



2013-14

ANNUAL REPORT

MEFCOM CAPITAL MARKETS LIMITED

Board of Directors

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

Company Secretary

Ms. Pinki Jha

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, Nehra Place,
New Delhi - 110019
Ph. : 011-4650 0500
E-mail : invest@mefcom.in
CIN No. : L74899DL1985PLC019749



CONTENTS	Page Nos.
Notice	1
Directors' Report	2 - 4
Management Discussion and Analysis	5 - 7
Report on Corporate Governance	8 - 15
Auditors' Report	15 - 17
Balance Sheet	18
Statement of Profit and Loss Account	19
Cash Flow Statement	20
Notes to Account	21 - 32
Consolidated Financial Statements	33 - 52

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 29TH ANNUAL GENERAL MEETING OF THE MEMBERS OF MEFCOM CAPITAL MARKETS LIMITED WILL BE HELD ON SATURDAY, THE 5TH JULY, 2014 AT 11.30 A.M. AT E-15, ANSAL VILLAS, SATBARI, NEW DELHI – 110030 TO TRANSACT THE FOLLOWING BUSINESS;

ORDINARY BUSINESS:-

- To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and Profit and Loss Account for the year ended on that date along with the Report of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Tarsem Garg, who retires by rotation, and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Shailendra Hruary, who retires by rotation, and being eligible, offers himself for re-appointment.
- 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:-

- No special business is proposed to be transacted at the meeting.

By order of the Board
For Mefcom Capital Markets Ltd.

Registered Office
5th Floor, Sanchi Building,
77 Nehru Place
New Delhi – 110019

Place: New Delhi
Dated :May 30, 2014

NOTES:-

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy, in order to be effective, should be duly stamped, filled, signed and must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

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.

Register of Members and the Share Transfer books of the Company shall remain closed from July 4, 2014 to the July 5, 2014 (both days inclusive) in connection with the 29th Annual General Meeting of the Company.

Shareholders 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.

Keeping in-view of the new provision of Ministry of Corporate Affairs (MCA) Government of India, the Company may send various notices/documents to its members through electronic mode to the registered e-mail address of the shareholders. In view of this, the shareholders are requested to provide their e-mail IDs to the Company duly mentioning their Folio No., Name and number of shares held as on date. This can also be sent by electronic mode to the Company at following e-mail IDs of the Company / or its RTA:-

a)r.n.yadav@mefcom.in
b)beetalrta@gmail.com

The shareholders, who have not converted their shares into demat form, are requested to do so, in their own interest.

The documents referred to in the proposed resolutions are available for inspection at the registered office of the Company during working hours between 10.00 A.M. and 1.00 P.M. except on holidays.

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 in the meeting.

Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting's venue.

Members holding shares in physical form can avail the nomination facility by filing form 20B (in duplicate) with the Company's Registrar and Share Transfer Agents which will be made available on request and in case of shares held in dematerialized form, the nomination has to be lodged with their DP. Members holding shares in dematerialized form may contact their DP for recording nomination in respect of their equity shares.

As required under Clause 49(IV) G of the Listing Agreement with the Stock Exchange, the relevant details of Directors retiring by rotation and seeking re-appointment at the ensuing AGM are furnished in the Corporate Governance section of this Annual Report.

Members are requested to bring their copies of the Annual Report to the meeting.

The Company has designated exclusive e-mail ID viz r.n.yadav@mefcom.in to enable investors to send their complaints /queries if any.

By order of the Board
For Mefcom Capital Markets Ltd.

Registered Office
5th Floor, Sanchi Building,
77 Nehru Place

Place: New Delhi
Dated :May 30, 2014

Sd/-
(Pinki Jha)
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 29th Annual Report together with the Audited Accounts of the company for the year ended 31st March 2014.

FINANCIAL RESULTS

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2014 (Rs. IN LACS)	FOR THE YEAR ENDED 31ST MARCH, 2013 (Rs. IN LACS)
Gross Income	129.96	356.94
Total Expenses	113.30	355.52
Profit / (Loss) before Interest, Depreciation and Tax	16.66	1.42
Depreciation	5.92	7.43
Interest	2.08	5.43
Provision for Income Tax (incl. fringe benefit tax)	0.00	0.00
Prior period expenses	0.00	0.03
Profit / (Loss) after	8.66	(11.47)

OPERATIONS AND FUTURE OUTLOOK

Your Company has earned a net profit of Rs.8.66 lacs against a loss of Rs.11.47 lacs in the previous year.

Your company has increased its income from Merchant Banking activities to Rs.38.95 Lacs in comparison to previous year where we had income of 14.45 Lacs only.

Your directors are putting their best efforts for the growth of the company.

DIVIDEND

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

SUBSIDIARY COMPANIES

The company has one subsidiary company namely M/s Mefcom Securities Ltd. 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, 2014 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 / MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Clause 49 of the Listing Agreement with Stock Exchange, the Company has adopted a Code of Conduct which is applicable to the members of the Board and senior management. The Company fully complies with the Corporate Governance practices as enunciated in the Listing Agreement, Corporate Governance Report and Management Discussion and Analysis Report are annexed and marked Annexure-1, which form part of this report.

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.

DIRECTORS

In Accordance with the provisions of Companies Act, 1956 and Articles of Association of the company, Shri Shri Shailendra Haruray and Shri Tarsem Garg are liable to retire by rotation at the ensuing Annual General Meeting, but being eligible offers themselves for re-appointment. The Board recommends their re-appointment.

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.

- (b) 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, 2014 and of the losses of the Company for that year.
- (c) 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.
- (d) The directors had prepared the annual accounts of the Company for the year ended March 31, 2014 on a "Going Concern" basis.

AUDIT COMMITTEE

In accordance with the requirement of Clause 49 of the Listing Agreement with Stock Exchange, the Board has constituted the Audit Committee which comprised 3(three) Independent Directors viz Shri Tarsem Garg (Chairman) Shri Sham Nijhawan Shri Shri Shailendra Haruray besides Shri T.R.Khare as a member.

The composition, role, functions and powers of the Audit Committee are in accordance with the applicable laws and the Listing Agreement with the Stock Exchange.

AUDITORS

Statutory Auditors

M/s V. K. Dhingra & Company, Chartered Accountants, New Delhi, hold office as the Auditors of the Company until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a Certificate to the effect that the re-appointment, if made, would be within the limits prescribed under the Section 224(1-B) of the Companies Act, 1956.

AUDITORS' REPORT

As regards the Auditors' observations the relevant Note in Significant Accounting Policies, Notes on Accounts and other disclosures are self-explanatory and, therefore, do not call for any further comments.

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 did not have any foreign exchange earning and outgo.

DEMATERIALISATION OF SHARES

In pursuance of SEBI / Stock Exchange directions, your Company offered demate option to its esteemed shareholders so as to enable them to trade the shares in the demate form. In response, 96.08% shares have been converted into demat form up to 31st March, 2014. The ISIN Number – INE186C01015.

PARTICULARS OF EMPLOYEES

During the year under report, the relations between the Company's management and its staff continued to remain cordial. The Directors place on record their deep appreciation of the devoted services of the staff and executives.

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.

ACKNOWLEDGEMENT

Your directors wish to express their grateful appreciation for the co-operation and assistance extended to the company by various Government departments, regulators, stock exchanges, other statutory bodies and bankers to the company. The directors thankfully acknowledge the continuous support and guidance of all the shareholders and, more importantly, for the confidence reposed in the Company's management.

By order of the Board
For Mefcom Capital Markets Ltd

Sd/-
(Vijay Mehta)
Chairman

Place: New Delhi
Dated: May 30, 2014

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, 2014
2.	(a) Issued subscribed and paid-up capital of subsidiary companies.	50, 00,000 Equity Shares of Rs.10/- each.
	(b) Extent of interest of Mefcom Capital Markets Ltd. in	29, 99,900 Equity Shares of Rs.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	
	a) For the financial year 31st March, 2013.	(1733447)
	b) For the previous financial years of the subsidiary since it	(5500127)
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, 2013.	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
Dated: May 30, 2014

Sd/-
(Vijay Mehta)
Chairman

Forming part of Directors Report MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Management Discussion and Analysis mainly comprises the statements which, *inter alia* involve predictions based on perceptions and may, therefore, be prove to risk and uncertainties. It is the sum total of the Company's expectations, beliefs, estimates and projections which may be forward looking within the meaning of applicable securities, laws and regulations. The actual results could differ materially from those expressed herein specifically or impliedly.

The important factors that could make difference to the Company's operations, changes in Government regulations, tax regimes, economic developments within India and countries in which the Company conducts business.

Overview of the Indian Economy

The economic slowdown bottomed out last year. A spell of global financial turbulence caused capital outflows and pressure on the exchange rate, but strong policy measures stabilized the currency, rebuilt reserves, and narrowed the excessive current account deficit. Weaknesses remain, however, and include persistent inflation, fiscal imbalances, bottlenecks to investment, and inefficiencies that require structural reforms. Without a systemic resolution to these, growth is forecast to pick up modestly.

The government's initial estimates peg the growth in gross domestic product (GDP) at 4.9% in Fiscal Year 2013 (ended 31 March 2014), slightly higher than the ADO Update 2013 forecast of 4.7%. The estimate could be a tad optimistic, as achieving it would require growth to be boosted to 5.5% in the fourth quarter of FY2013. The marginal pickup in headline GDP growth masks underlying weakness in the economy as it was due to stronger agriculture. Excluding agriculture, GDP growth slipped from 5.0% in FY2012 to 4.9% in FY2013.

The recovery of the monsoon in the season's second half in 2012 and a good monsoon in 2013 helped agriculture to grow by 4.6% in FY2013, though growth moderated somewhat in the second half of the year. Food grain production is estimated to have increased by 2.4% in FY2013, reaching a record of 263.2 million tons.

After growing by a tepid 1.0% in FY2012, industry decelerated further to 0.7% in FY2013. While mining has been in the red for nearly 2 years because policy bottlenecks plaguing coal and natural gas have seen little resolution, the contraction in manufacturing output was a new low. Continuing contraction in the output of capital goods and consumer durables reflects very weak investment and consumer demand. Bottlenecks restricting fuel supplies have hampered electricity generation.

The industrial slowdown and weak recovery in advanced economies caused growth in services to drop below 7%. Trade, hotels, transport, and communication services, which together

account for more than a quarter of GDP, saw growth slump to 3.5% in FY2013 as industry weakened and consumption dried up. Growth in the large financial services industry is estimated at a healthy 11.2%. However, much of this expansion is attributed to strong deposit mobilization as large inflows came from Indian nonresidents under a temporary foreign exchange swap window. This appears to be largely a one-off event.

