

Annual Report

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Mefcom Capital Markets Ltd.
Brokerage • Wealth Management • Investment Banking

Board of Directors

Mr. Vijay Mehta	Chairman
Mr. Sham Nijhawan	
Mr. Shailendra Haruray	
Mr. Tarsem Garg	Additional Director
Mr. T.R. Khare	

Bankers

HDFC Bank Limited
ICICI Bank Limited
Oriental Bank of Commerce

Auditors

V.K. Dhingra & Co.
Chartered Accountants
1-E/15, Jahndewalan Extn.,
New Delhi - 110055

Registrar and Shares Transfer Agent

Beetal Financial & Computer Services Pvt. Ltd.
Beetal House, 99, Madangir, New Delhi - 110062

Registered Office

5th Floor, Sanchi Building,
77, Nehru Place,
New Delhi - 110019
Ph.: 011-4650 0500
E-mail : invest@mefcom.in

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF MEFCOM CAPITAL MARKETS LIMITED WILL BE HELD ON TUESDAY, THE 28TH DAY OF AUGUST, 2012, AT 11.00 A.M. AT E-15, ANSAL VILLAS, VILLAGE SATBARI, NEW DELHI – 110030 TO TRANSACT THE FOLLOWING BUSINESS;

ORDINARY BUSINESS: -

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended on that date along with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shailendra Haruray, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as the Board may decide.

SPECIAL BUSINESS: -

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

"RESOLVED THAT in accordance with all applicable provisions of the Companies Act, 1956, Mr. Tarsem Garg who was appointed as an additional director of the company at the meeting of Board of Directors of the company, held on 23rd June, 2012 and who holds office up to the date of ensuring Annual General Meeting under section 260 of the Companies Act, 1956 and who are eligible for appointment as director of the company, be and is hereby appointed as director of the company liable to retire by rotation."

By order of the Board
For Mefcom Capital Markets Ltd.

Place : New Delhi
Dated : June 23, 2012
NOTES: -

(Vijay Mehta)
Chairman

1. **MEMBERS ENTITLED TO ATTEND AND VOTE ARE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**
2. Register of Members and the Share Transfer books of the Company will remain closed w.e.f. Monday, the 27th August, 2012 to Tuesday, the 28th August, 2012 (both days inclusive).
3. M/s Beetal Financial Computer Services Pvt. Ltd., 99, Beetal House, Madangir, New Delhi - 110062, are the Registrars and Share Transfer Agents of the Company for electronic mode and transfer of shares held in physical form. Pursuant to the directions of Securities & Exchange Board of India (SEBI), trading of the shares of the Company is compulsory in de-materialized form for all investors. The ISIN No. of the Company is **INE186C01015**.

4. Members are requested to intimate to M/s Beetal Financial Computer Services Pvt. Ltd., 99, Beetal House, Madangir, New Delhi – 110062, regarding change, if any, of their postal as well as E-mail address for mailing purposes.
5. As per the amended provisions of the Companies Act 1956, the facility for making nomination is now available to the Members in respect of the shares held by them. Nomination Form can be obtained from the company's registrars – M/s Beetal Financial Computer Services Pvt. Ltd., New Delhi.
6. Members desiring information / clarification on the accounts are requested to write to the Company at its Registered Office at least seven days before the date of the Annual General Meeting so that the same may be responded well in advance.
7. Members are requested to intimate their email address in order to reduce the consumption of paper for copies of Balance Sheet and Auditors Report, to the members of the company. As required under section 219 of the Companies Act, 1956, Balance Sheet and Auditors report have now been allowed to be sent through electronic mode as per the new initiatives of Ministry of corporate affairs for corporate governance.
8. As a measure of economy, copies of Annual Reports will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the Annual Report at the meeting.
9. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No.4

Mr. Tarsem Garg is appointed as Additional Director of the company in the meeting of Board of Directors of the company held on 23rd June, 2012 under section 260 of the Companies Act, 1956 and he will hold office up to the date of ensuring Annual General Meeting. He is a rank holder Chartered Accountant, Cost Accountant, Management Accountant and law graduate having more than 30 years diversified professional and corporate experience in service, business and industry. Moreover, he is a man of varied experience in diverse fields. Mr. Garg has attained eminence in the field of technology & economic feasibility reports, project financing, public issue management, valuations, re-construction, mergers, amalgamation and revival plans. Your directors therefore recommend for your approval for his re-appointment as director, which would be in the interest of the company.

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

Except Mr. Tarsem Garg, none of the directors is concerned or interested in the resolution.

By order of the Board
For Mefcom Capital Markets Ltd.

Place : New Delhi
Dated : June 23, 2012

(Vijay Mehta)
Chairman

DIRECTORS' REPORT



Dear Shareholders,

Your Directors have pleasure in presenting the 27th Annual Report together with the Audited Accounts of the company for the year ended 31st March, 2012.

FINANCIAL RESULTS

PARTICULARS	FOR THE YEAR ENDED 31 ST MARCH, 2012 (₹ IN LACS)	FOR THE YEAR ENDED 31 ST MARCH, 2011 (₹ IN LACS)
Gross Income	76.46	109.27
Profit / (Loss) before Interest, Depreciation and Tax	(30.19)	(47.97)
Depreciation	9.50	7.13
Interest	29.33	31.87
Provision for Income Tax	--	--
Prior period expenses	--	4.11
Profit / (Loss) after Tax	(69.02)	(91.08)

OPERATIONS AND FUTURE OUTLOOK

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

The Company has got permanent registration as Merchant Bankers from SEBI. The small and medium companies have now got a separate SME platform to list their shares so now even small companies can go for IPO which will also help to increase the business of your company. It is expected that company will grow in future and will give better results as the capital market is expected to do better in future.

DIVIDEND

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

DIRECTORS

In Accordance with the provisions of Companies Act, 1956 and Articles of Association of the company, Mr. Shailendra Haruray retires by rotation at the ensuing Annual General Meeting, but being eligible offers himself for re-appointment. The Board recommends his re-appointment.

Due to their personal reasons, Mr. P.K. Rajgarhia resigned as a director of the company with effect from 29.10.2011 and Mr. R.K.Pandey resigned as a director w.e.f. 30.04.2012. The Directors wish to place on record their appreciation for the contribution made by Mr. P. K. Rajgarhia and Mr. R.K.Pandey during their tenure. However, Mr. Tarsem Garg has appointed as Additional Director of the company as on 23.06.2012.

DIRECTORS RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- The directors had adopted such accounting policies and are applying them consistently and to make judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012 and of the Losses of the Company for that year.

- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The directors had prepared the annual accounts on a "Going Concern" basis.

PUBLIC DEPOSIT

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

CONVERTIBLE WARRANTS

During the year under consideration, the Company had allotted 10 Lacs Equity Shares against conversion of 10 lacs fully Convertible Warrants and forfeited 8 lacs Fully Convertible Warrants due to non payment of allotment money. Further the shares allotted as mentioned above has been listed with BSE as on 08/05/2012.

SUBSIDIARY COMPANIES

The company has one subsidiary company namely M/s Mefcom Securities Ltd. M/s Mefcom Infrastructure Projects Ltd. is no more a subsidiary of the company w. e. f. 12/03/2012. There has been no material change in the nature of the business of the subsidiary.

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956, Ministry of Corporate Affairs vide its circular No.2/2011 dated 8th February, 2011 has granted general exemption from attaching the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary company with the Balance Sheet of the company. A statement containing brief financial details of the subsidiary company for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of the subsidiary and the related detailed information will be made available to any member of the Company/ its subsidiary at the Registered Office of the company. The annual accounts of the said subsidiary will also be available for inspection, as above, at the Registered Office of the respective subsidiary company. The Company furnish a copy of the details of annual accounts of subsidiary to any member on demand.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. The Company adheres to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and the requirements of the Listing Agreement and has implemented all mandatory stipulations prescribed there under. Report on Corporate Governance for the year ended 31st March, 2012 in terms of Clause 49 of the Listing Agreements entered into with the Stock Exchanges in India forms part of the Annual Report. Certificate from the Company Secretary in Whole Time Practice, M/s Lalit K Agarwal & Company, confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Management discussion and Analysis Statement on the Company's performance, industry trends and other material changes with respect to the Company and its subsidiaries, wherever applicable is attached to this report

CODE OF CONDUCT

In terms of Clause 49 of the Listing Agreement the Company has formulated a Code of Conduct for the Directors and Senior Managerial Personnel. All the Board members and senior managerial persons have

given their consent to adhere to the code of conduct to the Compliance Officer. As per requirement of Listing Agreement, the code of conduct is also available on Company's website www.mefcom.in

AUDITORS

M/s V. K. Dhingra & Company, Chartered Accountants, New Delhi retire at the conclusion of this Annual General Meeting and being eligible for re-appointment have expressed their willingness to be re-appointed, as statutory auditors of the company. Your directors recommend their re-appointment.

PARTICULARS OF EMPLOYEES

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

CONSERVATION OF ENERGY

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

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

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

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNING AND OUTGO

During the year under review, company has not earned anything in foreign exchange. However, during the year the company has incurred ₹ 1.39 lacs in foreign exchange.

INSURANCE

The property and assets of the company have been adequately insured wherever needed.

LISTING WITH STOCK EXCHANGES

As per the requirement of Clause 49 of the Listing Agreement with Stock Exchanges, the company hereby declares that the listing for its shares continued throughout the year with "Bombay Stock Exchange Limited" Phiroze Jeejeebhoy Towers Dada Street, Mumbai- 400001.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard AS-21 the consolidated financial statements are furnished herewith and form part of this Report and Accounts. These statements have been prepared on the basis of audited financial statements received from the Subsidiary Companies as approved by their Board of Directors.

ACKNOWLEDGEMENT

Your directors place on record their appreciation and thanks for the assistance and support extended by various Government departments, Regulators, Stock Exchanges, other statutory bodies and Bankers to the company. The Directors also place on record their sincere appreciation for the company's employees who are instrumental for smooth working of the company. Your Directors look forward to their continuing support and unstinting efforts in ensuring the excellent all round operational performance.

By order of the Board
For Mefcom Capital Markets Ltd.

Place : New Delhi
Dated : June 23, 2012

(Vijay Mehta)
Chairman

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

	Name of the Subsidiary Company	Mefcom Securities Ltd.
1.	Financial Year of the Subsidiary Companies ended on	31st March, 2012
2.	(a) Issued subscribed and paid-up capital of Subsidiary Companies.	50,00,000 Equity Shares of ₹ 10/- each.
	(b) Extent of interest of Mefcom Capital Markets Ltd. in the capital of Subsidiary.	29,99,900 Equity Shares of ₹ 10/-each. (60%)
3.	The Net Aggregate Amount of Profits/(Losses) of the Subsidiary so far as it concern the members of Mefcom Capital Markets Ltd. and is not dealt with in the Accounts of Mefcom Capital Markets Ltd.	
	(a) For the Financial Year 31st March, 2012.	(31,50,391)
	(b) For the previous financial years of the subsidiary since it became subsidiary of Mefcom Capital Markets Ltd.	55,07,089
4.	Net aggregate amount of Profit/ (Losses) of the Subsidiary so far as dealt with or provisions made for those losses in the Accounts of Mefcom Capital Markets Ltd.	
	(a) For the Financial Year ended 31st March, 2012	Nil
	(b) For the Previous Financial Years of the Subsidiary since It became Subsidiary of Mefcom Capital Markets Ltd.	Nil

For and on behalf of Board of Directors

Place : New Delhi
Date : June 23, 2012

(Vijay Mehta)
Chairman

Forming part of Directors Report MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and developments

The Indian economy is marching towards a high growth trajectory, albeit with certain impediments on the horizon. While the year began on an optimistic note, concerns on sustainability of the high growth phase had surfaced by the end of Financial Year 2011. Despite improvement in the overall optimism about the economy, the financial markets continued to witness high volatility primarily driven by the direction and magnitude of foreign capital flows and movement in industrial production and inflation. At the end of Financial Year 2010, when we had put down our expectations for the coming year, we had foreseen gradual recession of inflationary pressures during Financial Year 2011. However, inflation remained elevated throughout the year, as some unanticipated factors like surge in prices of some vegetables and fruits during the end of year 2010, unexpected rapid rise in international crude oil prices. Although the inflationary pressures are expected to see some abatement during the course of the year, significant upside risks do persist and would continue to be a major focus area for the Government as well as the businesses.

During financial year 2011-12 (up to 31 December, 2011) resource mobilization through the primary market witnessed a sharp decline over the year 2010-11. The cumulative amount mobilized as on 31 December, 2011 through equity public issues stood at INR 9,683 crore as compared to INR 48,654 crore in 2010-11. During 2011-12, (up to 31 December, 2011), 30 new companies (initial public offers—IPOs) were listed at the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) amounting to INR 5,043 crore as against 53 companies amounting to INR 35,559 crore listed in 2010-11. The IPO size for the year 2011-12 was of ₹ 168 crore as compared to ₹ 671 crore in 2010-11. Further, only INR 4,791 crore was mobilized through debt issue as compared to INR 9,451 crore in 2010-11. The amount of capital mobilized through private placement in corporate debt in 2011-12 (April-December) was INR 1,88,530 crore as compared to INR 2,18,785 crore in 2010-11.

