Tipstop Software Pvt. Ltd. 8.Edgytal Digital Marketing Pvt. Ltd.	1.Fourell Appliances Private Limited	1.Mega Ace Consultancy (India) Private Limited	1.Ashapura Minechem Limited 2.Orient Abrasives Lited 3.Asit C. Mehta Investment Intermediates Limited 4.Kanchansobha Finance Private Limited 5.Corbank Securities Limited
Chairman / Member of the Committees Manage of the Board of Directors of the Company	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Audit Committee	Audit Committee	1. Audit Committee 2. Nomination & Remuneration Committee	Nomination & Remuneration Committee

**C. Meetings of the Board**

1. Four 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

27th May,2016, 26th July,2016, 11th November 2016 and 2nd February, 2017.

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 familiarization programme of the Company for its Independent Directors are disclosed on the website of the Company viz. www.acmfsl.com
4. During the year a separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole.
5. The Board periodically reviews compliance reports of all laws applicable to the Company.

**II. COMMITTEES OF THE BOARD**

**A. Audit committee**

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

**1. 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 utilized 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).

### **2. Composition Of Audit Committee:**

As on March 31, 2017, the committee consists of 3 (three) members. All the members of the Audit Committee possess financial/accounting expertise.

As on March 31, 2017, 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

**3. 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:

27th May,2016, 26th July,2016, 11th November 2016 and 2nd February, 2017.

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 G. Ladha	4	3
Dr. Radha Krishna Murthy	4	2
Mr. Kirit H Vora	4	4

Besides the above meetings, another meeting of the Audit Committee was held on 20th May, 2017 at which the Audited Accounts for the year ended 31st March, 2017, were placed for the review.

The Audit Committee invites the Chairman and the Chief Financial Officer, Manager, 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

**1. 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.

**2. 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:

<b>Name of the Member</b>	<b>Position</b>	<b>Category</b>
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.

**3. Meetings of the Nomination and Remuneration Committee:**

The Committee during the year ended March 31, 2017 had 1(one) meeting on 27th May, 2016

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

<b>Members of the Nomination and Remuneration Committee</b>	<b>No. of meetings held</b>	<b>No. of meetings attended</b>
Dr. Radha Krishna Murthy	1	0
Mr. Asit C. Mehta	1	1
Mr. Pundarik Sanyal	1	1

The company does not have any employee stock option scheme.

**4. 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 Policy is available on Company's website viz. [www.acmfsl.com](http://www.acmfsl.com)

**5. 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.

- i. Details of total sitting fees paid to Non-Executive and Non-Executive Independent Directors for the year ended March 31, 2017

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Category</b>	<b>Sitting Fees</b>
1.	Mr. Asit Mehta	Non-Executive Director	Rs 40,000/-
2.	Mrs. Deena Mehta	Non-Executive Director	Rs 40,000/-
3.	Mr. Kirit Vora	Non-Executive Director	Rs 60,000/-
4.	Mr. Vijay Ladha	Independent Director	Rs 45,000/-
5.	Dr. Radha Krishna Murthy	Independent Director	Rs 30,000/-
6.	Mr. Pundarik Sanyal	Independent Director	Rs 40,000/-

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ii. Details of equity shares of the Company held by the Directors as on March 31, 2017 are given below:

Sr. No.	Name of the Director	Number of Equity Shares
1.	Mr. Asit Mehta	2,284,138
2.	Mrs. Deena Mehta	900,358
3.	Mr. Kirit H. Vora	23,520
4.	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.

No meeting of the Stakeholders' Relationship Committee was held during the year 2016-17.

The members of the committee are given below:

Name	Designation	Category
Mrs. Deena Mehta	Chairperson	Non-executive Director
Mr. Kirit Vora	Member	Non-executive Director

#### Compliance Officer

- Ms. Meha Singh Sikarwar, appointed as Company Secretary and Compliance Officer w.e.f. 27th May, 2016

Details of investor complaints received and redressed during the year 2016-17 are as follows:

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

### III. 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.

### IV. GENERAL BODY MEETINGS

#### A. General Meeting

##### i. Annual General Meeting:

Financial Year	Date	Time	Number of special Resolutions passed	Venue
2015-16	22/09/2016	3.00 p m	2	Nucleus House, Opp L&T Gate No.7, Saki-Vihar Road, Andheri (East), Mumbai: 400072
2014-15	24/09/2015	3.30 p m	1	
2013-14	26/09/2014	4.00 p m	8	



**ii. Extra-Ordinary General Meeting:**

No extraordinary general meeting of the members was held during the year 2016-17.

**B. 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 22, 2016</b>	1. To Purchase Office Premises from Asit C. Mehta Investment Intermediates Limited (ACMIL), subsidiary company of the company.
	2. To Purchase Office Premises from M/s. Asit C Mehta Commodity Services Limited (ACMCSL), a related party of the company.
<b>September 24, 2015</b>	1. Appointment of Mr. Vijay Ladha as Independent Director
<b>September 26, 2014</b>	1. Appointment of Dr. Radha Krishna Murthy as Independent Director
	2. Appointment of Mr. Pundarik Sanyal as Independent Director
	3. Resolution passed under section 180(1) (c) of the Companies Act 2013 to borrow sum of money not exceeding Rs. 50 crore.
	4. Resolution passed under section 180(1) (c) of the Companies Act 2013 for creation of charge on the assets of the Company
	5. Resolution passed under Section 188 of the Companies Act 2013 for entering into the related party transactions
	6. Resolution passed under Section 42 of the Companies Act 2013 for issue of Non-convertible debentures on private placement basis.
	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
	8. Alteration in the Articles of Association of the Company

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

No Resolution was passed through postal ballot during the year 2016-17.

**D. Special resolution proposed to be passed by way of Postal Ballot**

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

**V. DISCLOSURES**

**A. Related Party Transactions (RPTs)**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulation, 2015 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 Companies Act, 2013.

During FY 2016-17, 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. Policy on dealing with Related Party Transactions is available on the website of the Company [http://www.acmfsl.com/pdf/Policies/Related\\_Party\\_Transactions\\_Policy.pdf](http://www.acmfsl.com/pdf/Policies/Related_Party_Transactions_Policy.pdf)

Details of 'material' transactions, if any, with the Related Parties are disclosed quarterly. 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 [http://www.acmfsl.com/cor\\_gov.htm](http://www.acmfsl.com/cor_gov.htm)



### **B. Indian Accounting Standards (Ind As) – IFRS Converged Standards**

The Company is required to adopt “IND AS” w.e.f. April 01, 2017. The implementation of “IND AS” is a major change process for which the Company has established a project team and has dedicated considerable resources. The impact of the change on adoption of “IND AS” has been assessed and the Company is ready to adopt “IND AS”.

### **C. Providing voting by Electronic Means**

Your Company is providing E-voting facility Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI (LODR) Regulation, 2015. The details regarding evoting facility are being given with the notice of the Meeting.

### **D. Compliances by the Company**

There were no instances of non-compliance by the Company, nor has there been any penalties and structures 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.

### **E. 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)

### **F. Manager /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, 2015.

### **G. Reconciliation of Share Capital Audit**

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and 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 dematerialized shares held with NSDL and CDSL.

### **H. 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, 2017. 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.

### **I. 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.

### **J. Compliance of discretionary requirements specified under Regulation 27 of the SEBI LODR Regulations, 2015.**

The Company is complying with all the mandatory requirements of the SEBI LODR Regulations, 2015. The Company has also complied with the discretionary requirement with respect to the regime of financial statements with unmodified audit opinion.

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### K. 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.

- Nucleus IT Enabled Services Limited, Wholly Owned Subsidiary 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)

### L. MEANS OF COMMUNICATION

Quarterly/Annual audited financial results are regularly submitted to the Stock Exchanges 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.

### V. General shareholder information

#### 1. Annual General Meeting

- |                                   |   |   |
|-----------------------------------|---|---|
| Date                              | : | 31st August, 2017   |
| Time                              | : | 11.00 a.m.  |
| Venue                             | : | Nucleus House, Saki- Vihar Road, Andheri (East), Mumbai: 400072   |
| 2. E-voting period                | : | From August 28, 2017 at 9.00 a.m.<br>To August 30, 2017 at 5.00 p.m.  |
| 3. Cut-off date for E-voting      | : | August 24, 2017   |
| 4. Financial Year                 | : | April to March  |
| 5. Date of Book Closure           | : | Thursday, 24th August, 2017 to Thursday, 31st August, 2017 (both days inclusive)  |
| 6. Dividend                       | : | No dividend is recommended for the financial year 2016-2017.  |
| 7. Listing on Stock Exchanges     | : | BSE Limited (BSE)<br>25th Floor, P. J. Towers, Dalal Street<br>Mumbai 400 001   |
| 8. Stock Code                     | : | 530723  |
| 9. Listing fees                   | : | The Company has paid the Annual Listing fees to BSE for the Financial Year 2017-18  |
| 10. ISIN for Equity Shares        | : | INE0141B01014 (NSDL and CSDL)   |
| 11. Address for Correspondence    | : | <b>Asit C. Mehta Financial Services Limited</b><br>Nucleus House, Saki-Vihar Road,<br>Andheri (East), Mumbai: 400072<br>Telephone: 28570781/28583333<br>Email ID for Investor Services: <a href="mailto:Investorgrievance@acmfsl.co.in">Investorgrievance@acmfsl.co.in</a><br>Website: <a href="http://www.acmfsl.com">www.acmfsl.com</a>   |
| 12. Registrar and Transfer Agents | : | Link Intime India Private Limited<br>C 101, 247 Park, L.B.S. Marg, Vikhroli (West),<br>Mumbai - 400083.<br>Phone no:022-4918 6270 Fax no.:022-4918 6060<br>Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>  |
| 13. Share Transfer System         | : | To expedite the transfer of shares held in the physical mode, the powers to authorise transfers, have been delegated to a Share Transfer Committee consisting of Directors. The Company's shares are covered under the compulsory dematerialization list and are transferable through the depository system. Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of the documents, provided the documents are valid and complete in all respects. |

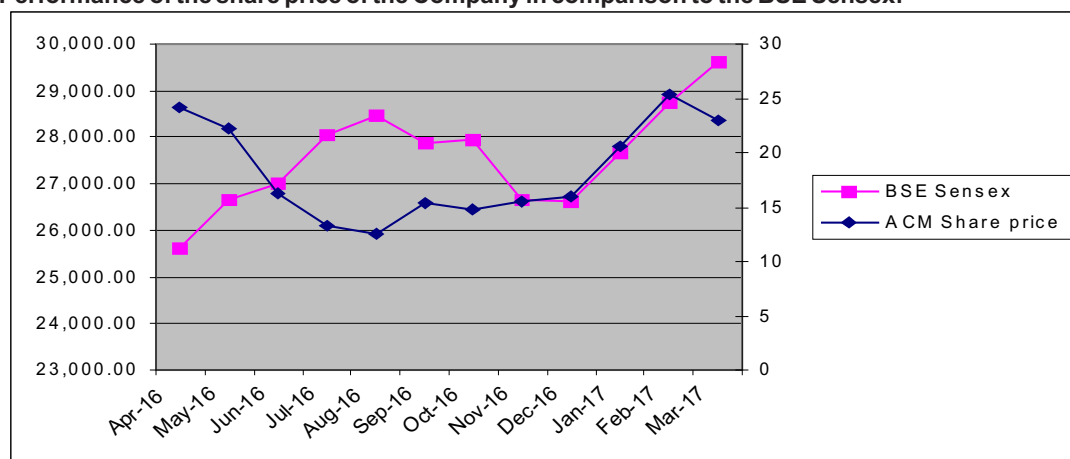
## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### 14. Market Price Data:

High, low (based on daily closing prices) and number of equity shares traded during each month in the year 2016-17 on BSE:

Month	High (Rs)	Low (Rs)	Total Number of Equity Shares Traded
April 2016	29.80	24.15	10,785
May 2016	23.10	20.25	7,626
June 2016	22.20	15.55	12,401
July 2016	17.70	12.90	25,099
August 2016	14.35	12.56	2,523
September 2016	15.38	11.55	3,82,096
October 2016	19.95	14.70	22,578
November 2016	17.05	13.80	26,863
December 2016	20.15	15.90	37,990
January 2017	20.65	15.35	9,312
February 2017	25.40	21.65	11,648
March 2017	25.40	23.00	8,412

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



### 16. Distribution of Shareholding:

a. Distribution of equity shareholding as on March 31, 2017.