Indian Financial Services Sector-Prospects and challenges

Driven by sustained Foreign Institutional investment, and buoyed by election euphoria, we saw the markets touching all time high this year. The various steps taken by the Central Government and the new RBI regime in order to bring down CAD, support rupee, boost manufacturing and curb rising inflation has indeed sent out positive vibes, even though, such measures are yet to translate into growth numbers. Thus, as we usher in a new year, and as equity indices are near record peaks, market participants wonder, if we are at the cusp of a powerful rally, or a disappointing fall. Meanwhile, general elections scheduled for 2014, pose grave risk to year end projections.

FII Migration

While there have been strong FII inflows to India in 2013, China is increasingly becoming more attractive with recent signs that the country will continue to develop its financial markets. According to reports, China-focused hedge funds managed USD12.9 billion in assets as of the end of September, exceeding levels before the global financial crisis. In September 2013, China had announced a basic plan for a newly established free-trade zone in Shanghai that would give foreign companies greater freedom in the country's tightly regulated financial markets and the regulators are expected to promote oil derivatives and allow securities and futures companies in the zone to engage in over-the-counter trading in commodities and financial derivatives in the domestic market. Also there are reports that China has approved a new plan to allow US investors to indirectly access its stock markets which is seen as a major step towards opening up of their markets. So, a good part of the money that has already come to India, could as well as go to China or other emerging economies.

Elections bring hope, not assurance

Recent market rallies around assembly elections have given us a glimpse of what markets could do in the event of a political environment that is more favorable to business. While popular sentiments as well as media reports see a new government with BJP at the center as a game changer for markets and economy, it is simplistic to imagine that a single party could pull its weight effectively enough in the present fragmented political picture. Or to imagine that the stubborn challenge of inflation or the nagging problem of global economic slowdown can be dismissed by a couple of policy changes. In a cricket parlance, we know how good or bad the pitch is, only after the second team has batted. On an optimistic note, sometimes, a change in face or approach could do what a dozen of policies could not. Such hope could keep the markets upwardly projected through the year though, the trading ranges and volatility could be bigger, as we would consistently bump into rough weather owing to inflationary pressure on growth initiatives, which may be fairly expected to be

After that last rate announcement of the year, having maintained rates, RBI Governor Raghuram Rajan told that "I also want to emphasize that it shouldn't be taken that we're on hold. We are waiting for data. Hence as the data come in, we will react appropriately." If that be the case, we have a real problem.

Newer peaks in 2014; newer products-Opportunity for Company

Your Company along with its subsidiary company – Mefcom Securities Limited, offer its clients an integrated financial services platform by offering various financial services and products covering equity broking, F & O, and portfolio advisory. It also proposes to offer trading in currency derivatives also in the next financial year. Our integrated service platform allows us to leverage relationships across the lines of businesses and our industry and product knowledge by providing multi-channel delivery systems to our client base. Though the peaks seen around December elections fizzled off soon, it is indicative of a potential that is waiting to be harnessed. The persistence and the quantum of FII money that has flowed into Indian financial markets are impressive. According to data compiled from SEBI, FIIs have invested over one lakh crore rupees in the Indian stock market so far in 2013, which is suggestive that markets are poised for bigger up moves in 2014. Meanwhile, DIIs have been net sellers of over 9000 crore rupees in November, which is consistent with the trend of retail investors, whose decisions influence MFs, Insurance companies, liquidating at recent peaks. This also suggests that we could have more retail participation once newer peaks are seen. Further, with inflation remaining a persistent theme in the last one year, real savings have been difficult, and the launch of inflation indexed bonds could, possibly, influence the way investors approach several savings modes, especially with inflation priced in. This could also increase interest in bonds. Mergers and Acquisitions, which at around \$28 billion in 2013 has been at the lowest level in three years. With improving macroeconomic fundamentals, year 2014 could see more such M&As. Investors who track such moves closely would be able to benefit from value-unlocking.

Being an investment banking company, your company seeks opportunities in the 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.

SWOT Strengths

- Transparent functioning
- Innovative I. T solutions for customers
- Emphasis on building stronger bond with customers
- Services offered include Equity Trading, IPO and Investment Advisory
- Competent management team
- Focus on quality and service

Weaknesses

- Lack of PAN India presence
- Indians are mostly conservative and prefer investing in Gold and Real Estate

Opportunities

- High purchasing power and people looking to more investment opportunities
- Growing rural market
- Earning Urban Youth
- New development oriented Government

Threats

- Stringent Economic measures by Government and RBI
- Entry of foreign firms in Indian Market

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.30 annexed to and forming part of Balance Sheet as at and Profit & Loss Account for the year ended on 31st March 2013

Operations and Future Outlook

The Company has shown a net profit of Rs.8.66 Lacs this year as mentioned above substituting the loss for the last financial year. It is because this year we increased our activities in Merchant Banking services as well as increased income from other major activities in the capital market.

The Company holds permanent registration as Merchant Bankers from SEBI. Earlier your company has entered into a joint venture with Beaufort Merchant Bank of London to explore overseas assignments, but it could not get desired results because of global slowdown. 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, 2014 stands at Rs 91,401,680/- divided into 91,40,168 equity shares of Rs 10/- each fully paid up.

Reserves and Surplus

During the year under consideration, the reserves and surplus stands at Rs27.57 Lacs

Investments

The total investment increased to Rs.612.50 Lacs as at March 31, 2014 against Rs.607.05 Lacs at the end of the previous year as the management has off-loaded a few investments.

Loan

Secured Loan stands at Rs2.55 Lacs as at March 31, 2014.

Total Income

During the year under consideration, total income was Rs.129.96 Lacs as against Rs.356.94 Lacs in the previous year.

Other Income

During the year under consideration, other income was Rs.35.41 Lacs as against Rs28.43 Lacs in the previous year.

Interest and Finance Charges

During the year under consideration, total interest and finance charges were Rs.2.08 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.

For and on Behalf of the Board

Place : Delhi
Date : May 30, 2014

Sd/-
Vijay Mehta
Chairman

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 Shailendra Haruray	Director
Non-Executive Independent Director	Shri Tarsem Garg	Director

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 Procedure

The members of the Board are provided with the requisite information mentioned in the Listing Agreements well before the Board meetings. The Board considers all the matters which are statutorily required to be considered by it. All the Directors, who are members of the various committees, are within the limits prescribed in the Listing Agreements.

The Directors have intimated, from time to time about their directorship/membership of committees in other companies.

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 2014, 4 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	30.05.2013	5	3
2	31.07.2013	5	3
3	11.11.2013	5	3
4	05.02.2014	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 2014 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	4	Yes	6	1	2	1
Sh T. R. Khare	3	Yes	9	-	-	-
Sh Sham Nijhawan	3	-	1	-	-	-
Sh. Tarsem Garg	1	-	5	-	-	-
Sh. Shailendra Haruray	1	-	5	-	-	-

2.2 REMUNERATION OF DIRECTORS

The directors waived the sitting fees for the financial year 2013-14. Therefore no sitting fee was paid during the financial year.

The Company presently does not have any stock option scheme.

Profile of Directors being Re-appointed:

Sh. Shailendra Haruray and Sh. Tarsem Garg Directors of the Company, retiring by rotation, are proposed to be re-appointed, at the ensuing Annual General Meeting.

Particulars of their other Directorships are given below:

Name of the Director	Details of other Directorships of Public Limited Companies	Committees membership in other Companies
Sh. Shailendra Haruray	Mefcom Commodity Brokers Ltd. Mefcom Securities Ltd. Actuate Management Consultants Pvt. Ltd. Actuate Enhance Investment Consultants Pvt. Ltd. Rostock Power Systems India Pvt. Ltd.	-
Sh. Tarsem Garg	REIG Management Co. Pvt. Ltd. MTM Magnum Finance Ltd. Chandrayaan Infrastructure & Developers Pvt. Ltd. Kubera Finance Consultancy Pvt. Ltd. Mefcom Infrastructure Projects Ltd.	-

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	Nominations and Remuneration Committee	Stakeholders Relationship Committee and Share Transfer 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 32 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 30 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 24 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 Audit Committee has been constituted as per Section 177(4) of the Companies Act, 2013, And the guidelines set out in the Listing Agreements with the Stock Exchanges.

The Management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for conducting independent audits of the Company's financial statements in accordance with generally accepted Accounting practices and for issuing reports based on such audits. The Audit Committee has been constituted to assist the Board in overseeing the quality and integrity of the accounting auditing and reporting policies/practices of the Company and its compliance with the legal and regulatory requirement.

The Audit Committee comprises 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 2014, the committee held 4 Meetings on the following dates:

1. 30.05.2013
2. 31.07.2013
3. 11.11.2013
4. 5.02.2014

The Frequency and quorum, etc. at these meetings were in conformity with the provisions of the than Companies Act, 1956 and now as per Companies Act 2013 along with Listing Agreement of the Stock Exchange.

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:

- I. To discuss and review the quarterly Audit Reports submitted by the Internal Audit Department.
- II. To review the progress in implementation of the suggestions made by the Internal Audit Department.
- III. 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.
- IV. To discuss the quarterly, half yearly and annual financial results of the Company and recommend the same to the Board for its approval.
- V. To interact with Statutory Auditor on the Annual Accounts and on other accounting matters.
- VI. 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

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.

During the year 2013-14, no meeting of the Committee was held.

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

However Members of all the Committees of the company in their meeting held on Wednesday February 5, 2014 approved that Non-Executive Independent Directors of the company shall be paid an amount of Rs. 2000/- per meeting towards sitting fees for the Board Meetings from next financial year i.e 2014-15.

4. GENERAL BODY MEETINGS

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

AGM No.	Year	Date	Time	Venue
26th	2011	30th July 2011	11.00 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi – 110030.
27th	2012	28th August 2012	11.00 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi – 110030.
28th	2013	6th July 2013	11.30 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi – 110030.

A special resolution was passed in 26th and 28th Annual General Meeting of the Company, alter the Articles of Association of the Company and Appointment of Managing Director respectively.

No Special resolution was passed in 27th Annual General Meeting 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. '30-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 2014. 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	:	5th July, 2014
Time	:	11.30 A.M.
Venue	:	E-15, Ansal Villas, Satbari, New Delhi-110030

8.2 FINANCIAL CALENDAR 2014-15

First Quarter Results	Within 45 days from the end of the quarter
Second Quarter / Half yearly Results	Within 45 days from the end of the quarter
Third Quarter Results	Within 45 days from the end of the quarter
Annual Results (un-audited) for the year ending, March 31, 2013	Within 60 days from the end of the quarter
Annual General Meeting	By the end of September, 2015

8.3 BOOK CLOSURE

The Share Transfer Books and Register of Members shall remain closed from July 04, 2014 to July 05, 2014 (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, 2014.