Opportunities and Threats

Your Company also being an investment company seeks opportunities in the capital market. The volatility in the stock indices in the financial year under report represents both an opportunity and challenge for the company.

The business of subsidiary company i.e. Mefcom Securities Ltd is affected by the sentiments prevailing in the stock markets.

The likely increase in capital mobilization from the primary market, increase in resource mobilization by Mutual Funds, growth in secondary market volumes, introduction of new products like mini derivative contracts & Securities Lending & Borrowing Scheme, introduction of new instruments in the F & O segment, trading in Mutual Funds through exchanges etc provide significant business opportunities for the Company.

Capital market activities in which most of our activities depend on is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market. The economic crisis in some countries in the Europe and Middle East has added some volatility globally and Indian stock market has not yet decoupled from such global trends. The recent increase in inflation rate in India is a cause of concern as it can affect corporate profitability. The percentage of retail savings that is channeled into equities and equity related products in the country are still much lower than in developed countries. Fast economic growth generating higher savings and better corporate performance is likely to provide growth opportunities for the business.

Segment-wise Performance

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

Segment wise information can be viewed in Note No.26 annexed to and forming part of Balance Sheet as at and Statement of Profit & Loss for the year ended on 31st March, 2012

Operations and Future Outlook

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

The Company has got permanent registration as Merchant Bankers from SEBI. The small and medium companies have now got a separate SME platform to list their shares so now even small companies can go for IPO which will also help to increase the business of your company. It is expected that company will grow in future and will give better results as the capital market is expected to do better in future.

Risks & Concern

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

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

Internal Control Systems & their adequacy

The company has proper and adequate systems of internal control in order to ensure that assets are safeguarded and transactions are duly authorized, recorded and reported correctly. With the implementation of new systems, internal control will get further reinforced through system based checks and controls.

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

Financial Performance with respect to Operational Performance:

Share Capital

The paid up equity share capital of the Company as on March 31, 2012 stands at ₹ 91,401,680/- divided into 91,40,168 equity shares of ₹ 10/- each fully paid up.

Reserves and Surplus

During the year under consideration, the Reserves and Surplus stands at ₹ 30.39 Lacs

Conversion and Forfeiture of Convertible Warrants

During the year under consideration, the company had converted 10 lacs Fully Convertible Warrants into 10 lacs Equity Shares and 8 lacs Fully Convertible Warrants were forfeited due to non-payment of allotment money.

Investments

The total investment decreased to ₹ 964.27 Lacs as at March 31, 2012 against ₹ 1020.04 Lacs at the end of the previous year as the management has off-loaded a few investments.

Loan

Secured Loan stands at ₹ 41.56 Lacs as at March 31, 2012

Total Income

During the year under consideration, total income was ₹ 76.46 Lacs as against ₹ 109.27 Lacs in the previous year.

Other Income

During the year under consideration, other income was ₹ 41.34 Lacs as against ₹ 38.41 Lacs in the previous year.

Interest and Finance Charges

During the year under consideration, total interest and finance charges were ₹ 29.33 Lacs

Human Resources

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

Cautionary Statement

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

CORPORATE GOVERNANCE REPORT

1 Company's philosophy on Corporate Governance

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

2. Board of Directors

Composition

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

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

Mr. P. K. Rajgarhia, the Independent Director of the Company has resigned w.e.f. 29.10.2011 and Mr. R.K.Pandey the Independent Director of the Company has resigned w.e.f. 30.04.2012 due to their personal reasons. Mr. Tarsem Garg has been appointed as additional director of the company as on 23.06.2012.

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

Board Meeting

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

MEETINGS AND ATTENDANCE OF DIRECTORS

During the financial year ended 31st March, 2012, 7 meetings of the Board of Directors of the company were held on the following dates:

S. No.	Date of Meeting	Board Strength	No. Directors Present
1	28.04.2011	6	3
2	30.06.2011	6	5
3	30.07.2011	6	3
4	29.10.2011	5	3
5	03.12.2011	5	3
6	12.12.2011	5	3
7	30.01.2012	5	3

Other Directorship & Membership

Membership and attendance of each director's at the Board Meetings held during the year and the last Annual General Meeting and the number of other directorship/ membership of board committees as on 31st March, 2012 is given below:

Name of the Director	Board Meeting Attended	Attendance at Last AGM	Membership of the Board of other Companies	Chairmanship of the Board of Other Companies	Committee Membership of other Companies	Chairmanship of Committees of other Companies
Sh Vijay Mehta	7	Yes	5	1	-	-
Sh T. R. Khare	7	Yes	7	-	1	-
Sh Sham Nijhawan	1	-	1	-	-	-
Sh. R. K. Pandey	1	-	10	-	4	2
Sh. Shailendra Haruray	7	-	4	-	-	-

2.2 REMUNERATION OF DIRECTORS

The directors waived the sitting fees for the financial year 2011-12. Therefore no sitting fee was paid during the financial year.

The Company presently does not have any stock option scheme.

Profile of Director being Re-appointed:

Sh. Shailendra Haruray, Director of the Company, retiring by rotation, is proposed to be re-appointed, at the ensuing Annual General Meeting.

Particulars of his other Directorship are given below:

Name of the Director	Details of other Directorships of Public Limited Companies	Committees memberships in other Companies
Sh. Shailendra Haruray	Mefcom Securities Limited Mefcom Commodity Brokers Limited	-

3.0 COMMITTEES OF DIRECTORS

To comply with the requirement of Clause 49 of the listing agreement with the Stock Exchange, the Board has constituted the required Committees. The composition of these Committees is as under:

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

Sh. Tarsem Garg, who is Chairman of Audit Committee, is a Member of the Institute of Chartered Accountants of India, Member of the Institute of Cost & Work Accountants of India, a law graduate and possesses over 30 years of diversified professional and corporate experience. Sh. T.R.Khare, Sh. Sham Nijhawan and Sh. Shailendra Haruray are the Members of Audit Committee.

Sh. Sham Nijhawan, who is Chairman of Share Transfer & Shareholders/ Investors Grievance Committee, is a Fellow Member of Institute of Chartered Accountants of India and possesses over 28 years of experience in financial matters. Sh. T.R.Khare, Sh. Tarsem Garg and Sh. Shailendra Haruray are the Members of Share Transfer & Shareholders/ Investors Grievance Committee.

Sh. Shailendra Haruray, who is Chairman of Remuneration Committee, is a post-graduate in commerce from Delhi University. He is also an

accredited trainer on leadership skills from the Industrial Society of England and possesses over 22 years of experience in the field of Human Resources, Marketing and Strategic Planning areas. Sh. T.R.Khare, Sh. Sham Nijhawan and Sh. Tarsem Garg are the Members of Remuneration Committee.

3.1 AUDIT COMMITTEE

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

During the year ended 31st March, 2012, the committee held 5 Meetings on the following dates:

- 28th April, 2011.
- 30th June, 2011.
- 30th July, 2011.
- 29th October, 2011.
- 30th January, 2012.

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

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

3.2 SHARES TRANSFER AND SHAREHOLDERS' GRIEVANCE COMMITTEE

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

During the year ended 31st March, 2012, the committee held 5 Meetings on the following dates:

1. 30th August, 2011
2. 20th September, 2011
3. 10th February, 2012
4. 20th February, 2012
5. 10th March, 2012

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

3.3 COMPENSATION AND REMUNERATION COMMITTEE

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

1. The Committee is empowered to administer and decide the remuneration and other terms and conditions of the Directors of the company.
2. The Committee is empowered to decide on employees' Stock Option Schemes as and when such Scheme is considered for introduction in the Company.

The members of all the committees of the company waived their right of sitting fees w.e.f. 28.06.2010

4. GENERAL BODY MEETINGS

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

AGM No.	Year	Date	Time	Venue
24 th	2009	30 th Sept. 2009	11.30 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi – 110030.
25 th	2010	31 st July 2010	11.30 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi – 110030.
26 th	2011	30 th July 2011	11.00 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi – 110030.

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

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

5. DISCLOSURES

5.1 Related Party Transactions

Details of transactions with related parties have been reported in Notes to Accounts as per Note No. '27-ii' in the Balance Sheet. Further, statement on transactions with related parties in the ordinary course of business shall be placed before the Audit committee periodically.

5.2 Code of Conduct

The Company has adopted a code of Conduct for the members of the Board of Directors and the senior management of the company. The Code of Conduct is displayed on the website of

the Company. All the Directors and the senior management personnel have affirmed Compliance with the code for the financial year ended 31st March 2012. A declaration to this effect signed by the Chairman is annexed to this report.

5.3 Compliance with Mandatory Requirements of Clause 49 of Listing Agreement

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

5.4 Penalty and Strictures

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

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

6. POSTAL BALLOT

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

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

7. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results of the Company are sent to the Stock Exchanges where the company's shares are listed, immediately after the approval of the Board. These are also published generally in the newspapers as per the requirements of the stock exchange, as well as on the website of the company.

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

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

8.0 GENERAL SHAREHOLDERS INFORMATION

8.1 ANNUAL GENERAL MEETING

Date : 28th August, 2012
Time : 11.00 A.M.
Venue : E-15, Ansal Villas, Village Satbari, New Delhi-110030

8.2 FINANCIAL CALENDAR 2012-13

- First Quarter Results	:	By the end of July, 2012
- Second Quarter / Half yearly Results	:	By the end of October, 2012
- Third Quarter Results	:	By the end of January, 2013
- Annual Results (audited) for the year ending March 31, 2013	:	By the end of May, 2013
- Annual General Meeting	:	By the end of September, 2013

8.3 BOOK CLOSURE

The Share Transfer Books and Register of Members shall remain closed from August 27, 2012 to August 28, 2012 (both days inclusive). Notice to this effect has been sent to all the Stock Exchanges, where the shares of the Company are listed as per the Listing Agreement.

8.4 DIVIDEND

The Company has not declared dividend for the year ended March 31, 2012.

8.5 LISTING OF SHARES

The name of the Stock Exchange, at which Company's shares are listed as on 31st March, 2012 and details of Stock Code is as mentioned below

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange	531176

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

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

8.6 LISTING FEES

The Company has paid listing fees to Bombay Stock Exchange limited up to the financial year 2011-12. There are no arrears of listing fees with the said Stock Exchange

8.7 MARKET PRICE DATA

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

Month	High (₹)	Low (₹)
April, 2011	16.00	11.75
May, 2011	15.95	11.33
June, 2011	13.63	10.91
July, 2011	15.21	12.01
August, 2011	16.71	11.34
September, 2011	17.44	11.10
October, 2011	20.05	15.70
November, 2011	20.25	12.75
December, 2011	15.85	10.75
January, 2012	15.45	11.60
February, 2012	16.95	11.70
March, 2012	14.37	9.75

8.8 DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2012

Number of Equity Shareholding	Number of Share holders	% of Share holders	No. of Shares	% of Total Shares
1- 500	2962	90.17	416999	4.5623
501- 1000	136	4.14	112151	1.2270
1001-2000	79	2.40	124229	1.3592
2001-3000	32	0.97	79477	0.8695
3001-4000	10	0.30	36123	0.3952
4001-5000	7	0.21	34830	0.3811
5001-10000	20	0.61	142778	1.5621
10001 & above	39	1.19	8193581	89.6437
Total	3285	100%	9140168	100%

8.9 CATEGORY OF SHAREHOLDING AS ON 31ST MARCH, 2012

S. No.	Category	No. of Shares Held	% of Share holding
A.	Promoter's holding		
1.	Promoters		
	- Indian Promoters	59,08,500	64.64
	- Foreign Promoters	Nil	Nil
2.	Person acting in concert	Nil	Nil
	Sub – Total	59,08,500	64.64
B.	Non-Promoters Holding		
3.	Institutional Investors		
a.	Mutual Funds and UTI	20200	0.22
b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions)	Nil	Nil
c.	Foreign Institutional Investors	Nil	Nil
	Sub – Total	20200	0.22
4.	Others		
a.	Private Corporate Bodies	302252	3.31
b.	Indian Public	2831414	30.98
c.	NRIs / OCBs	77802	0.85
d.	Any Other (Clearing Member)	Nil	Nil
	Sub Total	3211468	35.14
	Grand – Total	9140168	100%

8.10 DEMATERIALISATION OF SHARES

The shares of the company are under Demat form. The ISIN Number of the Company is INE186C01015. Members who have not yet applied are requested to convert their shares in demat form, by applying to their depository participants in the prescribed Demat Requisition Form along with original Share certificates in physical form. About 84.88% of total shares are held in demat form as on 31st March, 2012.