No. of Equity Shares	No. of Shareholders	% Percentage	No. of Shares	% Percentage
1- 500	906	80.18	1,46,107	2.95
501-1000	117	10.35	94,464	1.91
1001-2000	36	3.19	52,797	1.07
2001-3000	11	0.97	28,154	0.57
3001-4000	13	1.15	47,670	0.96
4001-5000	9	0.80	42,878	0.87
5001-10000	15	1.33	1,23,528	2.49
10001 & above	23	2.03	4,416,962	89.18
	<b>1130</b>	<b>100.00</b>	<b>49,52,560</b>	<b>100.00</b>

b. Categories of equity shareholders as on March 31, 2017:

<b>Category</b>	<b>Number of Equity shares held</b>	<b>% of shareholding</b>
Promoter & Promoter Group	3,693,786	74.58
Financial Institutions and Banks	0	0.00
Bodies Corporate	165,466	3.34
Indian public and Others	1,042,535	21.06
Clearing Member	9,541	0.19
Non-Resident Indians	12,516	0.25
Hindu Undivided Family	28,716	0.58
<b>TOTAL</b>	<b>4,952,560</b>	<b>100.00</b>

**17. 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, 2017. A total of 127,582 Equity shares are in physical form as on March 31, 2017.

**18. 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, 2017, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

**19. 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 2009-10 shall become transferable to the IEPF on 7th October, 2017. 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 5th May, 2016 prescribed the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, which mandates all the companies to along with the copy of the challan, indicating the deposit of the amount to the Fund, furnish a Statement in Form No. IEPF 1 containing details of such transfer to the Authority. During the year under review, the Company has accordingly filed the necessary 'Form No. IEPF 1' on 23rd November, 2016.

The details of unclaimed dividends for the financial years 2009-10 have been uploaded on the Company's 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 31st March 2017.

**20th May, 2017**

**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, 2017.

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)**

**Dipti Mehta  
Partner  
CP No.: 3202  
FCS No.: 3667**

Date: May 20, 2017

**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, 2017, 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 thereunder.

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, 2017 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

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

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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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 32 to the standalone financial statements.

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

**Mumbai**  
**Dated: May 20th, 2017**

**(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 2017, 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 and other 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 and other 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 and other 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 and other 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 clause 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, 2017 for a period of more than six months from the date they became payable.
- (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.



## ASIT C MEHTA FINANCIAL SERVICES LIMITED

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Foreign Exchange Regulation Act, 1973	Contravention of FERA regulations	10,000,000/-	1994-95	Appellate Tribunal Foreign Exchange
Service Tax	Service tax on Brokerage Income	6,798,386/-	1996-2000	Commissioner of Central Excise (Appeals)
Income tax	Income tax A.Y.2010-11	19,910/-	A.Y. 2010-11	u/s 154 against Assessing Officer

- (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**

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

**Mumbai**  
**Dated: May 20th, 2017**

**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 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

## **ASIT C MEHTA FINANCIAL SERVICES LIMITED**

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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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

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

**Mumbai**  
**Dated: May 20th, 2017**

**ASIT C MEHTA FINANCIAL SERVICES LIMITED**
**BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Note No	As at 31st March, 2017	As at 31st March, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	49,525,600	49,525,600
(b) Reserves and Surplus	4	345,767,783	348,927,914
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	5	335,201,276	242,745,762
(b) Deferred tax liabilities	6	-	255,697
(c) Other Long term liabilities	7	49,202,740	6,340,500
(d) Long term provisions	8	92,262	93,066
<b>Current Liabilities</b>			
(a) Short-term borrowings	9	21,500,000	50,000,000
(b) Trade payables	10		
Due to Micro and Small Enterprises		-	-
Due to Others		674,394	9,68,818
(c) Other current liabilities	11	30,731,722	140,509,176
(d) Short-term provisions	12	21,919	32,247
<b>Total</b>		<b>832,717,697</b>	<b>839,398,780</b>
<b>II. Assets</b>			
<b>Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	13	643,710,862	655,032,782
(ii) Intangible assets		317,202	396,503
(b) Non-current investments	14	154,657,070	154,657,070
(c) Deferred tax asset	6	-	-
(d) Long term loans and advances	15	9,684,970	7,409,763
<b>Current Assets</b>			
(a) Trade Receivables	16	4,483,456	3,955,584
(b) Cash and cash equivalents	17	13,790,525	13,873,559
(c) Short term Loans and advances	18	5,956,439	3,738,480
(d) Other Current Assets	19	117,173	335,039
<b>Total</b>		<b>832,717,697</b>	<b>839,398,780</b>

See accompanying notes 1 to 34 forming parts of the financial statements.

For Manek & Associates  
Chartered Accountants  
FRN : 0126679W

Shailesh L. Manek  
Proprietor  
Membership No. 34925  
Mumbai, 20th May 2017

For and on behalf of the Board

Asit C Mehta  
Chairman

Purvi Ambani  
Chief Financial Officer

Kirit Vora  
Director

Meha Sikarwar  
Company Secretary

**ASIT C MEHTA FINANCIAL SERVICES LIMITED**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from Operations	20	64,028,584	32,459,584
Other Income	21	1,215,515	1,491,106
<b>Total Revenue</b>		<b>65,244,099</b>	<b>33,950,690</b>
<b>Expenses:</b>			
Employee benefits expense	22	2,995,800	4,648,638
Finance costs	23	40,408,063	36,869,475
Depreciation	25	13,567,208	4,548,156
Other expenses	24	11,639,427	12,177,859
<b>Total Expenses</b>		<b>68,610,498</b>	<b>58,244,128</b>
Profit / (Loss) before tax		(3,366,399)	(24,293,438)
Tax expense:			
(a) Current tax		-	-
(b) Deferred tax credit		255,697	1,401,270
(c) Prior year Tax Adjustment		49,428	11,040
Profit/(Loss) after tax		(3,160,130)	(22,903,208)
Earning per equity share:			
(1) Basic		(0.64)	(4.62)
(2) Diluted		(0.64)	(4.62)

See accompanying notes 1 to 34 forming parts of the financial statements.

For Manek & Associates  
Chartered Accountants  
FRN : 0126679W

Shailesh L. Manek  
Proprietor  
Membership No. 34925  
Mumbai, 20th May 2017

For and on behalf of the Board

Asit C Mehta  
Chairman

Purvi Ambani  
Chief Financial Officer

Kirit Vora  
Director

Meha Sikarwar  
Company Secretary

**ASIT C MEHTA FINANCIAL SERVICES LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit/(loss) before tax		(3,366,399)		(24,293,438)
Adjustments for				
Depreciation & Amortization	13,567,208		4,548,156	
Interest income	(837,984)		(702,253)	
Dividend	-			
Loss / (Profit) on Sale of Investment	-			
Interest expense	30,345,657	43,074,881	10,199,301	14,045,204
Operating profit/(loss) before working capital changes		39,708,482		(10,248,234)
<b>Adjustments for (increase)/Decrease in operating assets</b>				
(Increase) / Decrease in Long Term loans & Advances	(2,275,207)		(1,302,859)	
(Increase) / Decrease in Short Term loans & Advances	(2,217,960)		3,297,744	
(Increase) / Decrease in Trade receivables	(527,872)		2,295,510	
(Increase) / Decrease in Other Current assets	217,866		852,716	
(Increase) / Decrease in Bank Fixed Deposits	(204,985)		(2,830,259)	
<b>Adjustments for increase/(Decrease) in operating liabilities</b>				
Increase / (Decrease) in Long Term liabilities	42,862,240		(81,911,240)	
Increase / (Decrease) in Long Term Provisions	(804)		(10,670)	
Increase / (Decrease) in Trade payables	(294,423)		697,970	
Increase / (Decrease) in Other current liabilities	(109,777,454)		70,335,564	
Increase / (Decrease) in Short term Provision	(10,328)	(72,228,928)	14,248	(8,561,275)
Cash used in operations before taxes		(32,520,446)		(18,809,509)
Refund recd / (Taxes paid)		(49,428)		(11,040)
<b>Net cash used in operating activities - A</b>		<b>(32,569,874)</b>		<b>(18,820,549)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(2,165,988)		(106,471,143)	
Interest Received	837,984		702,253	
Dividend Received				
Proceeds form Sale of investment	-			
<b>Net cash used in investing activities - B</b>		<b>(1,328,004)</b>		<b>(105,768,890)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
(Repayment) / Proceed on Term Loan A/c	92,455,514		85,440,883	
Proceed of unsecured Loan (Net of repayments)	(28,500,000)		50,000,000	
Interest Paid	(30,345,657)		(10,199,301)	
<b>Net cash used in financing activities - C</b>		<b>33,609,857</b>		<b>125,241,582</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents(A+B+C)= D</b>		<b>(288,021)</b>		<b>652,143</b>
<b>Cash and cash equivalents at the beginning of the year -E</b>		<b>2,950,300</b>		<b>2,298,157</b>
<b>Cash and cash equivalents at the end of the year (D+E)</b>		<b>2,662,281</b>		<b>2,950,300</b>
<b>NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017</b>				
1.Cash & Cash Equivalents Include :				
Cash on Hand			48,195	148,309
Balance with Banks In Current Accounts			2,614,086	2,801,991
			<b>2,662,281</b>	<b>2,950,300</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.				
See accompanying notes 1 to 34 forming parts of the financial statements.				

For Manek & Associates  
Chartered Accountants  
FRN : 0126679W

For and on behalf of the Board

Shailesh L. Manek  
Proprietor  
Membership No. 34925  
Mumbai, 20th May 2017

Asit C Mehta  
Chairman

Purvi Ambani  
Chief Financial Officer

Kirit Vora  
Director

Meha Sikarwar  
Company Secretary

## Notes to the Financial Statement

### Note

#### 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, brokerage 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:**

- a. Fixed assets are stated at cost and include incidental and/or installation expenses. Depreciation on Fixed Assets are provided on Straight Line Method, over the estimated useful life of the assets in the manner prescribed in Schedule II of the Companies Act 2013. Residual value is estimated to be at 5% of the original historical cost as prescribed in Schedule II of the Companies Act 2013.

**Notes to the Financial Statement**

- b. Intangible assets are amortized as per AS 26 over their respective individual estimated useful lives on straight line basis, commencing from the date the asset is available to the company for its use. Computer software is amortized on a straight line basis over a period of 5 years

**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.

**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.



**Notes to the Financial Statement**
**Note No 3: Share Capital**

₹

Particulars	As at 31st March, 2017		As at 31 March, 2016	
	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, 2017		As at 31 March, 2016	
	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, 2017		As at 31 March, 2016	
	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	2,284,138	46.12	2,284,138	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, 2017		As at 31 March, 2016	
	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 to the Financial Statement**
**Note No 4: Reserves and Surplus**

₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
Capital Reserve	759,500	759,500
Securities Premium Account	41,043,960	41,043,960
Revaluation Reserve		
Opening Balance	337,898,134	345,131,591
Less: Utilised for set off against depreciation (refer note 4.1)	-	7,233,457
Closing Balance	337,898,134	337,898,134
Surplus/Deficit balance in Statement of Profit and Loss Account		
Opening Balance	(30,773,680)	(7,870,472)
Add : Profit / (Loss) for the year	(3,160,130)	(22,903,208)
Closing Balance	(33,933,811)	(30,773,680)
<b>Total</b>	<b>345,767,783</b>	<b>348,927,914</b>

Note 4.1 :- During the previous year, 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 No 5: Long term Borrowings - Secured**

₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
a. Loan from a Bank (refer note (I) below)	87,665,053	94,182,487
b. Loan from NBFC (refer note (ii) below)	85,064,201	92,807,287
c. Loan from NBFC (refer note (iii) below)	52,972,022	55,755,988
d. Loan from NBFC (refer note (iv) below)	109,500,000	-
<b>Total</b>	<b>335,201,276</b>	<b>242,745,762</b>

The above loans including current maturities are secured by:

Mortgage Details	Rate of Interest	Tenure in Months	EMI (per month)
i) Mortgage of commercial property on 4th Floor, 5th Floor and 6th Floor of 'B' wing at 'Nucleus House' Andheri E, Mumbai (commencing from Apr'2016.)	10.95% PY (11.00%)	120	1,377,501
ii) Mortgage of commercial property situated at Nucleus House, Saki Vihar Road, Andheri (East), Mumbai, bearing nos 3rd, 4th, 5th, 6th & 7th floor 'A' Wing, (commencing from Feb'16)	11.75% PY (11.90%)	108	1,512,790
Secured by Equitable / registered mortgaged of the properties located at Nucleus House "B" Wing, 2nd and 7th Floor. (commencing from May'2014)	12.40% PY (13.00%)	180	759,146
iv)- Secured by Equitable Mortgage of the properties located at Nucleus House A wing 102, 201,202, 203 B wing 801 and 301. (commencing from March 2017) *[Bullet payment at the end of the tenure]	10.50% PY (-)	156	1,837,500

**Notes to the Financial Statement**
**Note No 6: Deferred Tax Liability**

₹

Particulars	Deferred Tax Liability / (Asset) as at 1st April, 2016	Charge / (Reversal) during the Year	Deferred Tax Liability / (Asset) as at 31st March, 2017
Deferred Tax Liability			
Difference in book value and tax value of fixed assets	4,357,004	(3,880,674)	476,330
Total Liability	4,357,004	(3,880,674)	476,330
Deferred Tax Assets:			
Unabsorbed Depreciation	(4,072,112)	(334,203)	(4,406,315)
43B items (Gratuity, leave encashment etc.)	(29,196)	285	(28,911)
Total Assets	(4,101,308)	(333,918)	(4,435,226)
<b>Total</b>	<b>255,697</b>	<b>(4,214,592)</b>	<b>(3,958,895)</b>

Note: \*The above deferred tax asset is not recognized on consideration of prudence as set out in AS 22 on "Accounting for Taxes on Income"

**Note No 7: Other Long-term liabilities**

₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
Security deposit received from :		
- Wholly owned subsidiary (refer note 29.3)	12,000,000	-
- Security Deposit from subsidiary (refer note 29.3)	26,251,740	-
- Others	10,951,000	6,340,500
	-	-
<b>Total</b>	<b>49,202,740</b>	<b>6,340,500</b>

**Note No 8: Long-term provision**

₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
Gratuity (unfunded)	92,263	93,067
<b>Total</b>	<b>92,263</b>	<b>93,067</b>

**Note No 9: Short Term Borrowings**

₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
Unsecured		
Inter Corporate Deposit	21,500,000	50,000,000
(Repayable on Demand and Rate of Interest- 11.5%p.a.(P.Y- 16%))		
<b>Total</b>	<b>21,500,000</b>	<b>50,000,000</b>

**Note No 10: Trade Payables**

₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
Micro, Small and Medium Enterprises (refer note 28)	-	-
Others	674,394	968,818
<b>Total</b>	<b>674,394</b>	<b>968,818</b>

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

#### Note No 11: Other Current liabilities

₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
Current Maturities of Long Term borrowings ( refer note5)	16,531,227	14,037,994
Interest payable on borrowings accrued and due	6,746,301	78,904
Security Deposit from wholly-owned subsidiary (refernote29.3)	-	8,000,000
Security Deposit from subsidiary (refer note 29.3)	-	26,251,740
Security Deposit from Associate Company(refer note 29.3)	1,500,000	-
Security Deposit from Others	105,000	2,276,916
Interest payable on borrowings accrued but not due	2,209,068	1,969,027
Due to subsidiary (refer note 29.3)	-	478,195
Due to subsidiary towards purchase of fixed assets (refer note 29.3)	-	75,310,919
Due towards purchase of fixed assets (refer note 29.3)	-	2,295,045
Unclaimed dividends	79,385	79,385
Income Received in advance	594,794	599,028
Statutory dues	2,965,947	9,132,022
<b>Total</b>	<b>30,731,722</b>	<b>140,509,175</b>

#### Note No 12: Short term provisions

₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
Provision for employee benefits		
Towards PF payable	20,620	30,833
Towards Gratuity	1,299	1,414
<b>Total</b>	<b>21,919</b>	<b>32,247</b>

**Note No 13 : FIXED ASSETS**

Description	Gross Block			Accumulated Depreciation			Net Block				
	Balance as on 1/4/2016	Additions / Deductions	Addition on Account of Revaluation	Balance as at 31/03/2017	Balance as at 1/4/2016	For the year	Adjustment due to revaluation	Other Adjustments*	Balance as at 31/03/2017	Balance as at 31/3/2016	
<b>Tangible Assets</b>											
Office Premises	722,330,662 (616,581,215)	(105,749,447)	-	722,330,662 (722,330,662)	68,595,661 (57,181,932)	13,051,654 (4,180,272)	(7,233,457)	-	81,647,315 (68,595,661)	640,683,347 (653,735,001)	653,735,001 (559,399,283)
Computer	12,075 (12,075)	-	-	12,075 (12,075)	9,369 (5,174)	2,103 (4,195)	-	-	11,472 (9,369)	603 (2,706)	2,706 (6,901)
Electrical Fittings	587,841 (587,841)	-	-	587,841 (587,841)	558,449 (558,449)	-	-	-	558,449 (558,449)	29,392 (29,392)	29,392 (29,392)
Air Conditions	351,822 (351,822)	-	-	351,822 (351,822)	334,232 (334,232)	-	-	-	334,232 (334,232)	17,590 (17,590)	17,590 (17,590)
Furniture & Fixtures	4,608,951 (4,338,951)	(270,000)	-	4,608,951 (4,608,951)	3,487,250 (3,149,428)	358,272 (337,822)	-	-	3,845,522 (3,487,250)	763,429 (1,121,701)	1,121,701 (1,189,523)
Office Equipments	673,318 (621,622)	362,188 (51,696)	-	1,035,506 (673,318)	554,358 (531,988)	68,367 (22,370)	-	-	622,725 (554,358)	412,781 (118,960)	118,960 (89,634)
Projector	148,650 (148,650)	-	-	148,650 (148,650)	141,218 (141,218)	-	-	-	141,218 (141,218)	7,432 (7,432)	7,432 (7,432)
Solar System	-	1,803,800	-	1,803,800	-	7,512	-	-	7,512	1,796,288	-
	728,713,319 (622,642,176)	2,165,988 (106,071,143)	-	730,879,307 (728,713,319)	73,680,537 (61,902,421)	13,487,908 (4,544,659)	(7,233,457)	-	87,168,445 (73,680,537)	643,710,862 (655,032,782)	655,032,782 (560,739,755)
<b>Intangible Assets</b>											
Software	400,000	(400,000)	-	400,000 (400,000)	3,497	79,301 (3,497)	-	-	82,798 (3,497)	317,202 (396,503)	396,503
	400,000	(400,000)	-	400,000 (400,000)	3,497	79,301 (3,497)	-	-	82,798 (3,497)	317,202 (396,503)	396,503
Total:	729,113,319 (622,642,176)	2,165,988 (106,471,143)	-	731,279,307 (729,113,319)	73,684,034 (61,902,421)	13,567,209 (4,548,156)	(7,233,457)	-	87,251,243 (73,684,034)	644,028,064 (655,429,285)	655,429,285 (560,739,755)
Previous Year:											

Note- Figures in bracket relates to the previous year.

During the Previous year, 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.

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

#### Note No 14: Non-current investments ₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
Investments:		
Trade - Unquoted		
i) In Equity Instruments:		
a) of wholly-owned subsidiary		
1) 30,00,000 (Previous year 30,00,000) equity shares of Rs 10 each fully paid in Nucleus IT Enabled Services Ltd	30,000,000	30,000,000
(refer note 31)		
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>

#### Note No 15: Long term loans and advances ₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
Unsecured and considered good		
Advance Income Tax	6,465,632	4,006,213
Deposits	1,085,828	1,131,018
Pre-paid expenses	941,117	1,080,139
Others (refer note 30)	1,192,393	1,192,393
<b>Total</b>	<b>9,684,970</b>	<b>7,409,763</b>

#### Note No 16: Trade Receivables ₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
Receivables outstanding for a period exceeding six months from the date they became due for payment unsecured , considered good	2,561,002	3,181,514
Other receivables	1,922,454	774,070
<b>Total</b>	<b>4,483,456</b>	<b>3,955,584</b>

#### Note No 17: Cash and Cash Equivalents ₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
a) Cash and Bank Balances		
Cash on hand	48,195	148,309
Balances in Current Accounts	2,614,086	2,801,991
b) Other Bank balances		
with Banks having Maturity of not more than Twelve months*	11,128,244	8,093,000
with Banks having Maturity of more than Twelve months	-	2,830,259
<b>Total</b>	<b>13,790,525</b>	<b>13,873,559</b>

\*(not readily convertible in cash Rs.80,93,000/-)

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

#### Note No 18: Short-term Loans and Advances

₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
Unsecured and considered good:		
Due from wholly-owned subsidiary (refer note 29.3)	-	2,634,116
Deposit	-	50,000
Inter Corporate Deposit	3,000,000	-
Balances with Government		
Service Tax Credit	71,594	142,119
Pre-paid expenses	1,514,194	537,756
Others	1,370,650	374,488
<b>Total</b>	<b>5,956,438</b>	<b>3,738,479</b>

#### Note No 19: Other Current Assets

₹

Particulars	As at 31st March, 2017	As at 31 March, 2016
Interest receivable (refer note 29.3)	-	335,039
Interest receivable - Others	117,173	-
<b>Total</b>	<b>117,173</b>	<b>335,039</b>

#### Note No 20: Revenue from Operations

₹

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A) Rental Income	53,760,748	28,656,603
B) Profit on trading in securities/currencies	-	250,133
C) Advisory charges	8,999,836	3,552,848
D) Brokerage Income	1,268,000	-
<b>Total</b>	<b>64,028,584</b>	<b>32,459,584</b>

#### Note No 21: Other Income

₹

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
a) Interest Income:		
- on Bank Deposits	837,984	702,253
- on Income Tax Refund	90,470	405,699
- from Subsidiary	53,528	372,266
- on Inter Corporate Deposit	130,192	-
- others	102,422	-
b) Excess provision of Gratuity written back	919	10,888
<b>Total</b>	<b>1,215,515</b>	<b>1,491,106</b>

#### Note No 22: Employee Benefit Expenses

₹

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
a) Salary and allowance	2,699,961	4,338,109
b) Contribution to PF and other fund	101,435	135,693
c) Staff welfare expense	24,584	30,403
d) Leave encashment	169,820	144,433
<b>Total</b>	<b>2,995,800</b>	<b>4,648,638</b>

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

#### Note No 23: Finance Costs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
a) Interest expense on:-		
- Term Loans	30,345,657	23,190,907
- Others	7,866,567	10,196,133
b) Other borrowing costs		
Loan processing ,registration fee and stamp duty	1,709,690	2,703,360
Bank Charges	486,149	779,075
<b>Total</b>	<b>40,408,063</b>	<b>36,869,475</b>

#### Note No 24: Other Expenses

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Insurance	83,756	82,651
Rates and Taxes	4,098,207	3,502,588
Legal and Professional fees	2,029,566	1,925,834
Directors sitting fees	255,000	277,500
Electricity charges	635,805	1,437,156
Conveyance & Travelling	308,305	307,337
Brokerage / Commission Charges	146,664	411,850
Internet Charges	67,185	743,351
Auditor remuneration –		
Audit fees	210,000	175,000
Tax Audit	25,000	25,000
Other Services	231,614	200,614
Bad Debts	786,520	450,000
Repairs and Maintenance – Building	582,534	2,052,971
Repairs and Maintenance – Other	1,104,625	-
Miscellaneous Expenses	1,058,540	584,996
Prior Period Expenses	16,106	1,011
<b>Total</b>	<b>11,639,427</b>	<b>12,177,859</b>



**Notes to the Financial Statement**
**25 Depreciation and amortization**

₹

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation for the year on tangible assets and intangible assets as per note 13	13,567,209	11,781,613
Less: Utilized from revaluation reserve	-	7,233,457
<b>Total Depreciation and amortization</b>	<b>13,567,209</b>	<b>4,548,156</b>

Consequent to the revaluation there is an additional charge of depreciation of Rs. Nil (Previous Year Rs.72,33,457/-)

Depreciation for the previous financial year includes Depreciation on Revaluation portion. The said depreciation was recouped from Revaluation Reserve account.