8.5 LISTING OF SHARES

The name of the Stock Exchange, at which Company's shares are listed as on 31st March, 2013 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 2014-15. 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 (RS.)	Low (RS.)
April 2013	17.95	12.79
May 2013	17.55	14.4
June 2013	13.75	9.62
July 2013	16.45	8.75
August 2013	9.18	7.03
September 2013	7.76	7.04
October 2013	7.48	5.71
November 2013	8.4	5.62
December 2013	10.33	6.17
January 2014	11.91	9.03
February 2014	12.46	9.7
March 2014	12.9	10.58

8.8 DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2014

Number of Equity Shareholding	Number of Shareholders	% of Shareholders	No. of Shares	% of Total Shares
1- 5000	2937	90.48	405598	4.4375
5001- 10000	135	4.16	110679	1.2109
10001-20000	77	2.37	118312	1.2944
20001-30000	29	0.89	73351	0.8025
30001-40000	8	0.25	29442	0.3221
40001-50000	6	0.18	28880	0.3160
50001-100000	18	0.55	123920	1.3558
100001& above	36	1.11	8249986	90.2608
Total	3246	100%	9140168	100%

8.9 CATEGORY OF SHAREHOLDING AS ON 31ST MARCH, 2014

S. No.	Category	No. of Shares Held	% of Shareholding
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	200	0.01
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions)	Nil	Nil
	c. Foreign Institutional Investors	Nil	Nil
	Sub – Total	200	0.01
4.	Others		
	a. Private Corporate Bodies	601459	6.58
	b. Indian Public	2504493	27.40
	c. NRIs / OCBs	76702	0.84
	d. HUF	25274	0.28
	e. Foreign Corporate	15000	0.16
	f. Stressed Assets Stabilisation Fund	8540	0.09
	g. Any Other (Clearing Member)	0	0
	Sub Total	3231468	35.35
	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 96.08% of total shares are held in demat form as on 31st March 2014.

8.11 REGISTRARS AND SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

The Company had appointed M/s. Beetal Financial & 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 & 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, 2014, and all requests for dematerialization of shares as on that date were confirmed / rejected to NSDL/CDSL.

Complaints Received	Nil
Complaints Replied	Nil
Complaints Pending	Nil

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

Company Secretary: Pinki Jha

8.13 ADDRESS FOR CORRESPONDENCE

I Investors Correspondence may be addressed to the following

Pinki Jha
Company Secretary
Mefcom Capital Markets Ltd
5th Floor, Sanchi Building
77, Nehru Place
New Delhi-110019
Email: pinkyjha@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. A. N. Dubey
Manager Accounts & Taxation
Mefcom Capital Markets Ltd
5th Floor, Sanchi Building
77, Nehru Place
New Delhi-110019
Ph: +91 11 46500533
Email: accounts@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 2013-14.

Place : New Delhi
Date : May 30, 2014

Sd/-
(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:

- 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.
 - 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.
- 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.
- 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.
- 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.

Sd/-
(A.N.Dubey)
Manager Accounts & Taxation

Sd/-
(Vijay Mehta)
Chairman

Place: New Delhi
Date : May 30, 2014

COMPANY SECRETARIES'S REPORT ON CORPORATE
GOVERNANCE

To,
The Members
M/s Mefcom Capital Markets Limited
Flat No. 18, 5th Floor
77 Sanchi Building, Nehru Place
New Delhi- 110019

We have examined the compliance of conditions of Corporate Governance by M/s Mefcom Capital Markets Limited ("Company") for the year ended on 31st March, 2014 as stipulated in the Clause 49 of the Listing Agreement in respect of equity shares of the said Company with the Stock Exchanges.

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

According to the information and explanations given to us, in our opinion, the Company is in compliance with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreements with the Stock Exchanges.

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

For Kundan Agrawal & Associates
Company Secretaries

Place: Delhi
Date:30/05/2014

Sd/-
Kundan Agrawal
Company Secretary
C.P. No. 8325

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MEFCOM CAPITAL MARKETS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of MEFCOM CAPITAL MARKETS LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of financial position and financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

2: Basis for Qualified Opinion

Provision for actuarial liability for gratuity payable to employees has not been worked out and accounted for on accrual basis as required under Accounting Standard-15 "Employees Benefits" issued under Companies (Accounting Standards) Rules, 2006. The impact thereof on the financial statements is not ascertainable. {Refer note 32(b)}

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements 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, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of Order.

2. As required by section 227 (3) of the Companies Act, 1956, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except for the matter described in paragraph on Basis of Qualified Opinion given above ;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

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

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 except Accounting Standard-15 regarding Employees Benefits;

(e) We have not received written representation from one of the directors i.e. Mr. T. R. Khare. Therefore, we are not able to comment whether he is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956. On the basis of written representations received from other directors of the Company as on 31st March, 2014 and taken on record by the Board of Directors, none of those directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

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

PLACE: NEW DELHI
DATED: MAY 30, 2014

(LALIT AHUJA)
PARTNER
M. No. 085842

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH (1) UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF MEFCOM CAPITAL MARKETS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2014

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. No discrepancy has been noticed on the aforesaid verification.

c) There was no disposal of fixed assets during the year.

2. The company is not dealing in any inventory as defined in Accounting Standard-2 on 'Inventory Valuation'. 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, 2014 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 not incurred cash loss during the year ended on 31st March, 2014 but had incurred cash loss 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, 2014.
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, 2014.

For V.K. DHINGRA & CO.
CHARTERED ACCOUNTANTS
 Firm Regn. No. : 000250N

PLACE: NEW DELHI
 DATED: MAY 30, 2014

(LALIT AHUJA)
 PARTNER
 M. No. 085842

Mefcom Capital Markets Limited
BALANCE SHEET AS AT 31ST MARCH, 2014

(₹)

PARTICULARS	NOTE NO.	AS AT 31.03.2014	AS AT 31.03.2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	91,401,680.00	91,401,680.00
(b) Reserves and Surplus	3	2,757,332.68	1,891,665.29
2 Non-Current Liabilities			
(a) Long-Term Borrowings	4	255,089.23	600,181.73
(b) Long-Term Provisions	5	220,440.00	220,440.00
3 Current Liabilities			
(a) Short-Term Borrowings	6	-	1,023,427.25
(b) Short-Term Provisions	7	1,545.00	1,545.00
(c) Other Current Liabilities	8	1,173,552.94	1,182,618.14
TOTAL		95,809,639.85	96,321,557.41
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		1,791,788.69	2,380,286.71
(ii) Intangible Assets		-	-
(b) Non-Current Investment	10	52,381,373.59	52,381,373.59
(c) Long-Term Loans and Advances	11	6,979,580.10	3,472,740.10
2 Current Assets			
(a) Current Investment	12	8,869,077.50	8,323,656.25
(b) Stock-in-Trade	13	25,585.00	3,058,175.55
(c) Trade Receivables	14	135,400.00	2,579,666.84
(d) Cash and Cash Equivalents	15	1,032,756.93	534,329.51
(e) Short-Term Loans and Advances	16	23,208,426.35	13,067,544.00
(f) Other Current Assets	17	1,385,651.69	10,523,784.86
TOTAL		95,809,639.85	96,321,557.41
Significant Accounting Policies	1		

Notes attached to form an integral part
of this Balance Sheet

As per our report of even date attached

for V.K. Dhingra & Co.
Chartered Accountants
Firm Regd. No.000250N

Sd/-
(Lalit Ahuja)
Partner
M.No. 085842

Sd/-
(Vijay Mehta)
Chairman

Sd/-
Director

Place : New Delhi
Dated : May 30, 2014

Mefcom Capital Markets Limited

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2014

(₹)

PARTICULARS	NOTE NO.	FOR THE PERIOD ENDED ON 31.03.2014	FOR THE YEAR ENDED ON 31.03.2013
I. Revenue From Operations	18	9,455,311.58	32,850,423.66
II. Other Income	19	3,541,167.00	2,843,617.37
III. Total Revenue (I + II)		12,996,478.58	35,694,041.03
IV. Expenses:			
Purchase of Shares/ Securities (Stock-in-Trade)		2,074,976.79	27,875,633.19
Change in Inventory of Shares / Securities (Stock-in-Trade)		3,032,590.55	(3,058,175.55)
Employee Benefits Expense	20	2,903,284.00	3,844,823.00
Provisions	21	(1,274,181.25)	2,084,028.47
Finance Costs	22	208,378.74	542,981.24
Depreciation and Amortization		591,848.02	742,790.38
Other Expenses	23	4,593,514.34	4,805,345.93
Total Expenses		12,130,411.19	36,837,426.66
V. Profit/ (Loss) Before Tax (III- IV)		866,067.39	(1,143,385.63)
VI. Tax Expense:			
- Tax for earlier years		400.00	3,783.00
VII. Profit / (Loss) For the Year (V - VI)		865,667.39	(1,147,168.63)
VIII. Earnings Per Equity Share:			
Basic & Diluted (Face value per share ` 10/-)		0.09	(0.13)

Significant Accounting Policies

1

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

As per our report of even date attached

for V.K. Dhingra & Co.
Chartered Accountants
Firm Regd. No. 000250N

Sd/-
(Lalit Ahuja)
Partner
M.No. 085842

Sd/-
(Vijay Mehta)
Chairman

Sd/-
Director

Place : New Delhi
Dated : May 30, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the Year ended 31st March, 2014 (₹)	For the Year ended 31st March, 2013 (₹)
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax	866,067.39	(1,143,385.63)
Adjustment for :		
- Depreciation & Amortisation	591,848.02	742,790.38
- Loss / (Profit) on Sale of Investments (Net)	92,411.26	(9,606,467.97)
- Provisions	(974,181.25)	2,084,028.47
- Interest Paid	208,378.74	542,981.24
- Provision Written Back on Sub Standard Assets	(300,000.00)	
- Bad Debts Recovered	-	(674,222.00)
- Dividend Income on Investments	(941,000.00)	(1,400,000.00)
Operating Profit before Working Capital Changes	(456,475.84)	(9,454,275.51)
Adjustment for :		
- Stock in Trade	3,032,590.55	(3,058,175.55)
- Trade and Other Receivables	(1,258,482.54)	(20,717,448.80)
- Trade and Other Payables	52,430.56	290,950.66
	1,826,538.57	(23,484,673.69)
Direct Tax Refund/(Paid)	(507,240.00)	(177,420.00)
NET CASH FROM OPERATING ACTIVITIES	862,822.73	(33,116,369.20)
[B] CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(3,350.00)	(14,700.00)
- Sale of Investments	336,348.94	43,245,072.67
- Dividend Received on Investments	941,000.00	1,400,000.00
NET CASH FROM INVESTING ACTIVITIES	1,273,998.94	44,630,372.67
[C] CASH FLOW FROM FINANCING ACTIVITIES		
- Interest Paid	(310,226.92)	(1,269,694.84)
- Secured Loans Repaid	(1,328,167.33)	(2,228,163.66)
- Unsecured Loans Repaid	-	(8,000,000.00)
NET CASH FROM FINANCING ACTIVITIES	(1,638,394.25)	(11,497,858.50)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	498,427.42	16,144.97
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	534,329.51	518,184.54
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	1,032,756.93	534,329.51

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

Sd/-
(Vijay Mehta)
Chairman

Sd/-
Director

Sd/-
(Lalit Ahuja)
Partner
M.NO.085842

Place : New Delhi
Dated : May 30, 2014

MEFCOM CAPITAL MARKETS LTD.