8.11 REGISTRARS AND SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

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

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

8.12 SHAREHOLDERS COMPLAINTS

The Company confirms that there are no share transfers received with valid documents and is lying pending on March 31, 2012, and all requests for dematerialization of shares as on that date were confirmed / rejected to NSDL/CDSL.



Complaints Received	3
Complaints Replied	3
Complaints Pending	Nil

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

Company Secretary: There was no Company Secretary in the Company as on 31st March, 2012

8.13 ADDRESS FOR CORRESPONDENCE

I Investors Correspondence may be addressed to the following:

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

OR

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

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

Mr. I. C. Jain
Chief Financial Officer
Mefcom Capital Markets Ltd
5th Floor, Sanchi Building
77, Nehru Place
New Delhi-110019
Ph: +91 11 46500533
Email : icjain@mefcom.in

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

To,

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

- The Code of Conduct has been laid down for all the Board members and Senior Management and other employees of the company
- The Code of Conduct has been posted on website of the Company.
- The Board members and Senior management personnel have affirmed compliance with the code of conduct for the year 2011-12.

Place : New Delhi
Dated : June 23, 2012

(Vijay Mehta)
Chairman

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

To

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

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue

statement or omit any material fact or contain statements that might be misleading.

- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies

(d) We have indicated to the auditors and the Audit Committee

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

(I. C. Jain)
Chief Financial Officer

(Vijay Mehta)
Chairman

Place : New Delhi
Date : June 23, 2012

Certificate of Company Secretary (In Whole Time Practice)

To

The Members
Mefcom Capital Markets Ltd.

We have examined the compliance of conditions of Corporate Governance by Mefcom Capital Markets Ltd. for the year ended 31st March 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

We further state that compliance is neither assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Lalit K Agarwal & Company
(Company Secretaries)

Lalit Agarwal
Proprietor
C. P. No 5768

Place : New Delhi
Date : June 23, 2012

AUDITORS' REPORT



TO

The Members Of

MEFCOM CAPITAL MARKETS LIMITED

1. We have audited the attached Balance Sheet of **MEFCOM CAPITAL MARKETS LIMITED** as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report on the matters specified in paragraphs 4 & 5 of the said Order, to the extent applicable to the Company.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 except for:

non-compliance of Accounting Standard-15 in respect of accounting for gratuity payable to employees which has not been accounted for an accrual basis.

v) On the basis of written representations received from directors of the Company and taken on record by the Board of Directors, we report that none of the directors is, prima facie, disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts **subject to non provision of accruing liability for gratuity, effect of which on the accounts has not been ascertained and read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:**

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

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

(V.K. Dhingra)
Partner
M. No. 14467

Place : New Delhi
Dated : June 23, 2012

ANNEXURE TO THE AUDITOR'S REPORT



REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF MEFCOM CAPITAL MARKETS LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2012

1. a) The Company has maintained proper records showing full particulars including quantitative detail and situation of its fixed assets.
- b) As explained to us, physical verification of fixed assets was conducted by the management during the year. In our opinion, frequency of physical verification is reasonable having regard to the size of the company and the nature of its business. On the basis of explanation given to us, no discrepancy has been noticed on aforesaid verification.
- c) There was no disposal of fixed assets during the year.
2. The company did not have or deal with any inventory during the year. Accordingly clause (ii) of para (4) of the Order is not applicable.
3. The Company has not granted / taken any loan, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Accordingly clause (iii) of Para (4) of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and for sale of services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) Based on the audit procedures applied by us and according to the information and explanations given by the management, we are of the opinion that the contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at relevant time.
6. The Company has not accepted any deposit from public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder.
7. In our opinion and as per information and explanations given to us the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. a) According to the records of the Company, the Company is generally regular in depositing undisputed dues of Provident Fund, Investor Education and Protection Fund, Employers' State Insurance, Income Tax, Cess and other statutory dues as applicable to the Company except for the non deposition of Income Tax amounting to Rs. 1,30,113/- on dividend declared for the year 1996-97 pertaining to unpaid dividend on partly paid-up shares, which has remained outstanding as on 31st March, 2012 for a period of more than six months from the date it became payable.
- b) According to the records of the Company and the information and explanation given to us there were no dues of Sales Tax, Income Tax, TDS, Service Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
10. The accumulated losses of the Company at the end of the year have exceeded 50% of the net worth of the Company. The Company has incurred cash losses during the year ended on 31st March, 2012 and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues of financial institutions and banks.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us the provisions of any special statute relating to chit fund / nidhi / mutual benefit fund/ societies were not applicable to the company during the year ended on 31st March, 2012.
14. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts of dealing or trading in shares, securities and other investments and timely entries have been made in those records. We also report that the Company has held the shares, securities and other investments in its own name.
15. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loan taken by the company from a bank has been applied for the purpose for which it was obtained.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment.
18. According to the information and explanations given to us no preferential allotment of shares was made during the year to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures. Accordingly, clause (xix) of para (4) of the Order is not applicable.
20. The company has not raised any money by public issue during the year. Accordingly, clause (xx) of para (4) of the Order is not applicable.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March 2012.

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

(V.K. Dhingra)

Partner

M. No. 14467

Place : New Delhi
Dated : June 23, 2012



(₹)

PARTICULARS	NOTE NO.	AS AT 31.03.2012	AS AT 31.03.2011
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	91,401,680.00	81,401,680.00
(b) Reserves and Surplus	3	3,038,833.92	4,940,776.20
(c) Money Received against Share Warrants		-	5,625,000.00
2 Non-Current Liabilities			
(a) Long-Term Borrowings	4	904,921.81	1,174,027.97
3 Current Liabilities			
(a) Short-Term Borrowings	5	10,982,484.75	27,101,440.45
(b) Other Current Liabilities	6	1,804,732.16	2,828,963.84
TOTAL		108,132,652.64	123,071,888.46
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	7		
(i) Tangible Assets		3,107,130.02	4,053,347.71
(ii) Intangible Assets		1,247.07	4,905.88
(b) Non-Current Investment	8	73,291,373.59	73,310,723.59
(c) Long-Term Loans and Advances	9	3,299,103.10	4,613,419.10
2 Current Assets			
(a) Current Investment	10	23,136,289.42	28,694,070.23
(b) Trade Receivables	11	99,270.00	-
(c) Cash and Cash Equivalents	12	518,184.54	3,346,617.75
(d) Short-Term Loans and Advances	13	4,680,054.90	9,048,804.20
TOTAL		108,132,652.64	123,071,888.46

Significant Accounting Policies

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

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

(V.K. Dhingra)
Partner
M.No. 014467

(Vijay Mehta)
Chairman

(Sham Nijhawan)
Director

(Shailendra Haruray)
Director

Place : New Delhi
Dated : June 23, 2012

Mefcom Capital Markets Limited
Statement of Profit and Loss for the year ended 31st March, 2012



(₹)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED ON 31.03.2012	FOR THE YEAR ENDED ON 31.03.2011
I. Revenue from Operations	14	3,512,755.38	7,085,801.82
II. Other Income	15	4,133,838.80	3,841,296.90
III. Total Revenue (I + II)		7,646,394.18	10,927,098.72
IV. Expenses:			
Employee Benefits Expense	16	5,402,063.00	5,943,759.00
Provisions	17	158,102.25	4,182,470.27
Finance Costs	18	2,933,489.27	3,186,703.42
Depreciation and Amortization		949,876.50	713,043.13
Other Expenses	19	5,104,805.44	5,597,709.47
Total Expenses		14,548,336.46	19,623,685.29
V. Profit Before Tax (III- IV)		(6,901,942.28)	(8,696,586.57)
VI. Tax Expense:			
– Tax Adjustments for earlier years			400,221.00
– Prior Period Items		–	10,763.00
VII. Profit / (Loss) for the Year (V - VI)		(6,901,942.28)	(9,107,570.57)
VIII. Earnings Per Equity Share:			
Basic & Diluted (Face value per share ₹ 10/-)		(0.82)	(1.12)
Significant Accounting Policies	1		

Notes attached form integral part of this Statement of Profit & Loss

As per our report of even date

for **V.K. Dhingra & Co.**
Chartered Accountants**(V.K. Dhingra)**
Partner
M.No. 014467**(Vijay Mehta)**
Chairman**(Sham Nijhawan)**
Director**(Shallendra Haruray)**
DirectorPlace : New Delhi
Dated : June 23, 2012

Mefcom Capital Markets Limited
Cash Flow Statement for the year ended 31st March, 2012



	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
	(₹)	(₹)	(₹)	(₹)
[A] CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) after Tax		(6,901,942.28)		(9,107,570.57)
Adjustment for :				
- Depreciation	949,876.50		713,043.13	
- Loss / (Profit) on Sale of Investments (Net)	2,949,855.40		(8,692,618.28)	
- Provisions	158,102.25		4,182,470.27	
- Interest Paid	2,933,489.27		3,186,703.42	
- Bad Debts Written off	-		46,350.00	
- Bad Debts Recovered	(251,350.00)		-	
- Provision for Taxation (Including Prior Period)	-		400,221.00	
- Dividend Income on Investments	(3,868,532.00)	2,871,441.42	(3,436,432.90)	(3,600,263.36)
Operating Profit before Working Capital Changes		(4,030,500.86)		(12,707,833.93)
Adjustment for :				
- Trade and Other Receivables	5,220,829.30		1,327,902.38	
- Trade and Other Payables	(15,343.11)	5,205,486.19	(11,165.66)	1,316,736.72
Direct Tax Refund/(Paid)		1,174,985.33		(11,391,097.21)
		314,316.00		2,428,723.00
NET CASH FROM OPERATING ACTIVITIES		1,489,301.33		(8,962,374.21)
[B] CASH FLOW FROM INVESTING ACTIVITIES				
- Purchase of Fixed Assets		-		(2,601,500.00)
- Purchase of Investments(including advances)		(5,122,726.76)		(116,914,590.42)
- Sale of Investments		7,891,899.92		93,540,798.72
- Dividend Received on Investments		3,868,532.00		3,436,432.90
NET CASH FROM INVESTING ACTIVITIES		6,637,705.16		(22,538,858.80)
[C] CASH FLOW FROM FINANCING ACTIVITIES				
- Interest Paid		(3,973,844.97)		(1,475,022.00)
- Issue of Share Capital/Convertible Share Warrants		9,375,000.00		5,625,000.00
- Secured Loans Repaid		(2,856,594.73)		7,173,469.45
- Unsecured Loans Repaid		(13,500,000.00)		21,500,000.00
NET CASH FROM FINANCING ACTIVITIES		(10,955,439.70)		32,823,447.45
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(2,828,433.21)		1,322,214.44
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		3,346,617.75		2,024,403.31
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR		518,184.54		3,346,617.75

NOTES :-

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

As per our report of even date attached.

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

(V.K. Dhingra)
Partner
M.No. 014467

(Vijay Mehta)
Chairman

(Sham Nijhawan)
Director

(Shailendra Haruray)
Director

Place : New Delhi
Dated : June 23, 2012

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

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

b) FIXED ASSETS

Fixed Assets have been valued at cost less accumulated depreciation.

c) DEPRECIATION

- i) Softwares are amortised on straight line basis in three years on pro-rata basis.
- ii) Amount spent on renovation including extensions on office premises, taken on rent, is capitalised under the head 'Leased Premises Development' and amortised on straight line basis in nine years (being reasonably expected lease tenure) on pro-rata basis.
- iii) Assets costing upto five thousand rupees are fully depreciated in the year of purchase.
- iv) Depreciation on other assets has been provided on the written down value basis at rates provided by Schedule XIV to the Companies Act, 1956 on pro-rata basis.

d) INVESTMENTS

- i) Investments in shares, debentures and other securities are classified into 'Current Investments' and 'Non-Current Investments'.
- ii) Non-Current Investments are valued at cost. Adequate provision is made for a decline, other than temporary, in the value of Non-Current Investments.