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

₹

Particulars	As at March 31/03/2017	As at March 31/03/2016
Service Tax Matter under dispute	6,798,386	6,798,386
FERA matter (refer Note 27)	10,000,000	10,000,000
Income Tax Matter AY2010-11	19,910	-

- 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 31/03/2017	As at 31/03/2016
(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

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

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.

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

₹

Particulars	Gratuity	
	As at 31st March,	
	2017	2016
Reconciliation of liability recognized in the Balance sheet	-	-
Present value of commitments at the year end	94,481	94,481
Fair value of plans	-	-
Net liability in the Balance sheet	94,481	94,481
Movement in net liability recognized in the Balance sheet	-	-
Net liability at the beginning of the year	94,481	105,369
Net expense recognized in the Profit and Loss account	(919)	(10,888)
Contribution during the year	-	-
Net liability at the year end	93,562	94,481
Expense recognized in the Statement of Profit and Loss	-	-
Current service cost	29,943	53,033
Interest cost	7,558	8,293
Expected return on plan assets	-	-
Actuarial (gains)/ losses	(38,420)	(72,214)
Expense charged to the Profit and Loss account	(919)	(10,888)
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	94,481	105,369
Current service cost	29,943	53,033
Interest cost	7,558	8,293
Paid benefits	-	-
Actuarial (gains)/ losses	(38,420)	(72,214)
Closing balance of the fair value of the defined plan at the year end	93,562	94,481

**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	31.03.2017	31.03.2016
Mortality	IALM(2006-08)Ult.	
Discount Rate	7.40%	8%
Rate of increase in compensation	5%	5%
Withdrawal rates	0.80%	0.80%

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

#### 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	2016 - 17		
	Investment activities	Advisory and Consultancy	Total
Segment Revenue:			
External revenue	55,028,748	8,999,836	64,028,584
Segment Results	31,341,965	3,744,985	35,086,950
Less: Interest expense			39,668,864
Add: Other Income			1,215,515
Total profit / (loss) before tax			(3,366,399)
Capital employed			
Segment Assets	825,856,025	2,616,452	828,472,477
Unallocable assets			4,245,219
Total Assets			832,717,696
Segment liabilities	436,635,738	114,181	436,749,919
Unallocable liabilities			674,394
Total liabilities			437,424,314
Segment Capital Employed	389,220,287	2,502,271	391,722,557
Unallocable			3,570,825
Total Capital Employed			395,293,382
Capital Expenditure			2,165,988
Depreciation			13,567,208
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) Subsidiary : Asit C Mehta Investment Intermmediary Ltd:

##### 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) Ms. Purvi Ambani
- iv) Mr. Stanley Santmayor
- v) Mr. Pankaj J Parmar
- vi) Ms. Meha Sikarwar

**ASIT C MEHTA FINANCIAL SERVICES LIMITED**
**Notes to the Financial Statement**

Details of Transactions	Wholly owned subsidiary (NITES)	Subsidiary (ACMIL)	Associates	KMP	Total ₹
Rent Received	9,366,000	16,560,000	2,695,000	-	28,621,000
	(3,982,000)	(10,324,505)	(365,000)	-	(14,671,505)
Interest Received on Loans	53,528	-	-	-	53,528
	(372,266)	-	-	-	(372,266)
Interest paid on Loans	-	-	159,485	13,351	172,836
	-	(5,250,604)	(4,031,830)	(11,106)	(9,293,540)
Inter - Corporate loan Given	10,175,000	-	-	-	10,175,000
	(53,879,563)	-	-	-	(53,879,563)
Inter - Corporate loan received back	12,809,116	-	-	-	12,809,116
	(57,910,080)	-	-	-	(57,910,080)
Short Term Loan taken	-	-	-	2,800,000	2,800,000
	-	-	(2,500,000)	(2,450,500)	(4,950,500)
Short Term Loan returned	-	-	-	2,800,000	2,800,000
	-	-	(42,500,000)	(2,450,500)	(44,950,500)
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	4,000,000	-	1,500,000	-	5,500,000
	-	-	(25,000)	-	(25,000)
Directors Sitting Fees paid	-	-	-	80,000	80,000
	-	-	-	(90,000)	(90,000)
Advertising Exps Paid	-	-	117,563	-	117,563.00
	-	-	-	-	-
Salary Paid	-	-	-	1,806,586	1,806,586
	-	-	-	(2,445,718)	(2,445,718)
Reimbursement of Expenses - Paid	-	145,510	-	-	145,510
	-	(1,302,029)	-	-	(1,302,029)
Reimbursement of Expenses - Received	291,437	506,338	-	-	797,775
	(298,450)	(366,101)	(16,476)	-	(681,027)
Payment in the nature of Expenses	-	-	201,505	-	201,505
	-	-	(235,000)	-	(235,000)
Closing balance Payable	12,000,000	26,251,740	1,525,000	-	39,776,740
	(8,000,000)	(26,251,740)	(25,000)	-	(34,276,740)
Closing balance Payable - Other	-	-	-	-	-
	-	(75,789,114)	(2,295,045)	-	(78,084,159)
Closing balance Receivable	9,750	52,600	21,681	-	84,031
	(3,075,192)	-	(57,250)	-	(3,132,442)

(Figures in bracket relates to the previous year)

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

#### 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, 2017	For the year ended 31st March, 2016
	₹	₹
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	(3,160,130)	(22,903,208)
C) Basic and diluted earnings per share	(0.64)	(4.62)

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 the year end there are no amounts due and outstanding, to be credited to Investors' Education and Protection Fund.

#### 32 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R 308(E) dated March 31, 2017 on the details of specified bank notes held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification below :

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	200,000	114,307	314,307
( + ) Permitted receipts		50,000	50,000
( - ) Permitted payments		14,927	14,927
( - ) Amount deposited in Banks	200,000	-	200,000
Closing cash in hand as on 30.12.2016			149,380

33 There is 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 been made by the Company. However, the Company is of the opinion that the above investment is strategic and long-term in nature and diminution, if any, in the value of investments is temporary in nature and as a consequence no provision for diminution in the value of Equity shares of Nucleus IT Enabled Services Ltd is made.

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

For Manek & Associates  
Chartered Accountants  
FRN : 0126679W

For and on behalf of the Board

Asit C Mehta  
Chairman

Kirit Vora  
Director

Shailesh L. Manek  
Proprietor  
Membership No. 34925

Purvi Ambani  
Chief Financial Officer

Meha Sikarwar  
Company Secretary

Mumbai, 20th May 2017

# **Consolidated Financial Statements**

## **(2016-2017)**

**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, 2017, 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 (ACMIL), 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.74,78,316/- 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.

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

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Considering the ACMIIL's business losses, including losses incurred 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.3,30,62,976/- as against the reported net loss of Rs.2,55,84,660/- 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.1,54,00,802/- and Amounts due from Constituents to the extent of Rs.1,06,03,623/-, 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 six years or thereabout. In the absence of sufficient 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.5,15,89,085/- as against the reported net loss of Rs.2,55,84,660/-. To 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.

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

the Consolidated Statement of Profit & Loss of this subsidiary would have reflected net loss of Rs.5,90,67,401/-, against the net loss reflected presently at Rs.2,55,84,660/- and consequently, the balance of Reserves and Surplus would have been in negative at Rs.(8,92,52,238/-), against the said balance presently being reflected at Rs.(5,57,69,497/-); and the Non-Current Assets and Other Current Assets would have been lower by an aggregate amount of Rs.3,34,82,741/-.

### 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, 2017, 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, a subsidiary, whose financial statements reflect total assets of Rs.81,91,36,788/- as at 31st March, 2017, total revenues of Rs.32,11,61,148/- and net cash outflows amounting to Rs.43,05,498/- 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.(2,55,84,660/-) for the year ended 31st March, 2017, 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 40 to the consolidated financial statements.

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

**Mumbai**  
**Dated: May 20th, 2017**

**(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 2017 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

## **ASIT C MEHTA FINANCIAL SERVICES LIMITED**

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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 ACMIIL:**

According to the information and explanation given to us by the other auditor of the subsidiary Asit C Mehta Investment Intermediaries Limited (ACMIIL), who have audited the financial statements/financial information of the subsidiary, have reported that, the following material weakness have been identified as at 31st March, 2017:

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.

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, 2017, 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, 2017, 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: May20th, 2017**

**(SHAILESH MANEK)**  
**Proprietor**  
**Membership Number:034925**

**ASIT C MEHTA FINANCIAL SERVICES LIMITED**
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Note No	As at 31st March, 2017	As at 31st March, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	49,525,600	49,525,600
(b) Reserves and Surplus	4	191,400,627	228,944,200
Minority Interest		119,779,072	119,779,072
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	5	354,789,230	310,745,762
(b) Deferred tax liabilities (Net)	6a	-	255,697
© Other Long term liabilities	7	45,887,418	42,174,381
(d) Long term provisions	8	253,372	1,344,610
<b>Current Liabilities</b>			
(a) Short term borrowings	9	229,187,269	291,586,426
(b) Trade payables	10	19,408,319	16,288,442
© Other current liabilities	11	491,417,076	290,186,778
(d) Short-term provisions	12	794,202	329,159
<b>Total</b>		<b>1,502,442,184</b>	<b>1,351,160,126</b>
<b>II.Assets</b>			
<b>Non-Current Assets</b>			
(a) Fixed assets	13		
(i) Tangible assets		666,953,993	679,714,898
(ii) Intangible assets		48,796,858	51,016,427
(b) Non-current investments	14	26,309,218	24,509,218
(c) Deferred tax Assets (Net)	6b	7,337,104	13,499,148
(d) Long term loans and advances	15	85,651,701	91,236,608
(e) Other non-current assets	16	40,437,184	53,552,701
<b>Current Assets</b>			
(a) Trade Receivables	17	15,132,189	16,814,199
(b) Cash and cash equivalents	18	300,120,868	257,005,187
(c) Short term Loans and advances	19	175,316,159	90,526,126
(d) Other Current Assets	20	136,386,911	73,285,615
<b>Total</b>		<b>1,502,442,184</b>	<b>1,351,160,126</b>

See accompanying notes 1 to 41 forming parts of the financial statements.

For Manek & Associates  
Chartered Accountants  
FRN : 0126679W

Shailesh L. Manek  
Proprietor  
Membership No. 34925  
Mumbai, 20th May 2017

For and on behalf of the Board

Asit C Mehta  
Chairman

Purvi Ambani  
Chief Financial Officer

Kirit Vora  
Director

Meha Sikarwar  
Company Secretary

**ASIT C MEHTA FINANCIAL SERVICES LIMITED****CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017**

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from Operations	21	364,429,335	283,906,143
Other Income	22	29,747,234	29,826,642
<b>Total Revenue</b>		<b>394,176,568</b>	<b>313,732,785</b>
<b>Expenses:</b>			
Employee benefits expense	23	107,725,603	106,611,845
Finance costs	24	81,112,611	69,870,805
Depreciation and amortisation expense	28	22,100,151	15,782,715
Other expenses	25	214,765,982	188,086,796
<b>Total Expenses</b>		<b>425,704,346</b>	<b>380,352,161</b>
Profit / (Loss) before tax		(31,527,778)	(66,619,376)
Tax expense:			
(a) Current tax		-	-
(b) Deferred tax credit		(5,906,447)	(2,334,883)
(c) Prior period tax adjustment		(109,348)	3,499,770
Profit/(Loss) after tax before Minority Interest		(37,543,572)	(65,454,489)
Less: Minority Interest		-	(21,168,998)
Add: Share of profit of Associate	38		-
Less: Brought forward loss adjusted			-
Profit after tax, Minority Interest and share of profit of Associate		<b>(37,543,572)</b>	<b>(44,285,491)</b>
Earning per share	35		
Nominal Value per share - Rs 10			
Basic Earning per share Rs		(7.58)	(8.94)
Diluted Earning per share - Rs		(7.58)	(8.94)

See accompanying notes 1 to 41 forming parts of the financial statements.