NOTES ANNEXED TO AND FORMING PART OF
BALANCE SHEET AS AT AND STATEMENT OF PROFIT &
LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

NOTE NO.

1. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statements are prepared under the historical cost convention on accrual basis in accordance with the applicable mandatory Accounting Standards as per the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government of India and relevant presentational requirements of the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (to the extent notified).

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 prorata 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 prorata 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 the Statement of Profit & Loss.

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

e) SHARES & OTHER SECURITIES HELD AS STOCK-IN-TRADE

Shares and other securities held as stock-in-trade are valued at lower of cost or market price. Where no market quotes are available value is taken at rupee one per company. Cost is arrived on Weighted Average cost basis. Cost of Bonus Shares acquired is taken as nil.

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

f) INCOME RECOGNITION

- Income from Merchant Banking Operations is accounted on accrual basis, when the right to receive is established in terms of the agreements with respective clients.
- Dividend income is recognised when the right to receive payment is established.
- Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

g) RETIREMENT BENEFITS

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

Note No.2 SHARE CAPITAL2 (a) Number and Value of Authorised, Issued, Subscribed & Paid Up Share Capital

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs. 10 Each	10,000,000	100,000,000.00	10,000,000	100,000,000.00
Issued				
Equity Shares of Rs. 10 Each	9,140,168	91,401,680.00	9,140,168	91,401,680.00
Subscribed & Paid Up				
Equity Shares of Rs. 10 Each Fully Paid	9,140,168	91,401,680.00	9,140,168	91,401,680.00
Total	9,140,168	91,401,680.00	9,140,168	91,401,680.00

2 (b) Reconciliation of Number of Shares Outstanding as at 31.03.2014

Particulars	Equity Shares	
	Number	Rs.
Shares outstanding at the beginning of the Year	9,140,168	91,401,680.00
Shares issued during the period upon conversion of Warrants	-	-
Shares bought back during the period	-	-
Shares outstanding at the end of the period	9,140,168	91,401,680.00

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

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Vijay Mehta	5,180,000	56.67	5,180,000	56.67
Mr. Karan Mehta	725,000	7.93	725,000	7.93

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

Note No.**3 RESERVES & SURPLUS**

Particulars	As at 31st March,	As at 31st March,
	2014	2013
	Rs.	Rs.
A. Securities Premium Account		
Opening Balance	111,297,839.00	111,297,839.00
Closing Balance	<u>111,297,839.00</u>	<u>111,297,839.00</u>
B. Capital Reserve		
Opening Balance	15,416,689.50	15,416,689.50
Closing Balance	<u>15,416,689.50</u>	<u>15,416,689.50</u>
C. Special Reserve		
Opening Balance	700,000.00	700,000.00
Closing Balance	<u>700,000.00</u>	<u>700,000.00</u>
D. General Reserve		
Opening Balance	1,100,000.00	1,100,000.00
Closing Balance	<u>1,100,000.00</u>	<u>1,100,000.00</u>
E. Surplus/(Deficit)		
Opening Balance	(126,622,863.21)	(125,475,694.58)
Add: Net Profit / (Loss) for the Current Year	865,667.39	(1,147,168.63)
Closing Balance	<u>(125,757,195.82)</u>	<u>(126,622,863.21)</u>
Total	<u>2,757,332.68</u>	<u>1,891,665.29</u>

Note No.

4 LONG TERM BORROWINGS

<u>Particulars</u>	<u>As at 31st March 2014 (Rs.)</u>	<u>As at 31st March 2013 (Rs.)</u>
Secured		
Term Loans		
From HDFC Bank	255,089.23	600,181.73
(Secured by way of Hypothecation of a Vehicle Terms of Repayment:- Repayable in equated Monthly Installments of ` 33,399/- each inclusive of interest @ 12.5% p.a. upto November, 2015)		
Total	255,089.23	600,181.73

5 LONG TERM PROVISIONS

<u>Particulars</u>	<u>As at 31st March 2014 (Rs.)</u>	<u>As at 31st March 2013 (Rs.)</u>
Provision for Gratuity	220,440.00	220,440.00
Total	220,440.00	220,440.00

6 SHORT TERM BORROWINGS

<u>Particulars</u>	<u>As at 31st March 2014 (Rs.)</u>	<u>As at 31st March 2013 (Rs.)</u>
Secured		
Loans and Advances	-	1,023,427.25
From Body Corporate (Secured by way of pledge of Shares in a designated Demat A/c)		
Total	-	1,023,427.25

7 SHORT TERM PROVISIONS

<u>Particulars</u>	<u>As at 31st March 2014 (Rs.)</u>	<u>As at 31st March 2013 (Rs.)</u>
Provision for Gratuity	1,545.00	1,545.00
Total	1,545.00	1,545.00

8 OTHER CURRENT LIABILITIES

<u>Particulars</u>	<u>As at 31st March 2014 (Rs.)</u>	<u>As at 31st March 2013 (Rs.)</u>
Current Maturities of Long Term Borrowings	345,092.50	304,740.08
Interest Accrued but not due on Borrowings	3,125.94	104,974.12
Other Payables		
- Statutory Liabilities	188,715.00	161,842.00
- Liabilities for Expenses	386,619.50	399,263.94
- Advances from customers	250,000.00	211,798.00
Total	1,173,552.94	1,182,618.14

Note No.

9

FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1st April, 2013	Additions during the year	Balance as at 31st March, 2014	Upto 31st March, 2013	Depreciation charged for the year	Upto 31st March, 2014	Balance as at 31st March, 2014	Balance as at 31st March, 2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a Tangible Assets								
Leasehold Premises Development	924,398.17	-	924,398.17	722,573.32	100,912.00	823,485.32	100,912.85	201,824.85
Furniture and Fixtures	1,024,925.88	-	1,024,925.88	826,151.08	35,978.24	862,129.32	162,796.56	198,774.80
Vehicles	3,371,337.00	-	3,371,337.00	1,938,144.13	371,053.63	2,309,197.76	1,062,139.24	1,433,192.87
Office Equipment	2,257,886.82	3,350.00	2,261,236.82	1,728,781.73	76,948.51	1,805,730.24	455,506.58	529,105.09
Computers	1,126,453.71	-	1,126,453.71	1,109,064.61	6,955.64	1,116,020.25	10,433.46	17,389.10
Total	8,705,001.58	3,350.00	8,708,351.58	6,324,714.87	591,848.02	6,916,562.89	1,791,788.69	2,380,286.71
Prevoius Year	8,690,301.58	-	8,705,001.58	5,583,171.56	741,543.31	6,324,714.87	2,380,286.71	-
b Intangible Assets								
Software	853,690.00	-	853,690.00	853,690.00	-	853,690.00	-	-
Total	853,690.00	-	853,690.00	853,690.00	-	853,690.00	-	-
Prevoius Year	853,690.00	-	853,690.00	852,442.93	1,247.07	853,690.00	1,247.07	-

Note No.**10 NON-CURRENT INVESTMENT
(LONG TERM INVESTMENTS)**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
A Trade Investments (Refer A below)		
Investment in Equity Shares	32,291,323.59	32,291,323.59
B Other Investments (Refer B below)		
Investment in Equity Shares	20,090,400.00	20,090,400.00
Grand Total (A + B)	52,381,723.59	52,381,723.59
Less : Provision for diminution in the value of Investments	350.00	350.00
Total	52,381,373.59	52,381,373.59

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
Aggregate amount of quoted investments (Market value of Rs. 2,35,20,000/- (Previous Year Rs. 2,33,97,500/-))	20,090,000.00	20,090,000.00
Aggregate amount of unquoted investments	32,291,723.59	32,291,723.59

A Details of Trade Investments (Valued at Cost)

Name of the Body Corporate	Face Value	No. of Shares / Units		Extent of Holding (%)		Amount (Rs.)	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Investment in Unquoted Fully Paid Up Equity Shares of Subsidiaries Mefcom Securities Ltd.	10	2999900	2999900	60	60	32,291,323.59	32,291,323.59
Total						32,291,323.59	32,291,323.59

B Details of Other Investments (Valued at Cost)

Name of the Body Corporate	Face Value	No. of Shares / Units		Amount (Rs.)	
		31.03.2014	31.03.2013	31.03.2014	30.03.2013
Investment in Quoted Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Banswara Synlex Ltd.	10	490000	490000	20,090,000.00	20,090,000.00
Investment in Unquoted Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Mefcom Infrastructure Projects Ltd.	10	40	40	400.00	400.00
Total				20,090,400.00	20,090,400.00

11 LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
(Unsecured, Considered Good)		
Capital Advances		
Due from related parties (refer Note No.30)	3,000,000.00	-
Advance Tax/ TDS (Net)	2,229,580.10	1,722,740.10
Security Deposits		
- Due from related parties (Refer Note No 30)	1,750,000.00	1,750,000.00
Total	6,979,580.10	3,472,740.10

Note No.**12 CURRENT INVESTMENT (Valued at Lower of Cost or Market Price)**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Rs.		Rs.	
Investment in Equity Shares	17,815,685.24		18,244,445.24	
Less : Provision for diminution in the value of Investments	8,946,607.74		9,920,788.99	
Total	8,869,077.50		8,323,656.25	

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Rs.		Rs.	
Aggregate amount of quoted investments (Market value of Rs. 88,69,077.50(Previous Year Rs.83,23,656.25/-)	17,815,685.24		18,244,445.24	