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

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

e) PROVISION FOR ADVANCES

Provision for Standard, Sub-Standard (NPA) and Doubtful Advances (NPA) has been made in accordance with the prudential norms prescribed by Reserve Bank of India.

f) INCOME RECOGNITION

- Income from Merchant Banking Operations is accounted on accrual basis, when the right to receive is established in terms of the agreements with respective clients.
- In accordance with the prudential norms prescribed by the Reserve Bank of India, the Hire Purchase Income, Leasing Income and Interest on loans and advances are not recognised on non-performing assets (NPA) unless the same are actually realised.

g) RETIREMENT BENEFITS

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

2 SHARE CAPITAL

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

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number	(₹)	Number	(₹)
Authorised				
Equity Shares of ₹ 10 Each	10,000,000	100,000,000.00	10,000,000	100,000,000.00
Issued				
Equity Shares of ₹ 10 Each	9,140,168	91,401,680.00	8,140,168	81,401,680.00
Subscribed & Paid Up				
Equity Shares of ₹ 10 Each Fully Paid	9,140,168	91,401,680.00	8,140,168	81,401,680.00
Total	9,140,168	91,401,680.00	8,140,168	81,401,680.00

2 (b) Reconciliation of Number of Shares outstanding as at 31.03.2012

Particulars	Equity Shares	
	Number	(₹)
Shares outstanding at the beginning of the Year	8,140,168	81,401,680.00
Shares issued during the year upon conversion of Warrants	1,000,000	10,000,000.00
Shares bought back during the Year	-	-
Shares outstanding at the end of the Year	9,140,168	91,401,680.00

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

Name of Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Vijay Mehta	5,180,000	56.67	5,130,000	63.02
Mr. Karan Mehta	725,000	7.93	725,000	8.91

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

3 RESERVES & SURPLUS

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
A. Securities Premium Account		
Opening Balance	108,797,839.00	108,797,839.00
Add: On shares issued during the year	2,500,000.00	-
Closing Balance	111,297,839.00	108,797,839.00
B. Capital Reserve		
Opening Balance	12,916,689.50	12,916,689.50
Add: Amount forfeited on Convertible Warrants during the year	2,500,000.00	-
Closing Balance	15,416,689.50	12,916,689.50
C. Special Reserve (Refer Note no. 23)		
Opening Balance	700,000.00	700,000.00
Closing Balance	700,000.00	700,000.00

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
D. General Reserve		
Opening Balance	1,100,000.00	1,100,000.00
Closing Balance	1,100,000.00	1,100,000.00
E. Surplus/(Deficit)		
Opening Balance	(118,573,752.30)	(109,466,181.73)
Add: Net Profit / (Loss) for the Current Year	(6,901,942.28)	(9,107,570.57)
Closing Balance	(125,475,694.58)	(118,573,752.30)
Total	3,038,833.92	4,940,776.20

4 **LONG TERM BORROWINGS**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
Secured		
Term Loans		
From HDFC Bank	904,921.81	1,174,027.97
(Secured by way of Hypothecation of a Vehicle, Terms of Repayment:- Repayable in equated Monthly Installments of ₹ 33,399/- each inclusive of interest @ 12.50% p.a. upto November, 2015)		
Total	904,921.81	1,174,027.97

5 **SHORT TERM BORROWINGS**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
Secured		
Loans and Advances		
From Body Corporate	2,982,484.75	5,601,440.45
(Secured by way of pledge of Shares in a designated Demat A/c)		
Unsecured		
Loans and Advances		
From Body Corporates	8,000,000.00	21,500,000.00
Total	10,982,484.75	27,101,440.45

6 **OTHER CURRENT LIABILITIES**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
Current Maturities of Long Term Borrowings	269,106.16	237,639.03
Interest Accrued but not due on Borrowings	831,687.72	1,872,043.42
Other Payables		
- Statutory Liabilities	233,180.00	407,810.00
- Liabilities for Expenses	270,758.28	311,471.39
- Advances from customers	200,000.00	-
Total	1,804,732.16	2,828,963.84

7 **FIXED ASSETS**

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1st April, 2011	Additions during the Year	Balance as at 31st March, 2012	Upto 31st March, 2011	Depreciation charged for the Year	Upto 31st March, 2012	Balance as at 31st March, 2012	Balance as at 31st March, 2011
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
a. Tangible Assets								
Leasehold Premises Development	924,398.17	-	924,398.17	520,749.32	100,912.00	621,661.32	302,736.85	403,648.85
Furniture and Fixtures	1,024,925.88	-	1,024,925.88	728,583.67	53,637.94	782,221.61	242,704.27	296,342.21
Vehicles	3,371,337.00	-	3,371,337.00	761,874.78	675,589.77	1,437,464.55	1,933,872.45	2,609,462.22
Office Equipment	2,243,186.82	-	2,243,186.82	1,547,595.45	96,756.76	1,644,352.21	598,834.61	695,591.37
Computers	1,126,453.71	-	1,126,453.71	1,078,150.65	19,321.22	1,097,471.87	28,981.84	48,303.06
Total	8,690,301.58	-	8,690,301.58	4,636,953.87	946,217.69	5,583,171.56	3,107,130.02	4,053,347.71
Prevoius Year	6,088,801.58	2,601,500.00	8,690,301.58	4,059,244.07	577,709.80	4,636,953.87	4,053,347.71	2,029,557.51
b. Intangible Assets								
Software	853,690.00	-	853,690.00	848,784.12	3,658.81	852,442.93	1,247.07	4,905.88
Total	853,690.00	-	853,690.00	848,784.12	3,658.81	852,442.93	1,247.07	4,905.88
Prevoius Year	853,690.00	-	853,690.00	713,450.79	135,333.33	848,784.12	4,905.88	140,239.21

8 **NON-CURRENT INVESTMENT**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
A. Trade Investments (Refer A below)		
Investment in Equity Shares	32,291,323.59	32,790,723.59
B. Other Investments (Refer B below)		
Investment in Equity Shares	41,000,400.00	41,000,000.00
Grand Total (A + B)	73,291,723.59	73,790,723.59
Less : Provision for dimunition in the value of Investments	350.00	480,000.00
Total	73,291,373.59	73,310,723.59

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
Aggregate amount of quoted investments (Market value of ₹ 6,90,50,000/- (Previous Year ₹ 13,36,50,000/-)	41,000,000.00	41,000,000.00
Aggregate amount of unquoted investments	32,291,723.59	32,790,723.59

A Details of Trade Investments (Valued at Cost)

Name of the Body Corporate	Face Value	No. of Shares / Units		Extent of Holding (%)		Amount (₹)	
		2012	2011	2012	2011	2012	2011
Investment in Unquoted Fully Paid Up Equity Shares of Subsidiaries							
Mefcom Securities Ltd.	10	2,999,900	2,999,900	60	60	32,291,323.59	32,291,323.59
Mefcom Infrastructure Projects Ltd.	10	-	49,940	-	99.88	-	499,400.00
Total						32,291,323.59	32,790,723.59

B Details of Other Investments (Valued at Cost)

Name of the Body Corporate	Face Value	No. of Shares / Units		Amount (₹)	
		2012	2011	2012	2011
Investment in Quoted Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Banswara Syntex Ltd.	10	1,000,000	1,000,000	41,000,000.00	41,000,000.00
Investment in Unquoted Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Mefcom Infrastructure Projects Ltd.	10	40	-	400.00	-
Total				41,000,400.00	41,000,000.00

9 LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
(Unsecured, Considered Good)		
Advance Tax/ TDS (Net)	1,549,103.10	1,863,419.10
Security Deposits		
- Due from related parties (refer Note No. 27)	1,750,000.00	2,750,000.00
Total	3,299,103.10	4,613,419.10

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
Investment in Equity Shares	30,973,049.94	36,193,078.50
Less : Provision for diminution in the value of Investments	7,836,760.52	7,499,008.27
Total	23,136,289.42	28,694,070.23

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
Aggregate amount of quoted investments (Market value of ₹ 2,44,01,685/- (Previous Year ₹ 3,89,61,828/-)	30,953,360.57	36,168,010.07
Aggregate amount of unquoted investments	19,689.37	25,068.43

Details of Current Investments

Name of the Body Corporate	Face Value	No. of Shares		Amount (₹)	
		2012	2011	2012	2011
Investment in Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Quoted Shares					
Banswara Syntex Ltd.	10	150,000	130,720	9,784,500.00	7,260,188.80
Ester Industries Ltd.	5	-	10,000	-	512,300.00
IDBI Bank Ltd.	10	20,000	20,000	3,539,000.00	3,539,000.00
Jindal Southwest Holdings Ltd.	10	2,500	2,500	2,280,823.00	2,280,823.00
JBF Industries Ltd.	10	-	3,000	-	671,398.75
JSLStainless Ltd.	2	20,000	20,000	3,023,551.20	3,023,551.20
Karnataka Bank Ltd.	10	-	6,000	-	1,194,900.00
KLG Systel Ltd.	10	9,500	9,500	1,916,910.00	1,916,910.00
Kingfisher Airlines Ltd.	10	-	20,000	-	897,704.05
LKP Finance Ltd.	10	8,000	17,000	1,004,160.00	2,133,840.00
Mercator Lines Ltd.	1	-	12,000	-	677,160.00
Orient Refractories Ltd.	1	27,200	-	301,515.05	-
Orient Abrasive Ltd.	1	27,200	-	647,839.65	-
Satyam Computers Services Ltd.	2	40,000	40,000	2,917,600.00	2,917,600.00
S.Kumar Nationwide Ltd.	10	-	10,000	-	909,989.60
Steel Strip & Wheels Ltd.	10	-	1,000	-	417,884.60
Tata Elxsi Ltd.	10	5,000	5,000	1,485,750.00	1,485,750.00
Uflex Ltd.	10	-	1,000	-	306,808.40
VIP Industries Ltd.	10	-	3,000	-	1,970,490.00
Zen Technologies Ltd.	10	20,000	20,000	4,051,711.67	4,051,711.67
Unquoted Shares					
Tele Data Marine Solutions Ltd.	2	625	625	19,689.37	19,689.37
TCI Developers Ltd.	10	-	37	-	5,379.06
Total		330,025	331,382	30,973,049.94	36,193,078.50

11 TRADE RECEIVABLES

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
(Unsecured Considered Good)		
- Outstanding for a period exceeding six months		-
- Others	99,270.00	
Total	99,270.00	-

12 CASH & CASH EQUIVALENTS

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
Balances with Banks		
- In Current Accounts	480,391.54	3,110,542.75
Cash in Hand	37,793.00	236,075.00
Total	518,184.54	3,346,617.75

13 **SHORT TERM LOANS & ADVANCES**

Particulars	As at 31st March, 2012		As at 31 March, 2011	
	(₹)	(₹)	(₹)	(₹)
(Unsecured, considered good)				
(a) Due from related parties (Refer Note No. 27)		1,938,731.90		4,667,450.20
(b) Due from Others				
- Inter Corporate Deposits (sub-standard)	3,000,000.00		3,000,000.00	
Less : Provision for Sub-Standard Assets	300,000.00	2,700,000.00	-	3,000,000.00
- Other Advances		41,323.00		1,381,354.00
Total		4,680,054.90		9,048,804.20

14 **REVENUE FROM OPERATIONS**

Particulars	For the year ended 31st March, 2012	For the year ended 31 March, 2011
	(₹)	(₹)
Income from Merchant Banking Activities	2,565,000.00	2,640,660.00
Profit/ (Loss) on Sale of Shares/Securities (Non-Delivery) (Net)	(1,813.40)	61,856.02
Profit/ (Loss) on Sale of Current Investments (Net)	(2,500,755.40)	8,692,618.28
Profit/ (Loss) on Sale of Long Term Investments (Net)	(449,100.00)	-
Profit/ (Loss) Loss on Dealing in Equity / Index Derivatives (Net)	(1,102,010.36)	(4,309,332.48)
Profit/ (Loss) on Dealing in Commodities (Non- Delivery) (Net)	5,001,434.54	
Total	3,512,755.38	7,085,801.82

15 **OTHER INCOME**

Particulars	For the year ended 31st March, 2012	For the year ended 31 March, 2011
	(₹)	(₹)
Interest Earned (TDS deducted ₹ Nil, Previous Year ₹ Nil)	13,035.00	404,864.00
Bad Debts Recovered	251,350.00	
Dividend on Shares		
- On Current Investments	868,532.00	1,436,432.90
- On Non-Current Investments	3,000,000.00	2,000,000.00
Other Income	721.80	-
Total	4,133,638.80	3,841,296.90

16 **EMPLOYEE BENEFITS EXPENSES**

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	(₹)	(₹)
Salaries and other benefits	2,380,063.00	2,928,364.00
Staff Welfare Expenses	22,000.00	15,395.00
Director Remuneration	3,000,000.00	3,000,000.00
Total	5,402,063.00	5,943,759.00

17 PROVISIONS

Particulars	For the year ended 31st March, 2012	For the year ended 31 March, 2011
	(₹)	(₹)
Provision for Diminution in Value of		
- Current Investments	337,752.25	3,982,470.27
- Long Term Investments	(479,650.00)	200,000.00
Provision for Sub-Standard Assets (Advances)	300,000.00	-
Total	158,102.25	4,182,470.27

18 FINANCE COST

Particulars	For the year ended 31st March, 2012	For the year ended 31 March, 2011
	(₹)	(₹)
Interest Paid to Bank	161,911.27	52,615.42
Interest Paid to Others	2,771,578.00	3,134,088.00
Total	2,933,489.27	3,186,703.42

19 OTHER EXPENSES

Particulars	For the year ended 31st March, 2012	For the year ended 31 March, 2011
	(₹)	(₹)
Rent	1,152,852.00	1,603,741.00
Electricity Charges	211,275.00	302,346.00
Printing & Stationery	28,951.00	55,296.00
Conveyance & Travelling	383,734.88	367,363.18
Postage and Telephone Expenses	58,231.09	108,261.55
Fees & Subscription	270,240.00	219,217.00
Insurance	54,818.00	27,886.00
Professional Charges	1,683,785.00	1,159,124.50
Repair & Maintenance		
- Building	651,274.00	692,238.00
- Others	170,412.39	160,065.82
Advertisement & Publication Expenses	97,731.00	137,894.00
Security Transaction Charges	142,523.00	246,464.74
Business Promotion Expenses	30,799.52	32,334.58
Donation		210,000.00
Bad Debts Written off		46,350.00
Audit Fees	67,063.00	67,063.00
Bank Charges	11,561.49	2,972.52
General Expenses	89,554.07	159,091.58
Total	5,104,805.44	5,597,709.47

20 CONTINGENT LIABILITIES

- a) Unpaid calls on Investments: ₹ 1,25,02,500/- (Previous Year : ₹ 1,25,02,500/-).
- b) Corporate Guarantee issued to the banker of Mefcom Securities Ltd. (subsidiary company) for securing guarantee issued by their banker ₹ 1,00,00,000/- (Previous Year ₹ 1,00,00,000/-).