For Manek & Associates  
Chartered Accountants  
FRN : 0126679W

Shailesh L. Manek  
Proprietor  
Membership No. 34925  
Mumbai, 20th May 2017

For and on behalf of the Board

Asit C Mehta  
Chairman

Purvi Ambani  
Chief Financial Officer

Kirit Vora  
Director

Meha Sikarwar  
Company Secretary

**ASIT C MEHTA FINANCIAL SERVICES LIMITED**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017**

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Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/(loss) before tax	(31,527,778)	(66,619,376)
Adjustments for		
Depreciation & Amortization	22,100,151	15,782,715
Loss on sale of fixed assets / asset discarded	53,617	49,995
Fixed Assets Written Off	479,029	2,617,443
Impairment Loss On Assets held for Disposal	5,526,182	3,521,197
Interest Expenses	81,112,611	69,870,805
Interest income	(27,973,904)	(25,931,018)
Dividend Income	(6,621)	(11,249)
Goodwill w/off	1,670,604	-
	82,961,669	65,899,888
Operating profit/(loss) before working capital changes	51,433,891	(719,488)
Adjustments for:		
Changes in Current Assets		
(Increase) / Decrease in Long Term loans & Advances	5,584,907	7,243,282
(Increase) / Decrease in Short Term loans & Advances	(84,790,033)	(43,770,229)
(Increase) / Decrease in Trade receivables	1,682,010	5,225,099
(Increase) / Decrease in Other Current assets	(63,101,296)	21,399,675
(Increase) / Decrease in Other Non Current Assets	13,115,517	(4,641,368)
Changes in Current Liabilities		
Increase / (Decrease) in Long Term liabilities	3,713,037	(36,095,976)
Increase / (Decrease) in Long Term Provisions	(1,091,238)	165,338
Increase / (Decrease) in Trade payables	3,119,877	(1,212,750)
Increase / (Decrease) in Other current liabilities	201,230,298	(4,056,636)
Increase / (Decrease) in Short term Provision	465,043	98,848
Cash used in operations before taxes	131,362,013	(56,364,206)
Refund recd / (Taxes paid)	(109,348)	3,499,770
<b>Net cash used in operating activities - A</b>	<b>131,252,665</b>	<b>(52,864,436)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(9,369,428)	(25,940,622)
Sale of Fixed Assets	46,400	932,175
Interest Received	27,973,904	25,931,018
Dividend Received	6,621	11,249
Investment in Shares & Securities	(1,800,000)	-
Adjustment of Carrying Value in Fixed Assets	(5,526,182)	(3,521,197)
Acquisition of Minority Interest	-	(297,897)
Investment in Fixed Deposit	(47,627,317)	(14,959,880)
<b>Net cash used in investing activities - B</b>	<b>(36,296,002)</b>	<b>(17,845,154)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment) / Proceed on Term Loan A/c	44,043,468	85,440,883
(Repayment) / Borrowing of Short Term Loan	(62,399,157)	75,208,031
Interest Paid	(81,112,611)	(69,870,805)
Net cash used in financing activities - C	(99,468,300)	90,778,109
Net increase/(decrease) in cash & cash equivalents (A+B+C)= D	(4,511,637)	20,068,519
Cash and cash equivalents at the beginning of the year -E	44,250,726	24,182,206
Cash and cash equivalents at the end of the year (D+E)	39,739,090	44,250,726
<b>NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017</b>		
1.Cash & Cash Equivalents Include :		
Cash on Hand		488,975
Balance with Banks In Current Accounts		604,030
		39,250,115
		43,646,696
		39,739,090
		44,250,726

See accompanying notes 1 to 41 forming parts of the financial statements.

 For Manek & Associates  
 Chartered Accountants  
 FRN : 0126679W

For and on behalf of the Board

 Shailesh L. Manek  
 Proprietor  
 Membership No. 34925  
 Mumbai, 20th May 2017

 Asit C Mehta  
 Chairman

 Purvi Ambani  
 Chief Financial Officer

 Kirit Vora  
 Director

 Meha Sikarwar  
 Company Secretary

**Notes to the Financial Statement****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 WOS is mainly engaged in information technology enabled services and provides services to clients both domestic and abroad. The Company has received and given loans during the year.

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- I 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 31.3.2017
1. Nucleus IT Enabled Services Ltd (NITES)	India	100
2. Asit C Mehta Investment Intermmediates 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	50.05

The Financial Statements of the Subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31.3.2017.

The Financial Statements of the Company and the Subsidiaries 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, 2017.

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



### Notes to the Financial Statement

have been eliminated to the extent of the Group's share in the entity.

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

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

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

For the purposes of consolidation, unaudited financial statements of the foreign subsidiary for the period 1st April 2016 to 31st March, 2017 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) Expenses on intangibles ( software / licenses ) are capitalized if the same are likely to provide significant economic benefits over the future period.

#### **iii) Depreciation/ Amortisation:**

- a. Fixed assets are stated at cost and include incidental and/or installation expenses. Depreciation on Fixed Assets are provided on Straight Line Method, over the estimated useful life of the assets in the manner prescribed in Schedule II of the Companies Act 2013. Residual value is estimated to be at 5% of the original historical cost as prescribed in Schedule II of the Companies Act 2013. Intangible assets being Software is amortised over a period of five years for which the company expects the benefits to accrue.
- b. 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.
- c. 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:



**Notes to the Financial Statement**

<b>Assets</b>	<b>As per Valuer's report</b>	<b>As per Part C of Schedule II</b>
Furniture and Fixture	12 Years	10 years
Computer - End Users	8 years	3 Years
Computer - Server, HUB, Router	10 years	6 years
Office Equipement	11 years	5 years
Other Equipements **	14 Years	5 years
Electrical Installation	14 Years	10 years
Vehicles	10 years	8 years

Justification for adopting longer useful lives

- "i) Due to Regular Maintenance through Qualified Technicians onsite.
- ii) Maintenance Contract from Specialist or Original Manufacturer of the product, this ensures quality of services to get longer economic benefit from the product
- iii) Turn around and quality of the Spares used which serve the purpose without need for changes to higher or newer technologies."

\*\* 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 .

During the previous year 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.

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.

**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.

### Notes to the Financial Statement

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 financial 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.

##### 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

## **Notes to the Financial Statement**

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.

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

#### Note 3: Share Capital

₹

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	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 Rs 10 each	4,952,560	49,525,600	4,952,560	49,525,600

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

₹

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	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 31 March, 2017		As at 31 March, 2016	
	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	2,284,138	46.12	2,284,138	46.12
2. Mrs. Deena A. Mehta	900,358	18.18	900,358	18.18
3. Asit C Mehta Commodity Services Ltd	400,470	8.09	400,470	8.09

- c) Details of forfeited shares

₹

Class of shares	As at 31 March, 2017		As at 31 March, 2016	
	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.

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

#### Note 4: Reserves and Surplus

₹

Particulars	As at 31 March, 2017	As at 31 March, 2016
Capital Reserve	759,500	759,500
Securities Premium Account	41,043,960	41,043,960
Revaluation Reserve		
Opening Balance	337,898,134	345,131,591
Less: Utilised for set off against depreciation (Refer Note 4.1 below)	-	(7,233,457)
Closing Balance	337,898,134	337,898,134
General Reserve		
Opening Balance	-	-
Less: Adjusted against deficit		
Balance in Statement of Profit and Loss Account	-	-
Closing Balance	-	-
<b>Surplus/Deficit balance in Statement of Profit and Loss Account</b>		
Opening Balance	(150,757,395)	(106,471,905)
Add :Profit/(Loss) for the year	(37,543,572)	(44,285,490)
Closing Balance	(188,300,967)	(150,757,395)
<b>Total</b>	<b>191,400,627</b>	<b>228,944,200</b>

Note 4.1 :- During the previous year, 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 31 March, 2017	As at 31 March, 2016
a. Loan from a Bank (refer note (I) below)	87,665,053	94,182,487
b. Loan from NBFC (refer note (ii) below)	85,064,201	92,807,287
c. Loan from NBFC (refer note (iii) below)	52,972,022	55,755,988
d. Loan from a NBFC (refer note (iv) below)	109,500,000	-
e. Loan from a NBFC (refer note (v) below)	-	50,000,000
f. Loan from a NBFC (refer note (vi) below)	1,587,954	-
g. 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>354,789,230</b>	<b>310,745,762</b>

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

The above loans including current maturities are secured by:

₹

Mortgage Details	Rate of Interest	Tenure in Months	EMI (per month)
i) Mortgage of commercial property on 4th Floor, 5th Floor and 6th Floor of 'B' wing at 'Nucleus House' Andheri E, Mumbai (commencing from Apr'2016.)	10.95%	120	1,377,501
	PY (11.00%)		
ii) Mortgage of commercial property situated at Nucleus House, Saki Vihar Road, Andheri (East), Mumbai, bearing nos 3rd, 4th, 5th, 6th & 7th floor 'A' Wing, (commencing from Feb'16)	11.75%	108	1,512,790
	PY (11.90%)		
iii) Secured by Equitable / registered mortgaged of the properties located at Nucleus House "B" Wing, 2nd and 7th Floor. (commencing from May'2014)	12.40%	180	759,146
	PY (13.00%)		
iv) Secured by Equitable Mortgage of the properties located at Nucleus House A wing 102 , 201,202, 203 B wing 801 and 301. (commencing from March 2017) *[Bullet payment at the end of the tenure]	10.50%	156	1,837,500
	PY (- )		
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. Repayment of Loan from NBFC in 12 quarterly instalments comprising: -4 instalments 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;	-		
	PY (14.00% )		
vi)Secured by hypothecation of Motor Car	10.92%	31	113,735
	PY (- )		

### Note 6 (a): Deferred Tax Assets

₹

Particulars	Deferred Tax Liability/ (Asset) as at 1st April, 2016	Charge/ (Reversal) during the Year	Deferred Tax Liability/ (Asset) as at 31 March, 2017
Deferred Tax Liability			
Difference in book value and tax value of fixed assets	4,427,888	(3,880,674)	547,214
Total Liability	4,427,888	(3,880,674)	547,214
Deferred Tax Assets			
Unabsorbed Depreciation and Business Losses	(4,142,995)	(334,203)	(4,477,198)
43B items (Gratuity, leave encashment etc.)	(29,196)	285	(28,911)
Total Assets	(4,172,191)	(333,918)	(4,506,109)
<b>Total</b>	<b>255,697</b>	<b>(4,214,592)</b>	<b>(3,958,895)</b>

Note: \*The above deferred tax asset is not recognized on consideration of prudence as set out in AS 22 on "Accounting for Taxes on Income"

**Notes to the Financial Statement**
**Note 6(b): Deferred Tax Asset (the Subsidiary)**

₹

Particulars	Deferred Tax Liability / (Asset) as at 1st April, 2015	Charge / (Reversal) during the Year	Deferred Tax Liability / (Asset) as at 31 March, 2016
<b>Deferred Tax Liability</b>			
Difference in book value and tax value of fixed assets	(1,097,729)	432,491	(665,238)
<b>Total Liability</b>	<b>(1,097,729)</b>	<b>432,491</b>	<b>(665,238)</b>
<b>Deferred Tax Assets</b>			
Unabsorbed Depreciation and Business Losses	(13,725,068)	6,246,752	(7,478,316)
43B items (Gratuity, leave encashment etc.)	(871,809)	347,783	(524,026)
<b>Total Assets</b>	<b>(14,596,877)</b>	<b>6,594,535</b>	<b>(8,002,342)</b>
<b>Total</b>	<b>(13,499,148)</b>	<b>6,162,044</b>	<b>(7,337,104)</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 relating 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.6,246,752/- (Previous Year 4,582,277/-) has been reversed.

Note 6(b)2: The Consolidated Balance Sheet reflects separately a Deferred Tax Asset pertaining to a subsidiary and Deferred Tax Assets pertaining to the holding company are not clubbed during the year.

The Wholly Owned Subsidiary has not recognised DTA of Rs.42,17,934/- in view of absence of virtual certainty of future profits.