Details of Current Investments

Name of the Body Corporate	Face Value	No. of Shares		Amount (Rs.)	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
Investment in Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Quoted Shares					
Banswara Syntex Ltd.	10	100,000	100,000	6,523,000.00	6,523,000.00
Jindal Southwest Holdings Ltd.	10	2,500	2,500	2,280,823.00	2,280,823.00
JSL Stainless Ltd.	2	20,000	20,000	3,023,551.20	3,023,551.20
KLG Systel Ltd.	10	9,500	9,500	1,916,910.00	1,916,910.00
Orient Abrasive Ltd.	1	-	18,000	-	428,760.00
Tele Data Marine Solutions Ltd.	2	625	625	19,689.37	19,689.37
Zen Technologies Ltd.	10	20,000	20,000	4,051,711.67	4,051,711.67
Total		152,625	170,625	17,815,685.24	18,244,445.24

13 STOCK IN TRADE

Particulars	Face Value	No. of Shares		Amount (Rs.)	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
- Equity Shares (Quoted) (At cost or market value, whichever is lower)					
Heidelberg Cement India Ltd.	10	-	6,000	-	220,500.00
KLG Systel Ltd.	10	5,500	-	21,285.00	-
Lakshmi Machine Works Ltd.	10	-	1,000	-	1,845,800.00
Magnum Ventures Ltd.	10	2,000	-	4,300.00	-
Orient Abrasives Ltd.	1	-	2,000	-	18,225.55
P.C. Jewellers Ltd.	10	-	5,000	-	571,750.00
Ricoh India Ltd.	10	-	4,000	-	135,400.00
Spice Jet Ltd.	10	-	10,000	-	266,500.00
TOTAL		7,500	28,000.00	25,585.00	3,058,175.55

Note No.**14 TRADE RECEIVABLES**

Particulars	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
(Unsecured Considered Good)		
- Outstanding for a period exceeding six months	135,400.00	-
- Others*	-	2,579,666.84
Total	135,400.00	2,579,666.84

* includes Rs. NIL (Previous Year-Rs.24,97,277.84 due from related party (refer Note No.31))

15 CASH & CASH EQUIVALENTS

Particulars	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
Balances with Banks		
- In Current Accounts	918,873.93	382,831.51
Cash in Hand	113,883.00	151,498.00
TOTAL	1,032,756.93	534,329.51

16 SHORT TERM LOANS & ADVANCES

Particulars	As at 31st March, 2014 (Rs.)	As at 31 March, 2013 (Rs.)
(Unsecured, considered good)		
(b) Due from Others		
- Inter Corporate Deposits	23,000,000.00	13,000,000.00
Less : Provision for Sub-Standard Assets	-	300,000.00
- Other Advances	208,426.35	12,700,000.00
Total	23,208,426.35	13,067,544.00

17 OTHER CURRENT ASSETS

Particulars	As at 31st March, 2014 (Rs.)	As at 31 March, 2013 (Rs.)
- Interest Accrued on ICD	532,603.00	266,301.00
- Unbilled Revenue	853,048.69	10,257,483.86
Total	1,385,651.69	10,523,784.86

Note No.**18 REVENUE FROM OPERATIONS**

Particulars	For the year ended 31st March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Sale of Shares/ Securities (Stock-in-Trade)	5,642,301.62	24,128,050.35
Income from Merchant Banking Activities	3,895,000.00	1,445,000.00
Profit/ (Loss) on Sale of Shares/Securities (Non-Delivery) (Net)	3,426.88	71,384.95
Profit/ (Loss) on Sale of Current Investments (Net)	(92,411.26)	(733,442.09)
Profit/ (Loss) on Sale of Long Term Investments (Net)	-	10,339,910.06
Profit/ (Loss) Loss on Dealing in Equity / Index Derivatives (Net)	6,994.34	(2,400,479.61)
Total	9,455,311.58	32,850,423.66

19 OTHER INCOME

Particulars	For the year ended 31st March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Interest Earned (TDS deducted Rs. 2,38,356/-, Previous Year Rs. 71,342/-)	2,383,563.00	713,424.00
Bad Debts Recovered	-	674,222.00
Dividend on Shares		
- On Current Investments	206,000.00	350,000.00
- On Non-Current Investments	735,000.00	1,050,000.00
Other Income	216,604.00	55,971.37
Total	3,541,167.00	2,843,617.37

20 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs.	Rs.
Salaries and other benefits	1,956,358.00	2,324,823.00
Staff Welfare Expenses	21,120.00	20,000.00
Director Remuneration	925,806.00	1,500,000.00
Total	2,903,284.00	3,844,823.00

21 PROVISIONS

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs.	Rs.
Provision for Diminution in Value of		
- Current Investments	(974,181.25)	2,084,028.47
- Provision for Advance reversed	(300,000.00)	-
Total	(1,274,181.25)	2,084,028.47

Note No.**22 FINANCE COST**

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs.	Rs.
Interest Paid to Bank	94,460.74	130,280.24
Interest Paid to Others	113,918.00	412,701.00
Total	208,378.74	542,981.24

23 OTHER EXPENSES

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs.	Rs.
Rent	1,174,392.00	1,174,392.00
Electricity Charges	218,445.00	253,350.00
Printing & Stationery	18,218.00	20,896.00
Conveyance & Travelling	90,393.00	184,968.00
Postage and Telephone Expenses	40,019.37	61,833.76
Fees & Subscription	282,938.00	271,959.00
Insurance	36,418.00	40,028.09
Professional Charges	1,474,489.20	1,381,096.00
Repair & Maintenance		
-Building	658,034.00	687,034.00
-Others	238,553.39	358,024.18
Advertisement & Publication Expenses	77,342.00	90,821.00
Security Transaction Charges	25,262.00	118,173.00
Business Promotion Expenses	18,016.50	32,306.17
Bad Debts Written off	74,596.00	-
Audit Fees	68,315.00	68,315.00
Bank Charges	1,938.53	767.61
Prior Period Expenses	2,110.00	10,194.00
General Expenses	94,034.35	51,188.12
Total	4,593,514.34	4,805,345.93

24. CONTINGENT LIABILITIES

- Disputed demand under Income Tax Act, 1961 : NIL (Previous Year : Rs.23,73,140/-)
- Corporate Guarantee issued to the banker of Mefcom Securities Ltd. (subsidiary company) for securing guarantee issued by their banker Rs. 1,00,00,000/- (Previous Year Rs. 1,00,00,000/-).
- Capital Commitments: Estimated amount of contracts to be executed on capital account but not provided for – Rs.2,70,00,0000/- (Previous Year-NIL).

25. PROVISION FOR TAXATION

- Provision for Income-tax has been made in accordance with the provisions of the Income-tax Act, 1961.
 - The Company has carry forward losses under tax laws. In absence of virtual certainty of sufficient future taxable income, net deferred tax asset has not been recognized in accordance with the Accounting Standard – 22 on 'Accounting for Taxes on Income'.
26. The Company has identified that there is no material impairment of assets and as such no provision is required in terms of Accounting Standard-28 on "Impairment of Assets".
27. No amount was due to the suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2014.

- Directors have waived off their right to claim sitting fees in respect of the meetings attended by them during the year.
- Remuneration has been paid to the Chairman as a minimum remuneration in accordance with the limit 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: Rs.9,25,806/- (Previous year: Rs.15,00,000/-)

29. SEGMENT REPORTING

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

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

Segment wise information is as under:-

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	8,45,588.74 <i>1,10,06,167.9</i>	56,45,728.50 <i>2,41,99,435.3</i>	6,994.34 <i>(24,00,479.6)</i>	41,06,798.00 <i>14,13,000.00</i>	-	26,83,563.00 <i>14,37,636.00</i>	1,32,91,672.58 <i>3,56,98,969.66</i>
- Segment Results	17,49,486.09 <i>85,95,263.49</i>	3,54,690.08 <i>(9,73,711.08)</i>	(9,757.66) <i>(24,37,838.61)</i>	-	-	26,83,563.00 <i>14,32,356.00</i>	61,50,836.51 <i>55,94,482.80</i>
- Unallocable Expenses net of Unallocable Incomes							(52,84,763.12) <i>(67,37,891.43)</i>
- Net Profit / (Loss)							8,66,067.39 <i>(11,43,385.63)</i>
- Segment Assets	6,12,50,451.09 <i>7,09,62,513.70</i>	8,90,039.04 <i>55,55,453.39</i>	-	3,10,287.00 <i>4,23,942.00</i>	-	2,32,32,603.00 <i>1,29,66,301.00</i>	8,59,83,380.13 <i>8,99,08,210.09</i>
- Segment Liabilities	1,136.80	5,339.00 <i>11,40,256.04</i>	-	3,12,606.00 <i>3,79,791.00</i>	-	-	3,17,945.00 <i>15,21,190.84</i>
- Unallocable Assets							98,26,259.72 <i>64,13,347.32</i>
- Unallocable Liabilities							13,32,682.17 <i>13,07,021.28</i>

Figures in italics pertain to previous year.

30. RELATED PARTY DISCLOSURE

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

i) Related Parties :

Key Management Personnel: Mr. Vijay Mehta – Chairman	Subsidiaries: Mefcom Securities Ltd. Enterprise over which key management personnel can exercise significant influence: IKMA Infoway Private Ltd.
--	--

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 Transaction	Key Personnel	Subsidiaries	Entities over which key management personnel can exercise significant influence	Total
Directors Remuneration - Mr. Vijay Mehta	9,25,806 <i>15,00,000</i>	-	-	9,25,806 <i>15,00,000</i>
Rent Paid- Mr. Vijay Mehta	11,74,392 <i>11,74,392</i>	-	-	11,74,392 <i>11,74,392</i>
Profit / (Loss) on Sale of Shares (Net) - Non-Delivery- Mefcom Securities Ltd.	--	--	--	--
Profit / (Loss) on Dealing in derivatives - Mefcom Securities Ltd.	--	6,994 <i>(24,00,480)</i>	--	6,994 <i>(24,00,480)</i>
Purchase of Shares- Mefcom Securities Ltd.	--	20,73,334 <i>55,99,408</i>	--	20,73,334 <i>55,99,408</i>
Sale of Shares- Mefcom Securities Ltd.	-	46,41,511 <i>4,58,29,743</i>	--	46,41,511 <i>4,58,29,743</i>
Advance Paid for Purchase of Capital Asset	-	-	30,00,000	30,00,000
Balance as on 31.03.2014 - Mefcom Securities Ltd	Dr.17,50,	Dr.24,97,278	Dr. 30,00,000	Dr.24,97,278

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.

31. EARNING PER SHARE

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

1. Calculation of Basic Earning Per Share:

Sr. No.	Particulars		2013-14	2012-13
a)	Net Profit / (Loss) for the	(Rs.)	8,65,667.39	(11,47,168.63)
b)	Weighted Average	(Nos.)	91,40,168	91,40,168
c)	Nominal Value per Equity	(Rs.)	10.00	10.00
d)	Earning Per Share (Basic)	(Rs.)	0.09	(0.13)

2. Calculation of Diluted Earning Per Share :

There are no dilutive potential equity shares outstanding as on 31st March, 2014.