21 PROVISION FOR TAXATION

- a) Provision for Income-tax has been made in accordance with the provisions of the Income-tax Act, 1961.
- b) The Company has carry forward losses under tax laws. In absence of virtual certainty of sufficient future taxable income, net deferred tax asset has not been recognized in accordance with the Accounting Standard – 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India.
- 22 The Company has identified that there is no material impairment of assets and as such no provision is required in terms of Accounting Standard-28 issued by the Institute of Chartered Accountants of India.
- 23 'Special Reserve' represent, the reserve created as per the provisions of Section 45-1C of the Reserve Bank of India (Amendment) Act, 1998.

24 No amount was due to the suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2012.

25 a) Directors have waived-off their right to Sitting Fee

b) Remuneration has been paid to the Chairman as a minimum remuneration in accordance with the limits prescribed in Schedule-XIII of the Companies Act, 1956 and resolution passed by the members in the General Meeting as per details given hereunder :-

Salary & Allowances: ₹ 30,00,000/- (Previous Year: ₹ 30,00,000/-)

26 SEGMENT REPORTING

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

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities includes the respective amount identifiable to each segment and also amount allocated on a reasonable basis. Assets, Liabilities, Incomes and Expenses that can not be allocated between the segments are shown as part of Unallocable Assets, Liabilities, Incomes and Expenses respectively

Segment wise information is as under:-

Particulars	Investments in Share & Securities	Short Term Trading In Shares / Securities	Equity/Index Derivatives	Merchant Banking Service	Dealing in Commodity Exchange	Financing	Total
- Segment Revenues	9,18,676.60	(1,813.40)	(11,02,010.36)	26,11,350.00	50,01,434.54	2,05,000.00	76,32,637.38
	1,21,29,051.18	61,856.02	(43,09,332.48)	26,40,660.00	-	-	1,05,22,234.72
- Segment Result	(23,87,406.72)	(1,813.40)	(12,33,589.36)	(3,11,985.00)	50,01,294.54	(1,06,110.00)	9,60,390.06
	43,25,273.75	61,856.02	(43,38,827.48)	(14,10,074.15)	-	-	(13,61,771.86)
- Unallocable Expenses net of Unallocable Incomes							(76,62,332.34)
							(73,34,814.71)
- Net Profit / (Loss) before Prior Period Adjustment							(69,01,942.28)
							(86,96,586.57)
- Segment Asset	9,74,95,272.97	-	8,76,383.94	1,07,034.00	-	27,00,000.00	10,11,78,690.91
	10,75,12,910.02	-	-	4,94,774.00	-	30,00,000.00	11,10,07,684.02
- Segment Liabilities	1,18,84,240.75	-	-	3,75,587.00	-	-	1,22,59,807.75
	2,91,81,400.69	-	-	2,18,137.15	-	-	2,93,99,537.84
- Unallocable Asset							69,53,961.73
							1,20,64,204.44
- Unallocable Liabilities							14,32,330.97
							17,04,894.42

Figures in italics pertain to previous year.

27 RELATED PARTY DISCLOSURE

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

i) Related Parties :

Key Management Personnel: Mr. Vijay Mehta – Chairman	Subsidiaries: Mefcom Securities Ltd. Mefcom Infrastructure Projects Ltd.(upto 11.03.2012) Subsidiary of Mefcom Securities Ltd. Mefcom Commodity Brokers Ltd.
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Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

ii. Summary of Transaction with Related Parties

Nature of Transaction	Key Personnel	Subsidiaries	Total
Directors Remuneration			
- Mr. Vijay Mehta	30,00,000	-	30,00,000
	<i>30,00,000</i>	-	<i>30,00,000</i>
Rent Paid			
- Mr. Vijay Mehta	11,52,852	-	11,52,852
	<i>16,03,741</i>	-	<i>16,03,741</i>
Profit / (Loss) on Sale of Shares (Net) – Non-Delivery			
- Mefcom Securities Ltd.	-	(1,813)	(1,813)
	-	<i>18,867</i>	<i>18,867</i>
Profit / (Loss) on Dealing in derivatives			
- Mefcom Securities Ltd.	-	(11,02,010)	(11,02,010)
	-	<i>(43,09,332)</i>	<i>(43,09,332)</i>
Purchase of Shares			
- Mefcom Securities Ltd.	-	44,16,687	44,16,687
	-	<i>3,03,78,286</i>	<i>3,03,78,286</i>
Sale of Shares			
- Mefcom Securities Ltd.	-	40,71,855	40,71,855
	-	<i>4,42,59,546</i>	<i>4,42,59,546</i>
- Mr. Vijay Mehta	49,900	-	49,900
	-	-	-
Loans Given			
- Mefcom Infrastructure Projects Ltd.	-	2,50,000	2,50,000
	-	-	-
Refund of Loans Given			
- Mefcom Infrastructure Projects Ltd.	-	2,50,000	2,50,000
	-	-	-
Refund of Security Deposit Given			
- Mr. Vijay Mehta	10,00,000	-	10,00,000
	-	-	-
Balance as on 31.03.2012			
- Mefcom Securities Ltd	-	Dr.19,38,732	Dr.19,38,732
	-	<i>Dr.46,67,450</i>	<i>Dr.46,67,450</i>
-Mr. Vijay Mehta (Security Deposit)	Dr.17,50,000	-	Dr.17,50,000
	<i>Dr. 27,50,000</i>	-	<i>Dr. 27,50,000</i>

Figures in italics pertain to previous year.

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

28 EARNING PER SHARE

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

1. Calculation of Basic Earning Per Share:

Sr. No.	Particulars		2011-12	2010-11
a)	Net Profit / (Loss) for the year	(₹)	(69,01,942.28)	(9,107,570.57)
b)	Weighted Average Number of Equity Shares	(Nos.)	84,68,037	81,40,168
c)	Nominal Value per Equity Shares	(₹)	10.00	10.00
d)	Earning Per Share (Basic)	(₹)	(0.82)	(1.12)

2. Calculation of Diluted Earning Per Share :

There are no dilutive potential equity shares outstanding as on 31st March, 2012.

29 EMPLOYEES BENEFITS

a)

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

b) Defined Benefit Plan

- As per consistent practice, gratuity is provided on cash basis. During the year no gratuity was paid.
- The company does not have practice of carry forward and encashment of unavailed leaves. Therefore, no disclosures are required in this regard.

30

Particulars	Current Year	Previous Year
- Travelling Expenses	1,38,997.18	1,16,338.90

31 PAYMENTS MADE TO AUDITORS

	2011-2012	2010-2011
- Statutory Audit Fee	67,063/-	67,063/-
- Tax Audit Fee	6,287/-	6,287/-
- In Other Capacity	7,721/-	8,824/-

32 Out of application money aggregating to ₹ 56,25,000/- received during the year 2010-11 against issue of 18,00,000 Convertible Share Warrants, ₹ 25,00,000/- have been forfeited during the year 2011-12 for non payment of allotment money on 8,00,000 Warrants and the same has been transferred to Capital Reserve. Balance 10,00,000 Warrants were converted into 10,00,000 fully paid up shares at a premium of ₹ 2.50 each during the year 2011-12 upon receipt of allotment money.

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

34 Particulars as required in terms of paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 are given in Annexure-1 appended hereto.

35 The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under the revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification.

36 Figures in brackets pertain to previous year.

for V.K. Dhingra & Co.
Chartered Accountants

(V.K. Dhingra)
Partner
M.No. 014467

(Vijay Mehta)
Chairman

(Sham Nijhawan)
Director

(Shailendra Haruray)
Director

Place : New Delhi
Dated : June 23, 2012

ANNEXURE-I - PARTICULARS AS REQUIRED IN TERMS OF PARAGRAPH 9BB OF NON-BANKING FINANCIAL COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 1998 FOR THE YEAR ENDED ON 31ST MARCH, 2012

S.No.	Particulars	(₹) Amount Outstanding	(₹) Amount Overdue
LIABILITIES SIDE :			
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
	(a) Debentures : Secured	Nil	Nil
	: Unsecured (other than falling within the meaning of public deposits *)	Nil	Nil
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	1,180,143	Nil
	(d) Inter-Corporate Loans and Borrowing	11,808,058	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Public Deposits *	Nil	Nil
	(g) Other Loans (Specify nature)		
	- From Bank	Nil	Nil
	- From Director	Nil	Nil
	<i>Please see Note 1 below</i>		
2	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of Unsecured debentures	Nil	Nil
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
	(c) Other public deposits	Nil	Nil
ASSETS SIDE :			
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured	Nil	
	(b) Unsecured	2,700,000	
4	Break-up of Leased Assets and Stock on Hire and Hypothecation loans counting towards EL / HP Activities :		
	(i) Lease assets including lease rentals under Sundry Debtors :		
	(a) Financial Lease	Nil	
	(b) Operating Lease	Nil	
	(ii) Stock on Hire including Hire Charges under Sundry Debtors :		
	(a) Assets on Hire	Nil	
	(b) Repossessed Assets	Nil	
	(iii) Hypothecation loans counting towards EL / HP Activities :		
	(a) Loans where assets have been repossessed	Nil	
	(b) Loans other than (a) above	Nil	
5	Break-up of Investments :		
	Current Investments :		
	(A) Quoted :		
	(i) Shares : (a) Equity	23,116,600	
	: (b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of Mutual Funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (Please Specify)	Nil	
	(B) Unquoted :		
	(i) Shares : (a) Equity	19,689	
	: (b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of Mutual Funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (Please Specify)	Nil	

S.No.	Particulars	(₹) Amount Outstanding	(₹) Amount Overdue
Long Term Investments :			
(A)	Quoted :		
(i)	Shares : (a) Equity	41,000,000	
	(b) Preference	Nil	
(ii)	Debentures and Bonds	Nil	
(iii)	Units of Mutual Funds	Nil	
(iv)	Government Securities	Nil	
(v)	Others (Please Specify)	Nil	
(B)	Unquoted :		
(i)	Shares : (a) Equity	32,291,374	
	(b) Preference	Nil	
(ii)	Debentures and Bonds	Nil	
(iii)	Units of Mutual Funds	Nil	
(iv)	Government Securities	Nil	
(v)	Others (Please Specify)-Warrants (Partly Paidup)	Nil	

6 Borrower Group-wise classification of all Lease Assets, Stock-on-Hire and Loans and Advances :

Please see Note 2 below :

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	2,700,000	2,700,000
Total	Nil	2,700,000	2,700,000

7 Investor Group-wise classification of all investments

(Current and Long Term) in shares and securities (both quoted and unquoted) :

Please see Note 3 below :

Category	Market Value / Break-up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	32,291,324	32,291,324
(b) Companies in the same group	400	50
(c) Other related parties	Nil	Nil
2. Other than related parties	93,451,685	64,136,289
Total	125,743,409	96,427,663

** As per Accounting Standard of ICAI (Please see Note 3)

8 Other Information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	Nil
(b) Other than related parties	3,000,000
(ii) Net Non-Performing Assets	
(a) Related Parties	Nil
(b) Other than related parties	2,700,000
(iii) Assets acquired in satisfaction of debt (Net of Provision)	Nil

Notes :

- As defined in Paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break-up / fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

**AUDITORS REPORT TO THE BOARD OF DIRECTORS ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF
MEFCOM CAPITAL MARKETS LIMITED AND ITS SUBSIDIARIES**