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

₹

Particulars	As at 31 March, 2017	As at 31 March, 2016
Security deposit received from :		
- Others	10,951,000	6,340,500
Base Capital Deposits	34,936,418	35,833,881
<b>Total</b>	<b>45,887,418</b>	<b>42,174,381</b>

**BASE CAPITAL DEPOSITS FROM BUSINESS ASSOCIATES OF SUBSIDIARY**

- The Company, in the course of its business 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 Group).
- 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 Group, as the case may be.
- The aggregate amount of security deposits received from Business Associates and outstanding as at the year end is Rs. 34,936,418/- (Previous year Rs..35,833,881/-), which includes the value of securities received in the form of shares and securities of Rs.5,195,493/- (Previous Year - Rs.45,19,420/-).

**Notes to the Financial Statement**

- e. 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 31 March, 2017	As at 31 March, 2016
Provision for gratuity	92,263	1,105,009
Provision for Compensated absences	161,109	239,601
<b>Total</b>	<b>253,372</b>	<b>1,344,610</b>

**Note 9: Short term borrowings**

₹

Particulars	As at 31 March, 2017	As at 31 March, 2016
<u>Overdraft from Bank of India</u>		
Secured against the FDR pledged with BANK of India, Stock Exchange Br, Security provided by The Subsidiary M/s. Asit C. Mehta Investment Intermmediats Ltd. (Rate of Interest 2.7%) (P.Y. 1.5%) above Term Deposit rate	56,713,600	56,964,383
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.	149,473,669	149,557,850
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 gurantee of the Company and Associate concern -Asit C Mehta Commodity Services Limited]	-	35,064,192
<u>Unsecured</u>		
Inter Corporate Deposits	23,000,000	50,000,000
(Refer note (iii) below)		
<b>Total</b>	<b>229,187,269</b>	<b>291,586,426</b>

- i) Rate of Interest by State Bank of India on Overdraft facility against Hypothecation of Fixed Assets is Base Rate + 4.50% p.a. (Presently Rate 13.55% p.a.) (Previous Year 13.80% 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 12.75% p.a.)(Previous Year 13.75% p.a.)
- iii) On Inter Corporate Deposit Interest is paid between the range of 11.50% to 16% p.a.(Previous Year @12% to 16% p.a..)



## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

#### Note 10 : Trade Payables

Particulars	As at 31 March, 2017	As at 31 March, 2016
Micro, Small and Medium Enterprises (refer note 29)	-	-
Others	19,408,319	16,288,442
<b>Total</b>	<b>19,408,319</b>	<b>16,288,442</b>

#### Note 11: Other Current liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016
Current Maturities of Long Term borrowings(Refer note 5)	17,655,020	14,037,994
Interest payable on borrowings accrued and due	6,820,604	155,080
Due towards purchase of fixed assets (refer note 34)	-	2,295,045
Interest payable on borrowings accrued but not due	2,209,068	1,969,027
Security Deposit from Others	105,000	2,276,916
Security Deposit from Asit C Mehta Commodity Services Limited	1,500,000	-
Security Deposit against Rental of Premises	-	4,360,500
Other liabilities	1,895,918	1,050,754
Unclaimed dividends	79,385	79,385
Shares Received as margin from Constituents	66,481,005	22,741,904
Statutory dues	8,380,197	15,442,761
Income Received in advance	594,794	599,028
Amounts Due to Constituents	385,696,084	225,178,384
<b>Total</b>	<b>491,417,076</b>	<b>290,186,778</b>

#### 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 Group).
- 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 31 March, 2017	As at 31 March, 2016
Provision for employee benefits		
Towards PF payable	20,620	30,833
Towards Gratuity	382,468	125,587
Towards salary payable	5,722	16,972
Provision for Compensated absences	385,392	155,767
<b>Total</b>	<b>794,202</b>	<b>329,159</b>

**Note 13 Fixed Assets**

Description	Gross Block			Depreciation/Amortization			Net Block		
	Balance as at 1/4/2016	Additions	Disposals/Sales/discarded	Balance as at 31/03/2017	For the Year	Depreciation on Revaluation	On disposals/Sales/discarded	Balance as at 31/03/2017	Balance as at 31/03/2016
<b>a) Tangible Assets-Owned</b>									
Office Premises	720,223,138 (694,170,034)	- (103,641,923)	- (77,588,819)	720,223,138 (720,223,138)	13,051,654 (5,334,216)	(7,233,808)	- (7,144,169)	638,576,074 (651,627,828)	651,627,828 (630,998,579)
Computers	20,923,603 (21,121,303)	2,195,016 (980,004)	170,420 (1,177,704)	22,948,199 (20,923,603)	1,455,688 (1,166,433)	-	154,514 (1,134,149)	4,679,911 (3,956,489)	3,956,489 (4,186,473)
Electrical Fittings	2,954,423 (15,918,016)	-	-	2,954,423 (2,954,423)	205,997 (1,316,689)	-	-	768,843 (974,840)	974,840 (8,675,771)
Air Conditioners	951,707 (951,707)	-	-	951,707 (951,707)	-	-	-	217,115 (217,115)	217,115 (217,115)
Furniture	34,307,078 (34,925,924)	-	41,046 (888,846)	34,266,032 (34,307,078)	2,960,128 (3,096,256)	-	26,015 (563,122)	8,722,702 (11,697,861)	11,697,861 (14,849,841)
Office & Other Equipment	29,497,634 (39,722,985)	1,019,448 (429,491)	5,672,304 (10,654,842)	24,844,778 (29,497,634)	2,785,908 (3,684,574)	-	5,124,218 (7,892,708)	8,413,456 (10,728,002)	10,728,002 (16,745,219)
Vehicles	2,635,706 (4,571,951)	3,540,913	-	6,176,619 (2,635,706)	274,072 (137,453)	-	-	3,772,172 (505,331)	505,331 (1,573,547)
Projector	148,650 (148,650)	-	-	148,650 (148,650)	-	-	-	7,432 (7,432)	7,432 (7,432)
Solar Power System	-	1,803,800	-	1,803,800	7,512	-	-	1,796,288	-
	811,641,939 (811,530,570)	8,559,177 (105,321,418)	5,883,770 (105,210,049)	812,513,546 (811,641,939)	20,740,959 (14,735,621)	(7,233,808)	5,304,747 (24,318,981)	666,953,993 (679,714,898)	679,714,898 (677,253,977)
<b>b) Intangible Assets-Owned</b>									
Computer software	29,301,272 (25,261,427)	786,000 (4,079,220)	- (39,375)	30,087,272 (29,301,272)	1,359,192 (1,047,094)	-	-	8,784,850 (9,358,042)	9,358,042 (63,28,239)
Goodwill on Consolidation	41,658,385 (40,012,008)	24,227 (1,646,377)	1,670,604 (41,658,385)	40,012,008 (41,658,385)	-	-	-	40,012,008 (41,658,385)	41,658,385 (40,012,008)
	70,959,657 (65,273,435)	810,227 (5,725,697)	1,670,604 (39,375)	70,959,280 (70,959,657)	1,359,192 (1,047,094)	-	-	48,796,858 (51,016,427)	51,016,427 (46,340,247)
Current Year	882,601,596	9,369,404	7,554,374	882,612,826	22,100,151	-	5,304,747	168,665,793	715,750,851
Previous Year	(876,804,005)	(111,047,015)	(105,249,424)	(882,601,596)	(15,782,715)	(7,233,808)	(24,356,033)	(730,731,325)	(723,594,224)

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

#### Note 14: Non-current investments

₹

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>Investment in Equity Instruments</b>		
Shares of Rs. 10/- each Fully Paid Up unless otherwise Stated		
Quoted- At Cost		
1. 7000 Omnitex Industries Limited (7000).	30,543	30,543
2. 694 BSE Limited [Share of Re 1 each] (694).	260,250	-
<b>Unquoted -At Cost</b>		
<b>In Equity shares (fully paid up)</b>		
3. 200000 Asit C. Mehta Commodity Services Ltd. * (200000).	24,200,000	24,200,000
4. BSE Limited [Share of Re.1 each] (694).	-	260,250
5. 2750 Vippy Industries Limited (Face Value Re. 1/- per share) (2750).	18,425	18,425
6. 1,80,000 Pentation Analytics Private Limited (Face Value Rs.10 each) (-).	1,800,000	-
<b>Total</b>	<b>26,309,218</b>	<b>24,509,218</b>

(Figures in brackets relate to previous year)

In view of long term and strategic holdings, Investments in Asit C. Mehta Commodity Services Ltd. is carried at cost and diminution with reference to its value ,if any, is not recognized.

₹

Particulars	As at 31 March, 2017	As at 31 March, 2016
Investment in Equity Instruments	26,309,218	24,509,218
Less : Provision for diminution in the value of Investments	-	-
	<b>26,309,218</b>	<b>24,509,218</b>

₹

Particulars	As at 31 March, 2017	As at 31 March, 2016
Aggregate amount of quoted investments (Market value Rs.7,89,439/- (Previous Year Rs.91,000/-)	290,793	30,543
<b>Aggregate amount of unquoted investments</b>	<b>24,478,675</b>	<b>31,993,045</b>

**Notes to the Financial Statement**
**Note 15: Long term loans and advances**

₹

Particulars	As at 31 March, 2017	As at 31 March, 2016
Unsecured and considered good		
Capital Advances	-	5,787,500
Deposits	63,891,279	63,736,469
Prepaid	1,763,474	2,092,888
Margin Money deposit	50,000	50,000
Fixed Deposit with Bank	-	-
Advance Income Tax	13,559,062	13,857,938
Shares from Business Associates	5,195,493	4,519,420
Others	1,192,393	1,192,393
<b>Total</b>	<b>85,651,701</b>	<b>91,236,608</b>

₹

Loans and Advances include Security Deposits for premises on Leave and Licence	As at 31 March, 2017		As at 31 March, 2016	
	Balance Due	Max. Balance	Balance Due	Max. Balance
To Directors (Refer Note 34)	43,000,000	43,000,000	43,000,000	43,000,000

**Note 16 Other non-current assets**

₹

Particulars	As at 31 March, 2017	As at 31 March, 2016
Long Term Trade Receivable		
Unsecured, considered good (Refer Note 30)	17,300,843	21,019,735
Amounts Due from Business Associates for subsidiary, ACMIIL		
Secured against Base capital Deposits	1,413,627	770,376
Unsecured, considered good	3,078,493	3,115,315
Doubtful (Refer Note 31)	117,516	158,878
Amounts Due from Constituents	-	-
Secured against Shares	953,175	5,087,528
Unsecured, considered good	17,573,530	23,400,869
<b>Total</b>	<b>40,437,184</b>	<b>53,552,701</b>

- Long term Trade receivables as above include amounts receivable from constituents in respect of depository services rendered to them. Some constituents remained inactive and did not participate in markets during the last few years. The Company continues to service the accounts as stipulated by the regulatory norms. In view of the continuing relationship and various ongoing efforts that yield results in recovering the dues, it has classified them as good and hence no provision is considered necessary.
- As per the terms and conditions of the Agreements executed by the Company with Business Associates, the Company has an absolute right to recover all the dues from them. However, as a good business practice, the 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.

**Notes to the Financial Statement**
**Note: 17 Trade Receivables**

₹

Particulars	As at 31 March, 2017	As at 31 March, 2016
Receivable outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	6,852,770	9,034,186
Other receivables	-	-
Trade receivable outstanding for a period less than six months		
Unsecured, considered good	8,279,419	7,780,013
<b>Total</b>	<b>15,132,189</b>	<b>16,814,199</b>

**Note 18: Cash and Cash Equivalents**

₹

Particulars	As at 31 March, 2017	As at 31 March, 2016
a) Cash and Bank Balances		
Cash on hand	488,975	604,030
Balances in Current Accounts	39,250,115	43,646,696
b) Other Bank balances		
with Banks having Maturity of not more than Twelve months*	134,874,281	53,182,726
with Banks having Maturity of more than Twelve months	125,507,497	159,571,735
<b>Total</b>	<b>300,120,868</b>	<b>257,005,187</b>

- a. Fixed Deposits of subsidiary,ACMIIL with Banks include Rs.61,500,000/- (Previous Year Rs.61,500,000/-) pledged against guarantees given by the banks.
- b. Fixed Deposits of subsidiary,ACMIIL, with Bank of India include Rs.60,000,000/- (Previous Year Rs.60,000,000/) 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.
- c. Fixed Deposits of subsidiary,ACMIIL with Bank of India include Rs.62,500,000/- (Previous Year Rs.62,500,000/) pledged with Bank of India as Security against Overdraft facilities granted in the year 2014-15 to Asit C. Mehta Commodity Services Ltd., the erstwhile step down subsidiary, for its business purpose.
- d. Fixed Deposit of Parent Company, ACMFSL with Bank of India include Rs. 1,343,000/- (Previous year Rs. 1,343,000) towards Custom matter pending with Bombay High Court.
- e. Fixed Deposit of Parent Company, ACMFSL with Bank of India include Rs. 6,750,000/- (Previous year Rs. 6,750,000) towards FEMA matter pending at Appellate Tribunal of Foreign Exchange (ATFE) New Delhi.
- f. The aforesaid entities in respect of whom Fixed Deposits have been pledged with Bank of India have duly complied with the Interest obligation.