32. EMPLOYEES BENEFITS

- a) Defined Contribution Plan

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

- b) Defined Benefit Plan

Gratuity is being provided on cash basis. During the year no gratuity was paid. Method of valuation of accrued liability for retirement benefits has been changed from 'accrual basis' in the previous year to 'cash basis' in the current year. The impact of such change in the method of valuation of liability for retirement benefits is not ascertainable.

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

33. PAYMENTS MADE TO AUDITORS

	2013-14	2012-13
- Statutory Audit Fee	68,315/-	68,315/-
- Tax Audit Fee	6,405/-	6,405/-
- In Other Capacity	24,155/-	19,100/-

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

35. In the opinion of the management, Current/Non Current Assets, Loans and Advances shall have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made and contingent liabilities disclosed properly.

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

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

Sd/-
(Vijay Mehta)
Chairman

Sd/-
Director

Sd/-
(Lalit Ahuja)
Partner
M.No. 085842

PLACE: New Delhi
DATED: May 30, 2014

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF MEFCOM CAPITAL MARKETS LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MEFCOM CAPITAL MARKETS LIMITED, ("the Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Provision for actuarial liability for gratuity payable to employees has not been worked out and accounted for on accrual basis as required under Accounting Standard-15 "Employees Benefits" issued under Companies (Accounting Standards) Rules, 2006. The impact thereof on the consolidated financial statements is not ascertainable. {Refer note 38(ii)(a)}

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the report of the auditors on the financial statements of the subsidiary as noted below except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statements of Mefcom Securities Limited, a subsidiary of the company whose financial statements reflect total assets (net) of Rs. 563.38 lacs as at 31st March, 2014, total revenues of Rs. 23.18 lacs and net cash flows amounting to Rs. 153.98 lacs for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us and our opinion, in so far as it relates to the amounts included in respect of this subsidiary, is based solely on the report of the other auditor.

Our opinion is not qualified in respect of other matters.

For **V. K. Dhingra & Co.**
Chartered Accountants
Firm Regd. No. 000250N

Sd/-

(Lalit Ahuja)

Partner

M.No. 085842

PLACE: New Delhi
DATED: May 30, 2014

**CONSOLIDATED BALANCE SHEET OF MEFCOM CAPITAL MARKETS LIMITED
AND ITS SUBSIDIARY AS AT 31ST MARCH, 2014**

(Rs.)

PARTICULARS	NOTE NO.	AS AT 31.03.2014	AS AT 31.03.2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	91,401,680.00	91,401,680.00
(b) Reserves and Surplus	4	10,138,918.45	11,006,698.33
2 Minority Interest		11,361,750.85	12,517,382.36
3 Non-Current liabilities			
(a) Long-Term Borrowings	5	255,089.23	600,181.73
(b) Other Long-Term Liabilities	6	541,268.00	541,268.00
(c) Long-Term Provisions	7	1,092,861.00	1,018,462.00
4 Current Liabilities			
(a) Short-Term Borrowings	8	-	1,023,427.25
(b) Trade Payables		13,509,569.05	1,618,426.25
(d) Other Current Liabilities	9	1,961,440.73	2,218,307.64
(c) Short-Term Provisions	10	1,545.00	75,944.00
TOTAL		130,264,122.32	122,021,777.56
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		2,517,567.56	3,313,185.67
(ii) Intangible Assets		244,833.31	268,055.51
(b) Goodwill			
-Arised from Consolidation		10,407,738.54	10,407,738.54
(c) Non-Current Investment	12	30,065,763.00	30,065,763.00
(d) Long-Term Loans and Advances	13	16,475,494.82	13,040,873.21
(e) Other Non-Current Assets	14	13,266,722.62	13,366,722.62
2 Current Assets			
(a) Current Investment	15	8,869,077.50	8,323,656.25
(b) Stock-in-Trade	16	25,585.00	3,058,175.55
(c) Trade Receivables	17	441,758.84	1,652,349.34
(d) Cash and Bank Balances	18	22,923,187.01	7,026,041.67
(e) Short-Term Loans and Advances	19	23,606,023.05	20,941,966.79
(f) Other Current Assets	20	1,420,371.07	10,557,249.41
TOTAL		130,264,122.32	122,021,777.56

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

Sd/-
(Lalit Ahuja)
Partner
M.No. 085842

Sd/-
(Vijay Mehta)
Chairman

Sd/-
Director

PLACE: New Delhi
DATED: May 30, 2014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS OF MEFCOM CAPITAL MARKETS LIMITED
AND ITS SUBSIDIARY FOR THE YEAR ENDED 31ST MARCH, 2014**

(Rs.)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED ON 31.03.2014	FOR THE YEAR ENDED ON 31.03.2013
I. Revenue From Operations	21	11,135,487.16	30,439,696.76
II. Other Income	22	4,178,717.43	3,794,475.63
III. Total Revenue (I + II)		15,314,204.59	34,234,172.39
IV. Expenses:			
Purchase of Shares/Securities (Stock In Trade)		2,074,976.79	27,875,633.19
Change in Inventories of Shares / Securities (Stock in Trade)	23	3,032,590.55	(3,058,175.55)
Employee Benefits Expense	24	5,027,534.00	7,909,016.00
Provisions	25	(1,274,181.25)	2,084,028.47
Finance Costs	26	208,378.74	542,981.24
Depreciation and Amortization		822,190.31	1,064,444.38
Other Expenses	27	7,445,596.83	8,068,991.39
Total Expenses		17,337,085.97	44,486,919.12
V. Profit Before Tax (III- IV)		(2,022,881.38)	(10,252,746.73)
VI. Tax Expense:			
- Tax for earlier years		530.00	61,301.00
VII. Profit / (Loss) before Minority Interest (V-VI)		(2,023,411.38)	(10,314,047.73)
VIII. Minority Interest in Profits / (Losses)		(1,155,631.51)	(3,666,751.64)
IX. Profit / (Loss) For the Year (VII-VIII)		(867,779.87)	(6,647,296.09)
X. Earnings Per Equity Share:			
Basic & Diluted (Face Value per share ` 10/-)		(0.09)	(0.73)

Significant Accounting Policies

2

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

As per our report of even date attached

for V.K. Dhingra & Co.

Chartered Accountants

Firm Regd. No.000250N

Sd/-
(Lalit Ahuja)

Partner

M.No. 085842

Sd/-
(Vijay Mehta)
ChairmanSd/-
DirectorPlace : New Delhi
Dated : 30th May, 2014

CONSOLIDATED CASH FLOW STATEMENT OF MEFCOM CAPITAL MARKETS LIMITED AND ITS SUBSIDIARY FOR THE YEAR ENDED 31ST MARCH, 2014

	For the Year ended 31st March, 2014 (Rs.)	For the Year ended 31st March, 2013 (Rs.)
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before tax and minority interests	(2,022,881.38)	(10,252,746.73)
Adjustment for		
- Depreciation & Amortisation	822,190.31	1,064,444.38
- Loss/ (Profit) on Sale of Investments (Net)	92,411.26	(5,138,806.51)
- Provisions	(1,274,181.25)	2,084,028.47
- Dividend Income on Investments	(1,141,185.00)	(1,700,182.50)
- Interest Paid	208,378.74	542,981.24
- Bad Debts Recovered	-	(674,222.00)
	<u>(1,292,385.94)</u>	<u>(674,222.00)</u>
Operating Profit before Working Capital Changes	<u>(3,315,267.32)</u>	<u>(14,074,503.65)</u>
Adjustment for		
- Stock of Shares & Securities	3,032,590.55	(3,058,175.55)
- Trade and Other Receivables	5,186,412.58	(18,605,235.64)
- Trade and Other Payables	11,593,923.47	19,812,926.60
	<u>16,497,659.28</u>	<u>(39,823,646.66)</u>
Less : Direct Tax Refund/(Paid)	<u>(538,151.61)</u>	<u>(234,938.00)</u>
NET CASH FROM OPERATING ACTIVITIES	<u><u>15,959,507.67</u></u>	<u><u>(40,058,584.66)</u></u>
[B] CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(3,350.00)	(14,700.00)
- Sale of Investments	336,348.74	43,915,661.21
- Dividend Received on Investments	1,141,185.00	1,700,182.50
NET CASH FROM INVESTING ACTIVITIES	<u><u>1,474,183.74</u></u>	<u><u>45,601,143.71</u></u>
[C] CASH FLOW FROM FINANCING ACTIVITIES		
- Secured Loans Taken/(Repaid)	(1,328,167.33)	(2,228,163.66)
- Unsecured Loans Taken/(Repaid)	-	(8,000,000.00)
- Interest Paid	(208,378.74)	(1,269,694.84)
NET CASH FROM FINANCING ACTIVITIES	<u><u>(1,536,546.07)</u></u>	<u><u>(11,497,858.50)</u></u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>15,897,145.34</u>	<u>(5,955,299.45)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR *	3,436,709.67	9,392,009.12
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	<u>19,333,855.01</u>	<u>3,436,709.67</u>

NOTES

i) Figures in brackets represent cash outflows.

ii) Previous year figure's have been reclassified wherever considered necessary to make them comparable with current year's classification.

for V.K. Dhingra & Co.

Chartered Accountants

Firm Regd. No.000250N

Sd/-
(Lalit Ahuja)

Partner

M.No. 085842

Sd/-
(Vijay Mehta)
ChairmanSd/-
Director

Place : New Delhi

Dated : 30th May, 2014

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS OF MEFCOM CAPITAL MARKETS LIMITED AND ITS SUBSIDIARY FOR THE YEAR ENDED ON 31ST MARCH, 2014

NOTE NO.

1. CORPORATE INFORMATION

Consolidated financial statements comprise the financial statements of Mefcom Capital Markets Ltd. being parent company and its subsidiary, Mefcom Securities Limited (with proportion of holding being 60% in current year as well as previous year) both incorporated in India.

2. SIGNIFICANT ACCOUNTING POLICIES**i) Basis for Preparation of Financial Statements**

The Consolidated Financial Statements are prepared under the historical cost convention on accrual basis in accordance with the applicable mandatory Accounting Standards as per the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government of India and relevant presentational requirements of the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (to the extent notified).

ii) Principles applied for Consolidation of Financial Statements

The Financial Statements of the parent company and the subsidiary 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'.

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

- a) Software are amortised in three years on straight line method on pro-rata basis.
- b) 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.
- c) 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 Statement of Profit & Loss.
- d) Cost is arrived at on Weighted Average cost basis.

vi) Shares & Other Securities held as Stock-In-Trade

Shares and other securities held as stock-in-trade are valued at lower of cost or market price. Where no market quotes are available value is taken at rupee one per company. Cost is arrived on Weighted Average cost basis. Cost of Bonus Shares acquired is taken as nil.