1. We have audited the attached Consolidated Balance Sheet of Mefcom Capital Markets Ltd. (the Company), its subsidiaries collectively referred to as 'the Group' as at 31st March, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries which have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries is based solely on the reports of the other auditors. The financial statements of subsidiaries reflect total assets of ₹ 626.00 lacs as at 31st March, 2012 and total revenues of ₹ 61.25 lacs and net cash inflows amounting to ₹ 54.56 lacs for the year ended 31st March, 2012.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS)-21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
5. We also report that **provision has not been made for accruing liability for gratuity, in the accounts of Mefcom Capital Markets Limited and Mefcom Securities Limited, the effect of which on consolidated financial statements is not ascertained.**
6. Subject to our comment in para 5 above, we report that on the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Group, we are of the opinion that the said consolidated financial statements and read with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
 - ii) in case of Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
 - iii) in case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Place : New Delhi
Dated : June 23, 2012

(V.K. Dhingra)
Partner
M.No.14467

Consolidated Report



Consolidated Balance Sheet of Mefcom Capital Markets Limited and its Subsidiaries as at 31st March, 2012

Consolidated Profit and Loss Statement of Mefcom Capital Markets Limited and its Subsidiaries as at 31st March, 2012

PARTICULARS	NOTE NO.	₹	
		AS AT 31.03.2012	AS AT 31.03.2011
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	91,401,680.00	81,401,680.00
(b) Reserves and Surplus	4	103,392.97	4,659,310.70
(c) Money Received Against Share Warrants		-	5,625,000.00
2 Minority Interest		16,184,134.00	18,144,516.04
3 Non-Current Liabilities			
(a) Long-Term Borrowings	5	904,921.81	1,174,027.97
(b) Other Long-Term Liabilities	6	357,200.00	357,200.00
4 Current Liabilities			
(a) Short-Term Borrowings	7	10,982,484.75	27,101,440.45
(b) Trade Payables		3,964,068.28	2,322,444.87
(c) Other Current Liabilities	8	4,953,178.65	10,524,753.88
TOTAL		<u>128,851,060.46</u>	<u>151,310,373.91</u>
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		4,817,547.66	6,145,104.32
(ii) Intangible Assets		309,511.31	378,679.63
(b) Goodwill			
- Arised from Consolidation (Refer Note No. 33)		10,407,738.54	10,477,701.54
(c) Non-Current Investment	10	46,044,050.00	46,044,000.00
(d) Deferred Tax Assets (Net)		-	1,973,315.00
(e) Long-Term Loans and Advances	11	13,390,938.50	16,211,356.96
(f) Other Non-Current Assets	12	4,444,711.77	20,056,982.24
2 Current Assets			
(a) Current Investment	13	23,136,289.42	30,688,070.23
(b) Trade Receivables	14	624,611.82	131,091.56
(c) Cash and Bank Balances	15	13,215,209.04	10,806,313.39
(d) Short-Term Loans and Advances	16	12,422,844.36	8,206,349.40
(e) Other Current Assets	17	37,608.04	191,409.64
TOTAL		<u>128,851,060.46</u>	<u>151,310,373.91</u>
Significant Accounting Policies	2		

PARTICULARS	NOTE NO.	₹	
		FOR THE YEAR ENDED ON 31.03.2012	FOR THE YEAR ENDED ON 31.03.2011
I. Revenue from Operations	18	8,551,839.10	48,878,013.53
II. Other Income	19	5,187,847.80	4,854,480.09
III. Total Revenue (I + II)		<u>13,739,686.90</u>	<u>53,732,493.62</u>
IV. Expenses:			
Purchase of Shares/Securities		1,424,038.25	38,456,896.27
Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	-	39,230.00
Employee Benefits Expense	21	7,763,461.00	8,961,881.00
Provisions	22	158,102.25	4,461,403.00
Finance Costs	23	2,938,266.27	3,206,871.42
Depreciation and Amortization		1,563,224.98	1,465,157.65
Other Expenses	24	9,699,270.08	13,015,954.16
Total Expenses		<u>23,546,362.83</u>	<u>69,607,393.50</u>
V. Profit Before Tax (III-IV)		<u>(9,806,675.93)</u>	<u>(15,874,899.88)</u>
VI. Tax Expense:			
- Current Tax		-	-
- Deferred Tax (Refer Note No. 28 (c))		1,973,315.00	(1,513,488.00)
VII. Profit / (Loss) after Tax but before Prior Period Adjustments (V-VI)		<u>(11,779,990.93)</u>	<u>(14,361,411.88)</u>
VIII. Prior Period Adjustments (Net)			
- Income Tax Paid for earlier years		-	464,261.65
- Prior Period Items		22,906.46	31,435.52
XI. Profit / (Loss) before Minority interest (VII-VIII)		<u>(11,802,897.39)</u>	<u>(14,857,109.05)</u>
XII. Minority Interest in Profits / (Losses)		<u>(1,960,382.04)</u>	<u>(2,176,881.83)</u>
XIII. Profit / (Loss) for the Year (XI-XII)		<u>(9,842,515.35)</u>	<u>(12,680,227.22)</u>
XIV. Earnings Per Equity Share:			
Basic & Diluted (Face Value per share ₹ 10/-)		(1.16)	(1.56)
Significant Accounting Policies	2		

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

for V.K. Dhingra & Co.
Chartered Accountants

(V.K. Dhingra) (Vijay Mehta) (Sham Nijhawan) (Shailendra Haruray)
Partner Chairman Director Director
M.No. 014467

Place : New Delhi
Dated : June 23, 2012

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

for V.K. Dhingra & Co.
Chartered Accountants

(V.K. Dhingra) (Vijay Mehta) (Sham Nijhawan) (Shailendra Haruray)
Partner Chairman Director Director
M.No. 014467

Place : New Delhi
Dated : June 23, 2012

Consolidated Report



Consolidated Cash Flow Statement of Mefcom Capital Markets Limited and its Subsidiaries and Associates for the year ended 31st March, 2012

	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
	(₹)	(₹)
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Taxation, Extra ordinary item and minority interests	(9,806,675.93)	(15,874,899.88)
Adjustment for		
- Depreciation	1,563,224.98	1,480,895.85
- Miscellaneous Expenditure Written Off	-	4,261.80
- Loss/ (Profit) on Sale of Investments (Net)	2,945,791.15	(8,878,410.15)
- Write off / Diminution in value of Investments and Stock-in-Trade (Net)	158,102.25	4,461,403.00
- Dividend Income on Investments	(4,068,792.31)	(3,697,114.11)
- Interest Paid	2,938,286.27	3,206,871.42
- Impairment of Goodwill	69,963.00	-
- Bad Debts Recovered	(251,350.00)	-
Prior Period Expenses & Extraordinary Items	(22,906.46)	(31,435.52)
Operating Profit before Working Capital Changes	(6,474,377.05)	(19,348,427.59)
Adjustment for		
Stock of Shares & Securities	-	39,230.00
- Trade and Other Receivables	13,372,406.85	10,046,731.83
- Trade and Other Payables	(2,811,851.25)	(11,932,242.46)
Less : Direct Tax Refund/(Paid)	288,918.46	(1,691,395.24)
NET CASH FROM OPERATING ACTIVITIES	4,375,087.01	(29,589,274.51)
[B] CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	-	(2,762,066.00)
- Purchase of Investments (including advances)	(5,122,726.76)	(122,891,144.83)
- Sale of Investments	10,157,161.79	97,220,212.27
- Dividend Received on Investments	4,068,792.31	3,697,114.11
NET CASH FROM INVESTING ACTIVITIES	9,103,227.34	
[C] CASH FLOW FROM FINANCING ACTIVITIES		
- Secured Loans Taken/(Repaid)	2,965,796.73	7,034,781.45
- Unsecured Loans Taken/(Repaid)	(13,500,000.00)	21,500,000.00
- Interest Paid	(3,978,621.97)	(1,495,190.00)
- Issue of Share Capital/Convertible Share Warrants	9,375,000.00	5,625,000.00
NET CASH FROM FINANCING ACTIVITIES	(11,069,418.70)	32,664,591.45
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	2,408,895.65	(21,650,567.81)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7,216,625.39	28,869,193.20
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	9,627,521.04	7,218,625.39

NOTES:-

- Figures in brackets represent cash outflows.
- Previous year figures have been reclassified, wherever considered necessary to made them comparable with current year's classification.

As per our report of even date attached

for V.K. Dhingra & Co.
Chartered Accountants

(V.K. Dhingra)	(Vijay Mehta)	(Sham Nijhawan)	(Shailendra Haruray)
Partner	Chairman	Director	Director
M No. 014467			

Place : New Delhi
Dated : June 23, 2012

Notes annexed to and forming part of Consolidated Financial Statements of Mefcom Capital Markets Limited and its Subsidiaries for the year ended on 31st March, 2012

Note No.

1. CORPORATE INFORMATION

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

S. No.	Name of Company	Relationship	Proportion (%) of shareholding as on 31.03.2012	Proportion (%) of Shareholding as on 31.03.2011
1	Mefcom Securities Ltd.	Subsidiary	60.00	60.00
2	Mefcom Infrastructure Projects Ltd	Subsidiary		100.00
3	Mefcom Commodity Brokers Ltd.	Wholly owned Subsidiary of Mefcom Securities Ltd.	60.00	60.00

During the year 2011-2012, Mefcom Infrastructure Projects Ltd. has ceased to be subsidiary.

2. SIGNIFICAN

i) Basis for Preparation of Financial Statements

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

ii) Principles applied for Consolidation of Financial Statements

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

Accounting Policies between group companies are consistent.

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

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

iii) Fixed Assets

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

iv) Depreciation

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

- d) Assets costing upto five thousand rupees are fully depreciated in the year of purchase
- e) No depreciation is provided on Stock Exchange Membership.
- v) Investments
 - a) Investments in shares, debentures and other securities are classified into 'Current Investments' and 'Non-Current Investments'
 - b) Non-Current Investments are valued at cost. Adequate provision is made for a decline, other than temporary, in the value of Non-Current Investments.
 - c) Current Investments i.e. the investments, which are not intended to be held for more than one year, are carried at lower of cost or market price. Where no market quotes are available the investments are valued at rupee one per company. Shortfall in the book value as compared to market value of investments is charged to Profit & Loss Account.
 - d) Cost is arrived at on Weighted Average cost basis.
- vi) Inventories
 - a) Stock of Shares and Securities

Shares and securities intended to be held for short term are considered as stock-in-trade and valued at lower of cost or net realizable value.
 - b) Commodities

Stock of commodities are valued at cost or net realizable value, whichever is lower.
- vii) Provision for Advances

Provision for Standard, Sub-standard (NPA) and Doubtful Advances (NPA) has been made in accordance with the prudential norms prescribed by Reserve Bank of India.
- viii) Revenue Recognition
 - a) Income from Merchant Banking Operations is accounted on accrual basis, when the right to receive is established in terms of the agreements with respective clients
 - b) In accordance with the prudential norms prescribed by the Reserve Bank of India, the Hire Purchase Income, Leasing Income and interest on loans and advances are not recognised on non-performing assets (NPA) unless the same are actually realised.
 - c) Brokerage Income from Secondary Market operations is recognised on completion of issuance of bill
 - d) Brokerage income from Primary Market Operations is recognised at the stage of completion of assignments / as per the terms of related agreements
- ix) Amortisation of Miscellaneous Expenditure

Share Issue Expenses, Preliminary Expenses and Deferred Revenue Expenses are written off over a period of ten years.
- x) Retirement Benefits
 - a) Contribution to Provident Fund and Family Pension Fund are provided for on accrual basis and deposited in the Employees Provident Fund Account(s) administered by the Central Government.
 - b) Gratuity is accounted for on cash basis.
- xi) Taxes on Income
 - a) Current Tax is provided in accordance with the applicable provisions of Income Tax Act, 1961
 - b) Deferred Tax Liabilities and Assets are recognized for the tax effect on the difference between taxable income and accounting income which are not permanent in nature subject to the consideration of prudence in the case of deferred tax assets.