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

#### Note 19: Short-term Loans and Advances

₹

Particulars	As at 31 March, 2017	As at 31 March, 2016
Unsecured and considered good		
Capital Advances	5,787,500	-
Advances recoverable in cash or kind	1,888,481	1,282,360
Inter Corporate Deposit	5,000,000	-
Loan to wholly owned subsidiary -Asit C. Mehta Comdex DMCC *	-	-
Deposit	5,717,234	11,056,326
Balances with Government		
Service Tax Credit	1,132,938	768,674
Pre-paid expenses	6,303,550	3,946,687
Service Tax Refund Receivable	544,685	553,339
Loans to staff	439,943	551,800
Security Deposits for Premises	28,000,000	-
Inter Corporate Loan - Edgytal (Refer Note 34)	-	500,000
Due from Asit C Mehta Commodity Services Ltd (Refer Note 34)	9,730,472	7,580,472
Deposit with DGCX	6,624,937	-
Balances with Stock Exchanges	36,289,764	41,170,076
Shares Received as margin from Constituents	66,481,005	22,741,904
Others	1,375,650	374,488
<b>Total</b>	<b>175,316,159</b>	<b>90,526,126</b>

#### Note 20: Other Current Assets

₹

Particulars	As at 31 March, 2017	As at 31 March, 2016
Interest receivable - Others / ICD	4,630,931	-
Secured against Base capital Deposits	-	18,205
Unsecured, considered good	41,986	10,173
Amounts Due from Constituents:		
- Secured against Shares , considered good	121,731,492	57,476,565
- Unsecured and considered good	9,857,329	10,172,784
Fixed Assets held for Disposal (At estimated Value)	-	5,526,182
Interest Accrued but Not due	125,173	81,706
<b>Total</b>	<b>136,386,911</b>	<b>73,285,615</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.

**ASIT C MEHTA FINANCIAL SERVICES LIMITED****Notes to the Financial Statement****Note No: 21 Revenue From operations**

₹

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A) Income from ITeS Services		
- Domestic	24,225,717	24,105,729
- Exports	7,635,272	12,774,957
C) Rental Income	27,834,748	14,350,098
D) Profit on trading in securities/currencies	-	250,133
E) Advisory charges	8,999,836	2,695,848
F) Brokerage Income	1,268,000	-
G) Stock broking and allied services	294,465,762	229,729,379
<b>Total</b>	<b>364,429,335</b>	<b>283,906,143</b>

**Note No: 22 Other Income**

₹

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
a) Interest Income:		
- on Bank Deposits	16,823,420	16,092,139
- on Inter Corporate Deposit	10,633,082	1,289,519
- on income Tax refund	810,299	8,549,361
- others	292,898	-
b) Leave and License Fees Received	-	3,591,000
c) Excess provision of Gratuity written back	904,951	-
d) Exchange rate gains	-	19,192
e) Dividend Income	6,621	11,249
f) Miscellaneous income	275,963	274,182
<b>Total</b>	<b>29,747,234</b>	<b>29,826,642</b>

**Note No: 23 Employee Benefit Expenses**

₹

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
a) Salary and allowance	99,309,839	98,020,569
b) Contribution to PF and other fund	4,482,896	4,570,640
c) Staff welfare expense	2,235,263	2,322,003
d) Gratuity	1,380,904	1,385,486
e) Leave encashment	316,701	313,147
<b>Total</b>	<b>107,725,603</b>	<b>106,611,845</b>

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

#### Note No: 24 Finance Costs

₹

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
a) Interest expense on:-		
- Term Loans	36,703,364	30,210,086
- Car Loans	106,687	-
- Others	12,816,244	13,424,361
- Cash credit limits	26,979,342	20,245,658
b) Other borrowing costs		
Loan processing, registration fee and stamp duty	2,314,179	3,486,831
Bank Charges	2,192,795	2,503,869
<b>Total</b>	<b>81,112,611</b>	<b>69,870,805</b>

#### Note No: 25 Other Expenses

₹

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Business Associates Expenses	124,903,405	96,263,885
Service Charges Demat	3,323,043	3,848,804
Office Maintenance	2,355,628	1,933,341
Marketing Expenses	7,029,380	6,805,306
Membership & Subscription	3,351,313	4,105,535
Communication, Connectivity & Telephone Expenses(Net)	3,621,736	3,611,495
Postage and Courier Expenses	1,856,930	2,198,056
Printing and Stationery (Net)	2,090,267	2,309,465
Impairment Loss On Assets held for Disposal	5,526,182	3,521,197
Securities Transaction Tax	1,618,476	160,729
Service Tax & Swatch Bharat Cess	595,795	360,927
Insurance	342,830	237,009
Stamp Duty & Brokers Note	1,120,829	4,905,100
Rates and Taxes	4,257,854	4,054,383
Legal and Professional fees	11,806,281	10,498,048
Loss On Sale Of Assets (Net)	53,617	-
Directors sitting fees	255,000	367,500
Leave and Licence fees	2,803,920	2,895,908
Electricity charges	5,532,318	6,583,643
Conveyance & Travelling	2,584,742	2,366,437
Auditor remuneration –		
Audit fees	1,561,481	1,150,000
Tax Audit	200,000	225,000
Other Services	479,759	253,538
Bad Debts Written off	4,905,374	6,499,031
Goodwill on Consolidation w/off	1,670,604	-
Repairs and Maintenance – Building	582,534	2,052,971
Repairs and Maintenance – Others	10,816,626	10,414,331
Miscellaneous Expenses	8,162,837	7,389,132
Equipment Hiring Charges	727,836	-
Prior Period expenses	150,356	458,582
Fixed Assets Written Off	479,029	2,617,443
<b>Total</b>	<b>214,765,982</b>	<b>188,086,796</b>



**Notes to the Financial Statement**
**26 Contingent liabilities (to the extent not provided for)**

₹

Particulars	As at March 31,2017	As at March 31,2016
Service Tax Matter under dispute	6,798,386	6,798,386
FERA matter (refer Note 27)	10,000,000	10,000,000
Income Tax Matter AY 2010-11	19,910	-
Claims against Company not acknowledged as debt - Litigation matters	740,112	783,708
Company's claim not accepted and matters under litigation	-	893,568
Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances)	-	17,217,500
Arrears of Dividend of subsidiary:		
a) On 9% Cumulative Redeemable Preference Shares	20,250,000	16,200,000
b) On 4% Cumulative Redeemable Preference Shares, Redemable with Premium of 5% per year or part of year	1,808,219	1,208,219
c) On 4% Cumulative Redeemable Preference Shares	1,814,795	1,014,795

- 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, 2017	For the year ended 31st March, 2016
Depreciation for the year on tangible assets as per note 13	20,740,959	21,969,078
Amortisation on intangible assets as per note 13	1,359,192	1,047,094
Less: Utilized from revaluation reserve (Refer Note below)	-	7,233,457
Total Depreciation and amortization	22,100,151	15,782,715

Consequent to the revaluation there is an additional charge of depreciation of Rs.Nil (Previous Year Rs.72,33,457/-)

Depreciation for the previous financial year includes Depreciation on Revaluation portion. The said depreciation was recouped from Revaluation Reserve account.

**Notes to the Financial Statement**

- 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. ₹

<b>Amounts payable to Micro and Small Enterprise</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>
(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) In case of Subsidiary ACMILL, Long term Trade receivables includes amounts receivable from constituents in respect of depository services rendered to them. Some constituent remained inactive and did not participate in markets during the last few years. The Subsidiary continues to service the accounts as stipulated by the regulatory norms. In view of the continuing relationship and various ongoing efforts that yield results in recovering the dues, it has classified them as good and hence no provision is considered necessary.
- b) A disputed debt of Rs. 19,00,041/- (Previous year Rs. 19,00,041/-) due from a debtor. The Wholly owned Subsidiary (WOS) had referred the disputed matter to arbitration and an Award in favour of WOS was received on 17/4/2012 and hence no provision was made. However the Debtor had challenged the Arbitration order in 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 WOS has challenged the order of Bombay High Court before division bench, which is pending for hearing (at admission stage). Further, the WOS has also filed winding up petition before Delhi High Court in which Debtor appeared and filed their representation. Now the WOS has also filed a rejoinder and argued the matter. Matter is pending for further hearing. The management is confident, based on expert advice, that they have a good case & will recover the amount and hence there is no need to make any provision.
- 31 As per the terms and conditions of the Agreements executed by the Subsidiary company with Business Associates, the Subsidiary Company has an absolute right to recover all the dues from them. However, as a good business practice, the Subsidiary Company has adopted cordial and amicable means for recoveries of dues in most practical and fair manner and therefore, it is confident that the amounts classified as doubtful, would be recovered in due course. In view of this, no provision for such doubtful debts is required to be made in the accounts.

**32 Disclosures under Accounting Standards**

**Employee benefits plan**

**a. Post-employment benefit plans**

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

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

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

**Notes to the Financial Statement**

**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>2016-2017</b>	<b>2015-2016</b>
Employer's contribution to Provident fund and Pension Fund (including of Managing & Whole time Director)	<b>4,644,896</b>	<b>4,732,586</b>

**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.

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

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

₹

Particulars	Gratuity				Leave encashment	
	As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2017	As at 31st March, 2016
	Unfunded	Funded	Unfunded	Funded	Unfunded	Unfunded
<b>Expenses recognized in the statement of P&amp;L account</b>						
Current Service Cost	29,943	1,458,164	53,033	1,451,232	375,607	330,452
Interest Cost	7,558	621,728	8,293	531,328	(2,143)	7,066
Expected return on Plan Assets	-	(685,200)	-	(632,000)	-	-
Net Actuarial (Gain)/loss recognised for the period	(38,420)	63,609	(72,214)	55,870	621,975	152,967
<b>Expenses recognise din the statement of P&amp;L account</b>	<b>(919)</b>	<b>1,458,301</b>	<b>(10,888)</b>	<b>1406,430</b>	<b>995,439</b>	<b>490,485</b>
<b>Details of Provision for Gratuity</b>						
Defined benefit obligation	93,562	9,874,280	94,481	7,965,679	546,501	395,368
Fair value of plan assets	-	94,93,111	-	7,841,506	-	-
<b>Plan asset / liability</b>	<b>93,562</b>	<b>381,169</b>	<b>94,481</b>	<b>124,173</b>	<b>546,501</b>	<b>395,368</b>
<b>Changes in present value of obligations</b>						
PVO at beginning period	94,481	7,965,679	105,369	7,626,498	395,368	276,280
Interest Cost	7,558	621,728	8,293	531,328	(2,143)	7,066
Current Service Cost	29,943	1,458,164	53,033	1,451,232	375,607	330,452
Benefits paid	-	(388,152)	-	(1,629,204)	(844,306)	(371,397)
Actuarial (gain)/loss on obligation	(38,420)	216,861	(72,214)	(14,175)	621,975	152,967
PVO at end of period	93,562	9,874,280	94,481	7,965,679	546,501	395,368
<b>Changes in fair value of Plan Assets</b>						
Fair Value of Plan Assets at beginning of period	-	7,841,506	-	7,703,385	-	-
Expected Return on Plan Assets	-	685,200	-	632,000	-	-
Contributions	-	1,201,305	-	1,205,370	844,306	371,397
Benefits Paid / Payable	-	(388,152)	-	(1,629,204)	(844,306)	(371,397)
Actuarial gain/(loss) on plan assets	-	153,252	-	(70,045)	-	-
<b>Fair Value of Plan Assets at end of period</b>	<b>-</b>	<b>9,493,111</b>	<b>-</b>	<b>7,841,506</b>	<b>-</b>	<b>-</b>

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 the respective year end.