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

vii) 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) Brokerage income from Secondary Market operations is recognised on completion of issuance of bill.
- c) Brokerage income from Primary Market Operations is recognised at the stage of completion of assignments / as per the terms of related agreements.
- d) Dividend income is recognised when the right to receive payment is established.
- e) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

viii) 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) administrated by the Central Government.
- b) Gratuity is being provided on cash basis.

ix) 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.

Note No.**3 SHARE CAPITAL****3 (a) Number and Value of Authorised, issued Subscribed & Paid Up Share Capital**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	Rs.	Number	Rs.
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	9,140,168	91,401,680.00
Subscribed & Paid Up				
Equity Shares of ` 10 Each Fully Paid	9,140,168	91,401,680.00	9,140,168	91,401,680.00
Total	9,140,168	91,401,680.00	9,140,168	91,401,680.00

3 (b) Reconciliation of Number of Shares Outstanding as at 31.03.2014

Particulars	Equity Shares	
	Number	Rs.
Shares outstanding at the beginning of the Year	9,140,168	91,401,680.00
Shares issued during the year upon conversion of Warrants	-	-
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, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vijay Mehta	5,180,000	56.67	5,180,000	56.67
Karan Mehta	725,000	7.93	725,000	7.93

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.

Note No.

4 RESERVES & SURPLUS

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
A. Securities Premium Account		
Opening Balance	111,297,839.00	111,297,839.00
Closing Balance	111,297,839.00	111,297,839.00
B. Capital Reserve		
Opening Balance*	15,443,460.83	15,443,460.83
Closing Balance	15,443,460.83	15,443,460.83
* Includes ` 26,771.33 (Previous Year ` 26,771.33) arised on Consolidation.		
C. Special Reserve		
Opening Balance	700,000.00	700,000.00
Closing Balance	700,000.00	700,000.00
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	(117,534,601.50)	(128,437,906.86)
Less: Adjustment on account of Mefcom Commodity Brokers Ltd. ceased to be Subsidiary Co of. Mefcom Securities Ltd.	-	(17,550,601.45)
Add: Net Profit / (Loss) for the Current Year	(867,779.87)	(6,647,296.09)
Closing Balance	(118,402,381.38)	(117,534,601.50)
Total	10,138,918.45	11,006,698.33

Note No.5 LONG TERM BORROWINGS

<u>Particulars</u>	As at 31st March 2014	As at 31st March 2013
	Rs.	Rs.
<u>Secured</u>		
<u>Term Loans</u>		
From HDFC Bank	255,089.23	600,181.73
(Secured by way of Hypothecation of a Vehicle Terms of Repayment:- Repayable in equated Monthly Installments of ₹ 33,399/- each inclusive of interest @12.5% p.a. upto November, 2015)		
Total	255,089.23	600,181.73

6 OTHER LONG TERM LIABILITIES

<u>Particulars</u>	As at 31st March 2014	As at 31st March 2013
	Rs.	Rs.
Security Deposits Received	541,268.00	541,268.00
Total	541,268.00	541,268.00

7 LONG TERM PROVISIONS

<u>Particulars</u>	As at 31st March 2014	As at 31st March 2013
	Rs.	Rs.
Provision for Gratuity	1,092,861.00	1,018,462.00
Total	1,092,861.00	1,018,462.00

8 SHORT TERM BORROWINGS

<u>Particulars</u>	As at 31st March 2014	As at 31st March 2013
	Rs.	Rs.
<u>Secured</u>		
<u>Loans and Advances</u>		
From Body Corporate	-	1,023,427.25
(Secured by way of pledge of Shares in a designated Demat A/C)		
Total	-	1,023,427.25

9 OTHER CURRENT LIABILITIES

<u>Particulars</u>	As at 31st March 2014	As at 31st March 2013
	Rs.	Rs.
Current Maturities of Long Term Debt	345,092.50	304,740.08
Interest Accrued but not due on Borrowings	3,125.94	104,974.12
Security Deposits Received	46,266.25	181,035.50
Other Payables		
- Statutory Liabilities	230,828.00	187,644.00
- Liabilities for Expenses	1,086,128.04	1,228,115.94
- Advances from customers	250,000.00	211,798.00
Total	1,961,440.73	2,218,307.64

10 SHORT TERM PROVISIONS

<u>Particulars</u>	As at 31st March 2014	As at 31st March 2013
	Rs.	Rs.
Provision for Gratuity	1,545.00	75,944.00
Total	1,545.00	75,944.00

Note No.

11 FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1st April, 2013	Additions during the Year	Adjustments for the Year	Balance as at 31st March 2014	Upto 31st March 2013	Depreciation charged for the Year	Adjustments for the Year	Upto 31st March 2014	Balance as at 31st March 2014	Balance as at 31st March 2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a Tangible Assets										
Leasehold Premises Development	924,398.17	-	-	924,398.17	722,573.32	100,912.00	-	823,485.32	100,912.85	201,824.85
Furniture and Fixtures	2,458,309.88	-	-	2,458,309.88	1,948,452.52	92,284.18	-	2,040,736.70	417,573.18	509,857.36
Vehicles	5,414,229.00	-	-	5,414,229.00	3,736,719.73	434,307.15	-	4,171,026.88	1,243,202.12	1,677,509.27
Office Equipment	3,244,510.82	3,350.00	-	3,247,860.82	2,472,248.25	110,772.13	-	2,583,020.38	664,840.44	772,262.57
Computers	7,858,670.61	-	-	7,858,670.61	7,706,938.99	60,692.65	-	7,767,631.64	91,038.97	151,731.62
Total	19,900,118.48	3,350.00		19,903,468.48	16,586,932.81	798,968.11		17,385,900.92	2,517,567.56	3,313,185.67
Previous Year	21,385,838.48	14,700.00		19,900,118.48	16,568,290.82	1,024,493.63		16,586,932.81	3,313,185.67	
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	1,737,771.00	-	-	1,737,771.00	1,679,715.49	23,222.20	-	1,702,937.69	34,833.31	58,055.51
Total	1,947,771.00	-		1,947,771.00	1,679,715.49	23,222.20		1,702,937.69	244,833.31	268,055.51
Previous Year	1,969,244.00	-		1,947,771.00	1,659,732.69	39,950.75		1,679,715.49	268,055.51	

Note No.
**12 NON-CURRENT INVESTMENT
(LONG TERM INVESTMENTS)**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
A Other than Trade Investments (Refer A below)		
Investment in Equity Shares	30,066,113.00	30,066,113.00
Less : Provision for diminution in the value of Investments	350.00	350.00
Total	30,065,763.00	30,065,763.00

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
Aggregate amount of quoted investments (Market value of Rs.2,35,20,000/- (Previous Year Rs. 2,33,97,500/-)	2,00,90,000.00	2,00,90,000.00
Aggregate amount of unquoted investments	99,76,113.00	99,76,113.00

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

Name of the Body Corporate	Face Value	No. of Shares / Units		Amount (Rs.)	
		2014	2013	2014	2013
Investment in Quoted Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Banswara Syntex Ltd.	10	490,000	490,000	20,090,000.00	20,090,000.00
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	40	400.00	400.00
Mefcom Commodity Brokers Ltd.	10	489,500	489,500	4,931,713.00	4,931,713.00
Total				30,066,113.00	30,066,113.00

Note No.**13 LONG TERM LOANS AND ADVANCES**

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs.	Rs.
(Unsecured, Considered Good)		
Capital Advances- Due from a related party { Refer Note No.36(ii)}	3,000,000.00	-
Advance Tax/TDS (Net)	2,551,245.25	2,013,623.64
Security Deposits		
- Due from related parties [Refer Note No. 36 (ii)]	3,175,000.00	3,175,000.00
- Due from Others	6,749,249.57	6,852,249.57
Other Loans & Advances		
- Advances to Clearing Member (Future & Options)	1,000,000.00	1,000,000.00
Total	16,475,494.82	13,040,873.21

14 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs.	Rs.
(Unsecured, Considered Good)		
Long Term Trade Receivables*	13,266,722.62	13,366,722.62
Total	13,266,722.62	13,366,722.62

* Includes Rs. 8822011/- (P.Y. : Rs. 8922011/-) due from related party (refer Note No. 36)

Note No.**15 CURRENT INVESTMENT (Valued at Lower of Cost or Market Price)**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Rs.		Rs.	
Investment in Equity Shares	17,815,685.24		18,244,445.24	
Less : Provision for diminution in the value of Investments	8,946,607.74		9,920,788.99	
Total	8,869,077.50		8,323,656.25	

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Rs.		Rs.	
Aggregate amount of quoted investments (Market value of Rs. 88,69,077.50/- (Previous Year Rs. 83,23,656.25/-))	17,815,685.24		18,244,445.24	
Aggregate amount of unquoted investments	-		-	

Details of Current Investments

Name of the Body Corporate	Face Value	No. of Shares		Amount (Rs.)	
		2014	2013	2014	2013
Investment in Fully Paid Up Equity Shares of other than Subsidiary/ Associates/JV/ Controlled Entity					
Equity Shares (Quoted)					
Banswara Syntex Ltd.	10	100,000	100,000	6,523,000.00	6,523,000.00
Jindal Southwest Holdings Ltd.	10	2,500	2,500	2,280,823.00	2,280,823.00
JSLStainless Ltd.	2	20,000	20,000	3,023,551.20	3,023,551.20
KLG Systel Ltd.	10	9,500	9,500	1,916,910.00	1,916,910.00
Orient Abrasive Ltd.	1	-	18,000	-	428,760.00
Tele Data Marine Solutions Ltd.	2	625	625	19,689.37	19,689.37
Zen Technologies Ltd.	10	20,000	20,000	4,051,711.67	4,051,711.67
Equity Shares (Unquoted)					
Total		152,625	170,625	17,815,685.24	18,244,445.24

16 STOCK IN TRADE

Particulars	Face Value	No. of Shares		Amount (Rs.)	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
Equity Shares (Quoted)					
Heidelberg Cement India Ltd.	10	-	6,000	-	220,500.00
KLG Systel Ltd.	10	5,500	-	21,285.00	-
Lakshmi Machine Works Ltd.	10	-	1,000	-	1,845,800.00
Orient Abrasives Ltd.	1	-	2,000	-	18,225.55
Magnum Ventures Ltd.	10	2,000	-	4,300.00	-
P.C. Jewellers Ltd.	10	-	5,000	-	571,750.00
Ricoh India Ltd.	10	-	4,000	-	135,400.00
Spice Jet Ltd.	10	-	10,000	-	266,500.00
TOTAL		7,500	28,000	25,585.00	3,058,175.55

Note No.**17 TRADE RECEIVABLES**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
(Unsecured Considered Good)		
- Outstanding for a period exceeding six months	135,400.00	-
- Others	306,358.84	1,652,349.34
Total	441,758.84	1,652,349.34

18 CASH & BANK BALANCES

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
Cash & Cash Equivalents		
Balances with Banks		
- In Current Accounts	19,100,696.06	3,166,235.72
- In Fixed Deposits	-	-
Cash in Hand	233,158.95	270,473.95
Other Bank Balances		
- In Fixed Deposits*	3,589,332.00	3,589,332.00
Total	22,923,187.01	7,026,041.67

* Includes Fixed Deposits of Rs.35,00,000/- (Previous Year Rs.35,00,000/-) under Bank Lien for guarantees given with maturity of more than twelve months. [Refer Note No. 28(c)]

Note No.