Consolidated Report



3 SHARE CAPITAL

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

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number	(₹)	Number	(₹)
Authorised				
Equity Shares of ₹ 10 Each	10,000,000	100,000,000.00	10,000,000	100,000,000.00
Issued				
Equity Shares of ₹ 10 Each	9,140,168	91,401,680.00	8,140,168	81,401,680.00
Subscribed & Paid Up				
Equity Shares of ₹ 10 Each Fully Paid	9,140,168	91,401,680.00	8,140,168	81,401,680.00
Total	9,140,168	91,401,680.00	8,140,168	81,401,680.00

3 (b) Reconciliation of Number of Shares Outstanding as at 31.03.2012

Particulars	Equity Shares	
	Number	(₹)
Shares outstanding at the beginning of the Year	8,140,168	81,401,680.00
Shares issued during the year upon conversion of Warrants	1,000,000	10,000,000.00
Shares bought back during the Year	-	-
Shares outstanding at the end of the Year	9,140,168	91,401,680.00

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

Name of Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vijay Mehta	5,180,000	56.67	5,130,000	63.02
Karan Mehta	725,000	7.93	725,000	8.91

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

4 RESERVES & SURPLUS

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	(₹)	(₹)	(₹)	(₹)
A. Securities Premium Account				
Opening Balance	108,797,839.00		108,797,839.00	
Add: On shares issued during the year	2,500,000.00		-	
Closing Balance	111,297,839.00		108,797,839.00	
B. Capital Reserve				
Opening Balance*	12,943,460.83		12,943,460.83	
Add: Amount forfeited on Convertible Warrants during the year (Refer Note No. 26)	2,500,000.00		-	
Closing Balance	15,443,460.83		12,943,460.83	
* Includes ₹ 26,771.33 (Previous Year ₹ 26,771.33) arising on Consolidation.				
C. Special Reserve (Refer Note No. 30)				
Opening Balance	700,000.00		700,000.00	
Closing Balance	700,000.00		700,000.00	

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	(₹)	(₹)	(₹)	(₹)
D. General Reserve				
Opening Balance	1,100,000.00		1,100,000.00	
Closing Balance	1,100,000.00		1,100,000.00	
E. Deficit				
Opening Balance	(118,881,989.13)		(106,201,761.91)	
Less: Adjustment on account of Me/Com Infrastructure Projects Ltd. ceased to be Subsidiary Co. (Refer Note No. 35)	(286,597.62)		-	
Add: Net Profit / (Loss) for the Current Year	(9,842,515.35)		(12,680,227.22)	
Closing Balance	(128,437,906.86)		(118,881,989.13)	
Total	103,392.97		4,659,310.70	

5 LONG TERM BORROWINGS

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	(₹)	(₹)	(₹)	(₹)
Secured				
Term Loans				
From HDFC Bank (Secured by way of Hypothecation of a Vehicle Terms of Repayment- Repayable in equated Monthly Installments of ₹ 33,389/- each inclusive of interest @ 12.50% p.a. upto November, 2015)	904,921.81		1,174,027.97	
Total	904,921.81		1,174,027.97	

6 OTHER LONG TERM LIABILITIES

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	(₹)	(₹)	(₹)	(₹)
Security Deposits Received	357,200.00		357,200.00	
Total	357,200.00		357,200.00	

7 SHORT TERM BORROWINGS

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	(₹)	(₹)	(₹)	(₹)
Secured				
Loans and Advances				
From Body Corporate (Secured by way of pledge of Shares in a designated Demat A/c)	2,982,484.75		5,601,440.45	
Unsecured				
Loans and Advances				
From Body Corporates	8,000,000.00		21,500,000.00	
Total	10,982,484.75		27,101,440.45	

8 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	(₹)	(₹)	(₹)	(₹)
Current Maturities of Long Term Debt	269,106.16		346,841.03	
Interest Accrued but not due on Borrowings	831,687.72		1,872,043.42	
Share Application Money	-		2,500,000.00	
Security Deposits Received	2,180,180.60		3,598,384.33	
Other Payables				
- Statutory Liabilities	266,661.00		447,418.00	
- Liabilities for Expenses	1,205,543.17		1,712,346.14	
- Advances from customers	200,000.00		-	
- Others	-		47,720.96	
Total	4,953,178.65		10,524,753.88	

9 FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1st April, 2011	Additions during the Year	Balance as at 31st March, 2012	Upto 31st March, 2011	Depreciation charged for the Year	Upto 31st March, 2012	Balance as at 31st March, 2012	Balance as at 31st March, 2011
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
a. Tangible Assets								
Leasehold Premises Development	924,398.17	-	924,398.17	520,749.32	100,912.00	621,661.32	302,736.85	403,648.85
Furniture and Fixtures	3,792,229.88	-	3,792,229.88	2,550,221.56	224,803.51	2,775,025.07	1,017,204.81	1,242,008.32
Vehicles	5,414,229.00	-	5,414,229.00	2,359,931.76	790,757.55	3,150,689.31	2,263,539.69	3,054,297.24
Office Equipment	3,229,810.82	-	3,229,810.82	2,206,137.63	142,392.92	2,348,530.55	881,280.27	1,023,673.19
Computers (Refer Note No. 34)	7,858,670.61	166,500.00	8,025,170.61	7,437,193.89	235,190.68	7,672,384.57	352,786.04	421,476.72
Total	21,219,338.48	166,500.00	21,385,838.48	15,074,234.16	1,494,056.66	16,568,290.82	4,817,547.66	6,145,104.32
Previous Year	18,583,772.48	2,635,566.00	21,219,338.48	13,822,734.49	1,251,499.67	15,074,234.16	6,145,104.32	4,740,037.99
b. Intangible Assets								
Stock Exchange Membership [Refer Note No. 2 (iv) (e)]	210,000.00	-	210,000.00	-	-	-	210,000.00	210,000.00
Software	1,759,244.00	-	1,759,244.00	1,590,564.37	69,168.32	1,659,732.69	99,511.31	168,679.63
Total	1,969,244.00	-	1,969,244.00	1,590,564.37	69,168.32	1,659,732.69	309,511.31	378,679.63
Previous Year	1,842,744.00	126,500.00	1,969,244.00	1,381,168.19	209,396.18	1,590,564.37	378,679.63	482,575.81

10 NON-CURRENT INVESTMENT

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
A. Other than Trade Investments (Refer A below)		
Investment in Equity Shares	46,044,400.00	46,044,000.00
Less: Provision for diminution in the value of Investments	350.00	-
Total	46,044,050.00	46,044,000.00

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
Aggregate amount of quoted investments (Market value of ₹ 6,90,50,000/- (Previous Year ₹ 13,36,50,000/-))	41,000,000.00	41,000,000.00
Aggregate amount of unquoted investments	5,044,400.00	5,044,000.00

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

Name of the Body Corporate	Face Value	No. of Shares / Units		Amount (₹)	
		2012	2011	2012	2011
Investment in Quoted Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Banswara Syntex Ltd.	10	1,000,000	1,000,000	41,000,000.00	41,000,000.00
Investment in Unquoted Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Delhi Stock Exchange Ltd.	1	40,000	40,000	40,000.00	40,000.00
Bombay Stock Exchange Ltd.	1	50,000	50,000	5,004,000.00	5,004,000.00
Mefcom Infrastructure Projects Ltd.	10	40	-	400.00	-
Total				46,044,400.00	46,044,000.00

11 LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
(Unsecured, Considered Good)		
Advance Tax/TDS (Net)	1,813,688.93	2,102,607.39
Security Deposits		
- Due from related parties [Refer Note No. 38 (iii)]	3,175,000.00	5,500,000.00
- Due from Others	7,402,249.57	7,608,749.57
Other Loans & Advances		
- Advances to Clearing Member (Future & Options)	1,000,000.00	1,000,000.00
Total	13,390,938.50	16,211,356.96

12 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
(Unsecured, Considered Good)		
Long Term Trade Receivables	4,444,711.77	20,035,673.24
Miscellaneous Expenditure (To the extent not written off or adjusted)		
- Preliminary Expenses	-	21,309.00
Total	4,444,711.77	20,056,982.24

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
Investment in Equity Shares	30,973,049.94	38,666,011.23
Less : Provision for diminution in the value of Investments	7,836,760.52	7,977,941.00
Total	23,136,289.42	30,688,070.23

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
Aggregate amount of quoted investments (Market value of ₹ 2,44,01,685/- (Previous Year ₹ 4,09,55,828/-))	30,953,360.57	38,640,942.80
Aggregate amount of unquoted investments	19,689.37	25,068.43

Details of Current Investments

Name of the Body Corporate	Face Value	No. of Shares		Amount (₹)	
		2012	2011	2012	2011
		Investment in Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity			
Quoted Shares					
Banswara Syntex Ltd.	10	150,000	140,720	9,784,500.00	8,715,756.15
Ester Industries Ltd.	5	-	25,000	-	1,359,515.38
IDBI Bank Ltd.	10	20,000	20,000	3,539,000.00	3,539,000.00
Jindal South West Holdings Ltd.	10	2,500	2,500	2,280,823.00	2,280,823.00
JBF Industries Ltd.	10	-	3,000	-	671,398.75
JSL Stainless Ltd.	2	20,000	20,000	3,023,551.20	3,023,551.20
Karnataka Bank Ltd.	10	-	6,000	-	1,194,900.00
KLG Systel Ltd.	10	9,500	9,500	1,916,910.00	1,916,910.00
Kingfisher Airlines Ltd.	10	-	20,000	-	897,704.05
LKP Finance Ltd.	10	8,000	17,000	1,004,160.00	2,133,840.00
Mercator Lines Ltd.	1	-	12,000	-	677,160.00
Orient Refractories Ltd.	1	27,200	-	301,515.05	-
Orient Abrasive Ltd.	1	27,200	-	647,839.65	-
Satyam Computers Services Ltd.	2	40,000	40,000	2,917,600.00	2,917,600.00
S.Kumar Nationwide Ltd.	10	-	10,000	-	909,989.60
Steel Strip & Wheels Ltd.	10	-	1,000	-	417,884.60
Southern Petrochem. Ind. Ltd.	10	-	5,000	-	170,150.00
Tata Elxsi Ltd.	10	5,000	5,000	1,485,750.00	1,485,750.00
Uflex Ltd.	10	-	1,000	-	306,808.40
VIP Industries Ltd.	10	-	3,000	-	1,970,490.00
Zen Technologies Ltd.	10	20,000	20,000	4,051,711.67	4,051,711.67
Unquoted Shares					
Tele Data Marine Solutions Ltd.	2	625	625	19,689.37	19,689.37
TCI Developers Ltd.	10	-	37	-	5,379.06
Total		330,025	361,382	30,973,049.94	38,666,011.23

14 TRADE RECEIVABLES

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
(Unsecured Considered Good)		
- Outstanding for a period exceeding six months	-	-
- Others	624,611.82	131,091.56
Total	624,611.82	131,091.56

15 CASH & BANK BALANCES

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
Cash & Cash Equivalents		
Balances with Banks		
- In Current Accounts	4,571,147.09	6,813,969.44
- In Fixed Deposits	5,000,000.00	-
Cash in Hand	56,373.95	404,655.95
Other Bank Balances		
- In Fixed Deposits*	3,587,688.00	3,587,688.00
Total	13,215,209.04	10,806,313.39

* Includes Fixed Deposits of ₹ 35,00,000/- (Previous Year ₹ 35,00,000/-) under Bank Lien for guarantees given with maturity more than twelve months. [Refer Note No. 25(d)]

16 SHORT TERM LOAN & ADVANCES

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	(₹)	(₹)	(₹)	(₹)
(Unsecured Considered Good)				
Inter Corporate Deposit (Sub-Standard)	3,000,000.00	-	3,000,000.00	-
Less : Provision for Sub-Standard Assets	300,000.00	2,700,000.00	-	3,000,000.00
Other Advances*		9,722,844.36		5,206,349.40
Total		12,422,844.36		8,206,349.40

* Includes Share Application Money Paid ₹ 75,00,000/- (Previous Year ₹ 8,33,000/-) (Pending Allotment)

17 OTHER CURRENT ASSETS

Particulars	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)
Accruals		
- Interest Accrued on deposits	37,608.04	24,909.64
Others		
- V-Sat (Refer Note No. 34)	-	166,500.00
Total	37,608.04	191,409.64

18 REVENUE FROM OPERATION

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	(₹)	(₹)
Income from Merchant Banking Operations	2,565,000.00	2,640,660.00
Brokerage Income from Secondary Market	1,858,620.94	4,155,124.15
Sale of Shares / Securities	1,442,576.50	39,021,982.08
Profit/ (Loss) on Sale of Shares/Securities (Non-Delivery) (Net)	(2,577.15)	119,644.81
Profit/ (Loss) on Sale of Current Investments (Net)	(2,496,691.15)	8,878,410.15
Profit/ (Loss) on Sale of Long Term Investments (Net)	(449,100.00)	-
Profit/ (Loss) on Dealing in Equity / Index Derivatives (Net)	(1,039,826.11)	(5,937,807.66)
Profit/ (Loss) on Dealing in Commodity (Non-Delivery) (Net)	6,673,836.07	-
Total	8,551,839.10	48,878,013.53

19 OTHER INCOME

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	(₹)	(₹)
Interest Earned (TDS deducted ₹ 25,397.54) (P.Y.: ₹ 23,452.76)	278,353.39	652,766.37
Bad Debts Recovered	251,350.00	-
Dividend on Shares		
- On Current Investments	868,532.00	1,462,148.90
- On Non-Current Investments	3,200,000.00	2,200,000.00
- On Inventories	260.31	34,965.21
Unclaimed Liabilities Written Off	56,747.67	-
Other Income	532,604.43	504,599.61
Total	5,187,847.80	4,854,480.09

20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	(₹)	(₹)
Opening Stock	-	39,230.00
Less: Closing Stock	-	-
Decrease in Inventory	-	39,230.00