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

**Notes to the Financial Statement**

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

Particulars	2016-17	2016-17
	Gratuity	Leave Encashment
Mortality Rate (LIC)	IALM(2006-08)Ult.	IALM (2006-08) Ult.
Discount Rate	7.44%	8.00%
Rate of increase in compensation	6.50%	6.50%
Rate of return (expected) on plan assets	8.00%	9.00%
Withdrawal rates	1.00%	1.00%
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 ( I T)
  - 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 to the Financial Statement**
**Information about primary business segments:**

₹

Particulars	Investment activities	Advisory and Consultancy	IT	Stock Broking and allied services	Total
<b>Segment Revenue</b>					
External Revenue	27,834,748	10,267,836	31,860,989	294,465,762	364,429,335
	<i>(14,600,231)</i>	<i>(2,695,848)</i>	<i>(36,880,686)</i>	<i>(229,729,379)</i>	<i>(283,906,144)</i>
Segment Results	5,669,015	3,744,985	4,057,962	4,173,970	1,745,932
	<i>(1,442,923)</i>	<i>(2,557,375)</i>	<i>(9,045,422)</i>	<i>(34,124,205)</i>	<i>(29,079,082)</i>
Less: Interest					78,920,943
					<i>(67,366,936)</i>
Add: Other Income					29,747,234
					<i>(29,826,642)</i>
Total (loss) before tax					<i>(31,527,777)</i>
					<i>(66,619,376)</i>
<b>Capital employed</b>					
Segment Assets	669,029,333	2,616,452	46,654,126	739,885,047	1,458,184,958
	<i>(672,623,286)</i>	<i>(3,313,894)</i>	<i>(10,520,882)</i>	<i>(621,061,859)</i>	<i>(1,307,519,922)</i>
Unallocable Assets					44,257,227
					<i>(43,640,205)</i>
Total Assets					1,502,442,185
					<i>(1,351,160,126)</i>
Segment Liabilities	398,383,998	114,181	58,821,735	683,742,575	1,141,062,490
	<i>(329,809,481)</i>	<i>(15,313)</i>	<i>(59,766,821)</i>	<i>(562,240,023)</i>	<i>(951,941,638)</i>
Unallocable Liabilities					674,394
					<i>(969,618)</i>
Total Liabilities					1,141,736,884
					<i>(952,911,256)</i>
Total Capital Employed					360,705,301
					<i>(398,248,870)</i>
Total Capital Expenditure	2,165,988	-	139,519	7,063,897	9,369,404
	<i>(24,024,800)</i>	<i>(400,000)</i>	<i>(836,431)</i>	<i>(4,200,588)</i>	<i>(29,461,819)</i>
Total Depreciation / Amortisation					22,100,151
					<i>(15,782,715)</i>

Figures in italics pertains to previous year.

**Information about secondary segments:**

₹

Particulars	Domestic (In India)	Foreign	Total
Segment Revenue	356,794,063	7,635,272	364,429,335
	<i>(271,131,187)</i>	<i>(12,774,957)</i>	<i>(283,906,144)</i>
Total carrying value of Segment Assets	14,493,21,524	8,863,434	1,458,184,958
	<i>(1,297,249,689)</i>	<i>(10,270,232.85)</i>	<i>(1,307,519,922)</i>
Capital Expenditure	9,369,404	-	9,369,404
	<i>(29,461,819)</i>	-	<i>(29,461,819)</i>

Figures in italics pertains to previous year.

**Notes to the Financial Statement**

**34 Related parties transactions**

**a. Key Management Personnel:**

Mr. Asit Mehta, Mrs. Deena Asit. Mehta, Mr. Kirit H Vora, Mr. Tushar Kapadia  
Mr. Pankaj Parmar, Ms. Purvi Ambani, Mr. Stanley Santmayor, Ms. Meha Sikarwar

**b. Relatives of Key Management Personnel:**

Mr. Aditya Asit Mehta	Son of Mr. Asit C. Mehta
-----------------------	--------------------------

**c. Other Related parties**

Asit C. Mehta Commodity Services Ltd.	Company over which the Fellow Subsidiary Company has significant influence and control.
Asit C. Mehta Forex Pvt. Ltd.	Enterprise over which KMP (i.e. executive directors) have control
Asit C. Mehta Real Estate Services Pvt. Ltd.	Enterprise over which KMP (i.e. executive directors) have control
Edgytal Digital Marketing Private Limited	Enterprise over which relative of KMP (i.e. executive directors) have control
Pentation Analytics Pvt Ltd	Related parties where significant influence exists
ACM Commodity Services Pvt. Ltd.	Enterprise over which KMP (i.e. executive directors) have significant influence and control
Balmukund Investment Company Pvt. Ltd.	Enterprise over which KMP (i.e. executive directors) have significant influence and control
Tipstop Software Pvt. Ltd.	Enterprise over which KMP (i.e. executive directors) and Relatives of KMP have control

**Notes to the Financial Statement**
**d) Transactions with related parties:**

₹

Details of Transactions	Associates	KMP	Relatives of KMP	Total
Rent Received	2,685,000	-	10,000	2,695,000
	(365,000)	-	-	(365,000)
Rent Paid	-	-	-	-
	-	(150,000)	-	(150,000)
Loan Received	92,200,000	2,800,000	-	95,000,000
	(104,440,000)	(2,450,500)	-	(106,890,500)
Loan Repaid	-	2,800,000	-	2,800,000
	(50,500,969)	(2,450,500)	-	(52,951,469)
Brokerage Received	-	-	-	-
	(26,276)	(347,390)	(428,093)	(801,759)
Interest Received	5,411,890	-	-	5,411,890
	(1,133,858)	-	-	(1,133,858)
Interest Paid	159,485	2,533,351	-	2,692,836
	(4,031,830)	(2,538,010)	-	(6,569,840)
Purchase of Fixed Assets	-	-	-	-
	(25,045,500)	-	-	(25,045,500)
Marketing Expenses	1,521,584	-	-	1,521,584
	(2,120,509)	-	-	(2,120,509)
Remuneration	-	8,133,064	-	8,133,064
	-	(6,535,495)	-	(6,535,495)
Leave & Licence Fees Paid	-	2,160,000	-	2,160,000
	-	(2,160,000)	-	(2,160,000)
Sitting Fees	-	80,000	-	80,000
	-	(90,000)	-	(90,000)
Leave & Licence Deposit Received	1,500,000	-	-	1,500,000
	(25,000)	(500,000)	-	(525,000)
Reimbursement of Expenses	-	201,505	-	201,505
	(16,476)	-	-	(16,476)
Payment in nature of Expenses	-	-	-	-
	(235,000)	-	-	(235,000)
Outstanding Balance - Receivable	9,755,472	430,00,000	-	52,755,472
	(7,637,722)	(430,00,000)	-	(50,637,722)
Outstanding Balance - Payable	1,521,681	-	-	1,521,681
	(2,320,045)	-	-	(2,320,045)

**35 Earnings per share:**

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

₹

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
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	(37,543,572)	(44,285,490)
C) Basic and diluted earnings per share - in Rs	(7.58)	(8.94)



**Notes to the Financial Statement**
**36 Earnings in foreign currency (on accrual basis)**

₹

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Export of IT Enabled services	7,635,272	12,774,957

**37 Expenditure in Foreign Currency**

₹

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Travelling Expenses	90,170	306,042

**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 20,702.49	Rs.1,342,349
	(USD 23,740.35)	(Rs 1,574,695)
Short Term Loans & Advances	AED 417,730	Rs.7,520,485
	(AED 431,542)	(Rs7,790,024)

(Figures in bracket relates to previous period)

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

₹

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit / (Loss)
<b>Parent Company</b>				
Asit C Mehta Financial Services Ltd	131.46	316,730,436	77.47	(29,086,231)
<b>Indian Subsidiaries</b>				
Asit C Mehta Investment Intermediates Ltd	23.30	56,142,472	30.37	(11,400,203)
Nucleus GIS And ITES Ltd	(5.05)	(12,167,610)	(7.84)	2,942,861
<b>Total</b>	<b>149.72</b>	<b>360,705,299</b>	<b>100.00</b>	<b>(37,543,572)</b>

₹

Less: Minority Interest in:

Asit C Mehta Investment Intermediates Ltd	49.72	119,779,072	0.00	-
	100.00	240,926,227	100.00	(37,543,571)

l) The above figures are after eliminating intra group transactions and intra group balances as at 31.3.2017.

## ASIT C MEHTA FINANCIAL SERVICES LIMITED

### Notes to the Financial Statement

#### 40 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R 308(E) dated March 31, 2017 on the details of specified bank notes held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification below :

₹

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,012,500	340,953	1,353,453
( + ) Permitted receipts	-	508,893	508,893
( - ) Permitted payments	-	445,045	445,045
( - ) Amount deposited in Banks	1,012,500	50	1,012,550
Closing cash in hand as on 30.12.2016	-	-	404,751

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

For Manek & Associates  
Chartered Accountants  
FRN : 0126679W

Shailesh L. Manek  
Proprietor  
Membership No. 34925  
Mumbai, 20th May, 2017

For and on behalf of the Board

Asit C Mehta  
Chairman

Purvi Ambani  
Chief Financial Officer

Kirit Vora  
Director

Meha Sikarwar  
Company Secretary

**ASIT C MEHTA FINANCIAL SERVICES LIMITED****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 ventures

**Part "A": Subsidiaries**

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 31,2017	March 31,2017	March 31,2017
2.	Reporting Currency	Indian Rupees (INR)	Indian Rupees (INR)	AED
3.	Exchange Rate (as on the last date of the relevant Financial year in the case of foreign subsidiaries)			1AED = 17.65 INR
4.	Share Capital	1,911.11	300.00	6.00
5.	Reserves & Surplus	(528.33)	(831.77)	(3.49)
6.	Total Assets	8,219.84	586.54	4.18
7.	Total Liabilities	6,837.07	1,118.31	1.67
8.	Investments	320.23	18.00	-
9.	Turnover	3,211.57	396.92	-
10.	Profit Before Tax	(170.25)	(87.76)	(0.42)
11.	Provision for Taxation	(61.99)	(0.23)	-
12.	Profit After Tax	(232.24)	(87.99)	(0.42)
13.	Proposed Dividend	-	-	-
14.	% of shareholding	50.05%	100%	100% of ACMIL

**Part "B": Associates and Joint Ventures**

Not Applicable

**For Manek & Associates**  
Chartered Accountants  
FRN : 0126679W

Shailesh L. Manek  
Proprietor  
Membership No. 34925  
Mumbai, 20th May 2017

**For and on behalf of the Board**

Asit C Mehta  
Chairman  
  
Purvi Ambani  
Chief Financial Officer

Kirit Vora  
Director  
  
Meha Sikarwar  
Company Secretary



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

Registered office: Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai: 400072  
Tel: 022-28570781 / 28583333  
Website: www.acmfsl.com Email id: investorgrievance@acmfsl.co.in

**ATTENDANCE SLIP**

33rd Annual General Meeting on Thursday, August 31, 2017 at 11.00 A.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 Third Annual General Meeting of the Company at Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai: 400072, at 11.00 a.m. on Thursday, August 31, 2017

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.

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**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]

**33rd Annual General Meeting -Thursday, August 31, 2017 at 11.00 A.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 Third Annual General Meeting of the Company, to be held on the 31st day of August, 2017 At 11.00 a.m. at Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai: 400072 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

3<

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 Standalone and Consolidated Financial Statements containing the Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.			
2	To appoint a Director in place of Mr. Asit C. Mehta (DIN: 00169048), who retires by rotation and, being eligible, offers himself for re-appointment.			
3	Appointment of Statutory Auditors of the Company.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Affix Revenue Stamp
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\_\_\_\_\_  
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.

**ASIT C MEHTA FINANCIAL SERVICES LIMITED**

**CIN: L65900MH1984PLC091326**

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