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21 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31st March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
Salaries and other benefits	4,593,479.00	5,694,278.00
Contribution to Provident Fund & E.S.I.	76,113.00	82,157.00
Staff Welfare Expenses	93,869.00	125,446.00
Director Remuneration	3,000,000.00	3,060,000.00
Total	7,763,461.00	8,961,881.00

22 PROVISIONS

Provision for Diminution in Value of		
- Current Investments	337,752.25	4,461,403.00
- Long Term Investments	(479,860.00)	-
Provision for Sub-Standard Assets (Advances)	300,000.00	-
Total	158,102.25	4,461,403.00

23 FINANCE COST

Interest Paid to Bank	166,688.27	72,783.42
Interest Paid to Others	2,771,578.00	3,134,088.00
Total	2,938,266.27	3,206,871.42

24 OTHER EXPENSES

Rent	2,348,952.00	3,275,141.00
Electricity Charges	391,544.00	543,448.00
Printing & Stationery	94,986.00	124,029.00
Conveyance & Travelling	496,746.88	466,397.18
Postage and Telephone Expenses	196,824.73	275,766.48
Fees & Subscription	574,238.90	598,269.00
Insurance	79,378.00	52,378.00
Professional Charges	2,169,585.00	1,620,094.10
Repair & Maintenance		
- Building	728,031.00	825,175.00
- Others	558,319.54	599,965.89
Advertisement & Publication Expenses	97,731.00	137,894.00
Security Transaction Charges	151,776.00	545,206.74
Business Promotion Expenses	63,097.69	95,479.65
Donation	-	210,000.00
Bad Debts Written off	-	57,375.15
Audit Fees	113,063.00	117,063.00
Bank Charges	131,241.62	118,749.23
Sub-Brokerage Paid	810,264.57	2,056,839.58
Stamp Duty Paid	9,718.00	41,386.00
F.O. Clearing Charges (NSE)	15,072.24	40,878.62
Stock Exchange Charges	355,325.11	772,418.83
SEBI Turnover Fees	3,696.00	6,932.00
Penalty Charges	-	5,875.00
Impairment of Goodwill (Refer Note No. 33)	69,963.00	-
General Expenses	239,715.80	429,192.71
Total	9,699,270.08	13,015,954.16

25. CONTINGENT LIABILITIES

- Unpaid calls on Investments: ₹ 1,25,02,500/- (Previous Year: ₹ 1,25,02,500/-).
 - Disputed dem and under Income Tax Act, 1961: ₹ 10,88,912/- (Previous Year: ₹ 6,87,000/-).
 - Corporate Guarantee issued to the banker of Mefcom Securities Ltd. (Subsidiary Company) for securing guarantee issued by their banker: ₹ 1,00,00,000/- (Previous Year: ₹ 1,00,00,000/-).
 - Guarantees given by Banks to Stock Exchanges for ₹ 70,00,000/- (Previous Year: ₹ 70,00,000/-) against pledging of FDRs of ₹ 35,00,000/- (Previous Year: ₹ 35,00,000/-).
26. Out of application money aggregating to ₹ 56,25,000/- received during the year 2010-11 against issue of 18,00,000 Convertible Share Warrants, ₹ 25,00,000/- have been forfeited during the year 2011-12 for non payment of allotment money on 8,00,000 Warrants and the same has been transferred to Capital Reserve. Balance 10,00,000 Warrants were converted into 10,00,000 fully paid up shares at a premium of ₹ 2.50 each during the year 2011-12 upon receipt of allotment money.
27. In the opinion of the management, Current Assets, Loans and Advances shall have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made and contingent liabilities have been disclosed properly.

28. PROVISION FOR TAXATION

- Provision for income-tax has been made in accordance with provisions of the Income-tax Act, 1961.
 - Some of the companies in the group have unabsorbed depreciation and carry forward losses under Tax Laws. In the absence of virtual certainty of sufficient future taxable income, net Deferred Tax Asset has not been recognised in accordance with the Accounting Standard-22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India.
 - During the previous years, one of the subsidiary company has recognized Deferred Tax Asset considering the certainty of earning sufficient taxable profits in future.
- The carrying amount of Deferred Tax Asset with respect to that subsidiary as on 01.04.2011 amounting to ₹ 19,73,315/- has been written down during the current year, as the company has history of recent losses and it is no longer reasonably certain or virtually certain that sufficient future taxable income will be available against which deferred tax asset can be realized.

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

30. 'Special Reserve' represent, the reserve created as per the provisions of Section 45-IC of the Reserve Bank of India (Amendment) Act, 1998.

31. No amount was due to the suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2012.

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

33. Other Expenses include an impairment loss on Goodwill arisen from Consolidation amounting to ₹ 69,963/- (Previous Year ₹ Nil) due to the deterioration of the financial position and financial performance of Mefcom Commodity Brokers Ltd.

34. V-Sat amounting to ₹ 1,66,500/- has been transferred from Other Current Assets to Fixed Assets during the year on 01.04.2011 and the depreciation has been charged on the same for the current year only.

35. During the year one of the Subsidiary Company i.e. Mefcom Infrastructure Projects Ltd. ceased to be a Subsidiary Company and the losses incurred upto the previous year amounting to ₹ 2,86,597.62 has been adjusted in the opening balances of the Statement of Profit and Loss.

36. DIRECTORS' REMUNERATION

- ₹ 30,00,000/- (Previous Year: ₹ 30,60,000/-) has been paid to the directors of group companies as a minimum remuneration in terms of resolution passed by shareholders read with the provisions of Schedule XIII to the Companies Act, 1956.
- Directors have waived-off their right to Sitting Fee.

37. SEGMENT REPORTING

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

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

Segment wise information is as under-

(₹)

Particulars	Investments in Share & Securities	Trading in Shares & Securities	Equity/Index Derivatives	Dealing in Commodity Exchange	Financing	Brokerage	Merchant Banking Service	Total
Revenue								
External Revenue	11,22,741	14,40,260	(10,39,826)	66,73,835	2,05,000	24,37,736	26,11,350	1,34,51,096
Result	1,25,40,559	3,91,76,593	(59,37,808)	-	-	46,46,223	26,40,660	5,30,66,227
Segment Result	(21,84,088)	5,457	(11,71,405)	65,27,516	(1,06,110)	(13,82,412)	(3,11,985)	13,76,973
Result	44,42,886	4,65,146	(61,40,764)	(2,24,565)	-	(14,48,053)	(14,10,074)	(43,15,424)
Unallocated Exp. net of unallocated income								(1,31,56,964)
								2,99,60,020
Net Profit / (Loss) before Prior Period Adjustments								(1,17,79,991)
								1,43,61,411
Other Information								
Segment Assets	6,92,42,177	-	8,76,384	9,53,405	27,00,000	2,15,94,742	1,07,034	9,54,73,742
Assets	7,75,72,736	-	-	9,87,284	30,00,000	3,92,95,560	4,94,774	12,13,50,354
Unallocated Assets								3,33,77,319
								2,99,60,020
Segment Liabilities	1,18,84,241	-	-	25,000	-	73,15,041	3,75,567	1,95,99,849
Liabilities	2,91,61,713	404	-	25,000	-	75,38,785	2,18,137	3,69,64,039
Unallocated Liabilities								15,62,005
								45,15,827

Figures in Bold indicates Current Year.

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38. RELATED PARTY DISCLOSURE

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

i) Related Parties :

Key Management Personnel	Entities over which Key Management Personnel can exercise significant influence
Mr. Vijay Mehta – Chairman	IKMA Infoway Pvt. Ltd
Mr. T.R. Khare – Director	
Relatives	
Ms. Priyanka Mehta – Daughter of Mr. Vijay Mehta	
Mr. Karan Mehta – Son of Mr. Vijay Mehta	

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

ii) Summary of Transactions with Related Parties :

Nature of Transactions	Key Personnel	Relatives	Entities over which Key Management Personnel can exercise significant influence	Total
Remuneration Paid				
-Mr. Vijay Mehta	30,00,000	-	-	30,00,000
	30,00,000	-	-	30,00,000
-Mr. Karan Mehta	-	-	-	-
	-	60,000	-	60,000
Rent Paid				
-Mr. Vijay Mehta	23,48,952	-	-	23,48,952
	32,68,141	-	-	32,68,141
Profit/(Loss) on Dealing in Derivatives				
-Mr. Vijay Mehta	2,425	-	-	2,425
	2,200	-	-	2,200
-Mr. Karan Mehta	-	-	-	-
	(5,996)	-	-	(5,996)
-Ikma Infoway Pvt. Ltd.	-	-	-	-
	-	-	(12,64,955)	(12,64,955)
Purchase of Shares				
Mr. Vijay Mehta	33,35,286	-	-	33,35,286
	40,00,839	-	-	40,00,839
Ms. Priyanka Mehta	-	-	-	-
	-	6,21,146	-	6,21,146
Mr. Karan Mehta	-	-	-	-
	-	5,64,062	-	5,64,062
Ikma Infoway Pvt. Ltd.	-	-	15,18,286	15,18,286
	-	-	9,24,050	9,24,050
Sale of Shares				
-Mr. Vijay Mehta	47,35,076	-	-	47,35,076
	43,26,584	-	-	43,26,584
-Mr. Karan Mehta	-	14,60,368	-	14,60,368
	-	13,40,808	-	13,40,808
-Ms. Priyanka Mehta	-	-	-	-
	-	7,68,901	-	7,68,901
-Ikma Infoway Pvt. Ltd.	-	-	-	-
	-	-	24,78,892	24,78,892
Advances Given				
-Mr. Vijay Mehta	-	-	-	-
	6,00,000	-	-	6,00,000
Refund of Advances Given				
-Mr. Vijay Mehta	-	-	-	-
	6,00,000	-	-	6,00,000
Refund of Security Deposit Given				
-Mr. Vijay Mehta	23,25,000	-	-	23,25,000
	-	-	-	-
Balances payable				
	-	-	-	-
	-	-	-	-
Balance Receivable				
	31,75,000	-	-	31,75,000
	55,00,000	95,523	-	55,95,523

Figures in Bold Indicate Current Year.

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

39. Details of the subsidiaries are given in aggregate as per the General Circular No. 51/12/2007-CL-III dated 8th February, 2011 issued by the Government of India, Ministry of Corporate Affairs, New Delhi :

	Mefcom Securities Ltd.	Mefcom Commodity Brokers Ltd.	Total
Capital	50,000,000.00	10,000,000.00	60,000,000.00
Reserve & Surplus	26,82,879.55	(1,74,80,638.45)	(1,47,97,758.90)
Total Assets	6,11,27,366.78	14,72,372.40	6,25,99,739.18
Total Liabilities	6,11,27,366.78	14,72,372.40	6,25,99,739.18
Details of Investment (Excluding subsidiary)	5,044,000.00	-	5,044,000.00
Turnover	54,42,064.13	6,83,017.34	61,25,081.47
Profit before Taxation	(32,77,336.02)	4,19,658.91	(28,57,677.11)
Provision for Taxation	19,73,315.00	-	19,73,315.00
Profit after Taxation	(52,50,651.02)	4,19,658.91	(48,30,992.11)
Proposed Dividend	Nil	Nil	Nil

40. EARNING PER SHARE

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

1. Calculation of Basic Earning Per Share:

		2011-12	2010-11
a) Net Profit / (Loss) @	(₹)	(98,42,515.35)	(1,26,80,227.22)
b) Number of Equity Shares	(Nos.)	84,68,037	81,40,168
c) Nominal Value per Equity Shares	(₹)	10.00	10.00
d) Earning Per Share (Basic & Diluted)	(₹)	(1.16)	(1.56)

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

2. Calculation of Diluted Earning Per Share :

There are no dilutive potential equity shares outstanding as on 31st March, 2012.

41. EMPLOYEES BENEFITS

i) Defined Contribution Plan

Contribution to Provident Fund : ₹ 76,113/- (Previous Year : ₹ 82,157/-).

ii) Defined Benefit Plan

a) As per consistent practice, gratuity is provided on cash basis. During the year no gratuity was paid.
b) The company does not have practice of carry forward and encashment of unavailed leaves. Therefore, no disclosures are required in this regard.

42. EXPENDITURE IN FOREIGN CURRENCY

Particulars	Current Year	Previous Year
- Travelling Expenses	1,38,997.18	1,16,338.90

43. PAYMENTS MADE TO AUDITORS

Particulars	2011-2012	2010-2011
- Statutory Audit Fee	1,13,063/-	1,17,063/-
- Tax Audit Fee	16,287/-	21,287/-
- In Other Capacity	16,721/-	19,124/-

44. The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under the revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification.

for V.K. Dhingra & Co.
Chartered Accountants

(V.K. Dhingra)	(Vijay Mehta)	(Sham Nijhawan)	(Shailendra Haruray)
Partner	Chairman	Director	Director
M.No. 014467			

Place : New Delhi

Dated : June 23, 2012