19 **SHORT TERM LOAN & ADVANCES**

Particulars	As at 31st March,	
	2014	2013
	Rs.	Rs.
(Unsecured Considered Good)		
Due from Others		
Inter Corporate Deposits	23,000,000.00	13,000,000.00
Less : Provision for Sub-Standard Assets	-	300,000.00
Other Advances*	606,023.05	8,241,966.79
Total	23,606,023.05	20,941,966.79

Includes Share Application Money Paid NIL (Previous Year Rs. 75,00,000/-) (Pending Allotment)

20 **OTHER CURRENT ASSETS**

Particulars	As at 31st March,	
	2014	2013
	Rs.	Rs.
- Unbilled Revenues	853,048.69	10,257,483.86
- Interest Accrued on deposits	567,322.38	299,765.55
Total	1,420,371.07	10,557,249.41

21 **REVENUE FROM OPERATION**

Particulars	For the year ended	
	31st March, 2014	31 March, 2013
	Rs.	Rs.
Income From Merchant Banking Operations	3,895,000.00	1,445,000.00
Brokerage Income from Secondary Market	1,635,627.23	1,997,330.10
Sale of Shares / Securities	5,686,849.97	24,133,227.31
Profit/ (Loss) on Sale of Shares/Securities (Non-Delivery) (Net)	3,426.88	71,384.95
Profit/ (Loss) on Sale of Current Investments (Net)	(92,411.26)	(722,053.55)
Profit/ (Loss) on Sale of Long Term Investments (Net)	-	5,860,860.06
Profit/ (Loss) on Dealing in Equity / Index Derivatives (Net)	6,994.34	(2,346,052.11)
Total	11,135,487.16	30,439,696.76

22 **OTHER INCOME**

Particulars	For the year ended	
	31st March, 2014	31 March, 2013
	Rs.	Rs.
Interest Earned (TDS deducted Rs. 2,69,137.61) (P.Y.:Rs. 1,08,689.86)	2,697,252.56	1,095,108.68
Bad Debts Recovered	-	674,222.00
Dividend on Shares		
- On Current Investments	206,000.00	350,000.00
- On Non-Current Investments	935,185.00	1,350,182.50
Unclaimed Liabilities Written Off	211,798.00	-
Other Income	128,481.87	324,962.45
Total	4,178,717.43	3,794,475.63

23 **CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-in-PROGRESS AND STOCK-in-TRADE**

Particulars	For the year ended	
	31st March, 2014	31 March, 2013
	Rs.	Rs.
Opening Stock	3,058,175.55	-
Less: Closing Stock	25,585.00	3,058,175.55
(Increase)/Decrease in Inventory	3,032,590.55	(3,058,175.55)

Particulars	For the year ended	For the year ended 31
	31st March, 2014	March, 2013
	Rs.	Rs.
Note No.		
24 EMPLOYEE BENEFITS EXPENSES		
Salaries and other benefits	3,507,868.00	5,324,647.00
Contribution to Provident Fund & E.S.I.	66,216.00	79,029.00
Staff Welfare Expenses	77,644.00	105,340.00
Director Remuneration	1,375,806.00	2,400,000.00
Total	5,027,534.00	7,909,016.00
25 PROVISIONS		
Provision for Diminution in Value of - Current Investments	(974,181.25)	2,084,028.47
Provision for Advances reversed	(300,000.00)	-
Total	(1,274,181.25)	2,084,028.47
26 FINANCE COST		
Interest Paid to Bank	94,460.74	130,280.24
Interest Paid to Others	113,918.00	412,701.00
Total	208,378.74	542,981.24
27 OTHER EXPENSES		
Rent	2,035,992.00	2,035,992.00
Electricity Charges	377,937.00	422,804.00
Printing & Stationery	35,300.00	52,988.00
Conveyance & Travelling	393,643.58	252,879.00
Postage and Telephone Expenses	149,899.62	225,038.08
Fees & Subscription	323,710.00	356,079.00
Insurance	56,226.00	62,670.09
Professional Charges	1,593,518.40	1,475,771.00
Repair & Maintenance		
-Building	713,288.00	759,459.00
-Others	375,032.67	755,801.51
Advertisement & Publication Expenses	77,342.00	90,821.00
Security Transaction Charges	25,262.00	118,173.00
Business Promotion Expenses	63,676.07	99,175.44
Bad Debts Written off	74,596.00	-
Audit Fees	108,315.00	108,315.00
Bank Charges	101,782.49	101,563.77
Sub-Brokerage Paid	561,343.45	653,045.72
Stamp Duty Paid	21,723.00	12,240.00
F.O. Clearing Charges (NSE)	2,571.49	9,075.19
Stock Exchange Charges	124,804.12	245,158.35
SEBI Turnover Fees	1,646.00	2,479.00
Prior Period Expenses	3,880.47	10,194.00
General Expenses	224,107.47	219,269.24
Total	7,445,596.83	8,068,991.39

NOTE NO.

28. CONTINGENT LIABILITIES

- a) Disputed demand under Income Tax Act, 1961: Rs. 4,01,912/- (Previous Year: Rs. 27,75,052/-).
- b) Corporate Guarantee issued to the banker of Mefcom Securities Ltd. (Subsidiary Company) for securing guarantee issued by their banker : Rs. 1,00,00,000/- (Previous Year: Rs. 1,00,00,000/-).
- c) Guarantees given by Banks to Stock Exchanges for Rs. 70,00,000/- (Previous Year: Rs. 70,00,000/-) against pledging of FDRs of Rs. 35,00,000/- (Previous Year: Rs. 35,00,000/-).
- d) Capital Commitments: Estimated amount of contracts to be executed on capital account but not provided for – Rs.2,70,00,000/-(Previous Year-NIL).

29. In the opinion of the management, Current/Non Current Assets, Loans and Advances shall have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made and contingent liabilities disclosed properly.

30. PROVISION FOR TAXATION

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

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

32. No amount was due to the suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2014.

33. The Company has identified that there is no material impairment of assets and as such no provision is required in terms of Accounting Standard-28 on "Impairment of Assets".

34. DIRECTORS' REMUNERATION

- a) 13,75,806/- (Previous Year: ` 24,00,000/-) 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.
- b) Directors have waived-off their right to claim sitting fees.

35. SEGMENT REPORTING

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

There are no reportable geographical segments. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amount identifiable to each segment and also amount allocated on a reasonable basis. Assets, Liabilities 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	10,45,774	56,45,729	6,994	-	26,83,563	16,80,176	41,06,798	1,51,69,034
External Revenue	68,38,989	2,43,11,290	(23,46,053)	-	14,37,646	19,97,330	14,45,000	3,36,84,202
Result Segment	19,49,671	3,54,690	(9,758)	-	26,83,563	(3,33,492)	13,72,849	60,17,523
Result	44,27,077	(8,61,856)	(23,83,411)	-	14,32,356	(9,54,074)	(10,21,582)	6,38,510
Unallocated Exp. net of unallocated income								(80,40,404) (1,09,52,558)
Net Profit / (Loss)								(20,23,411) (1,03,14,048)
Other Information								
Segment Assets	7,12,26,164	8,90,039	-	-	2,35,32,603	3,91,34,916	3,10,287	10,28,02,686
	4,86,46,903	30,58,176	-	-	1,29,66,301	2,97,77,933	4,23,942	9,48,73,252
Unallocated Assets								2,74,61,436 2,71,48,524
Segment Liabilities	1,137	11,40,263	-	-	-	30,45,122	3,79,791	1,49,97,568
	1,137	11,40,263	-	-	-	30,45,122	3,79,791	45,66,313
Unallocated Liabilities								23,63,917 25,29,704

Figures in Bold indicate Current Year.

36. RELATED PARTY DISCLOSURE

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

i) Related Parties :

Key Management Personnel Mr. Vijay Mehta – Chairman Relatives Mr. Karan Mehta – Son of Mr. Vijay Mehta	Entities over which Key Management Personnel can exercise significant influence Mefcom Commodity Brokers Ltd IKMA Infoway Private Ltd.
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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	13,75,806 24,00,000	- -	- -	13,75,806 24,00,000
Rent Paid -Mr. Vijay Mehta	20,35,992 20,35,992	- -	- -	20,35,992 20,35,992
Purchase of Shares Mr. Vijay Mehta Mr. Karan Mehta	75,199 3,27,163	- - 1,19,934 5,16,247	- - - -	75,199 3,27,163 1,19,934 5,16,247
Sale of Shares- Mr. Vijay Mehta Mr. Karan Mehta	5,17,573 6,37,500 - -	- - 11,24,782 31,87,596	- - - -	5,17,573 6,37,500 11,24,782 31,87,596
Advance Paid for Purchase of Capital Assets - IKMA Infoway Pvt. Ltd.			30,00,000	30,00,000
Balance Receivable -IKMA Infoway Pvt. Ltd. - Mr. Vijay Mehta - Mefcom Commodity Brokers Ltd.	- 31,75,000 31,75,000 -	- - 1,10,324 -	30,00,000 - 88,22,011 89,22,011	30,00,000 - 31,75,000 32,85,324 88,22,011 89,22,011

Figures in **Bold** indicate Current Year.

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

37. Details of the subsidiary is 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.
Capital	5,00,00,000.00
Reserve & Surplus	(9,373,078.32)
Total Assets	5,63,38,067.52
Total Liabilities	5,63,38,067.52
Details of Investment (Excluding subsidiary)	99,75,713.00
Turnover	23,17,726.01

Profit before Taxation	(28,87,178.30)
Provision for Taxation	NIL
Profit after Taxation	(28,87,178.30)
Proposed Dividend	Nil

38. EMPLOYEES BENEFITS

i) Defined Contribution Plan

Contribution to Provident Fund & E.S.I: Rs. 66,216 (Previous Year: Rs. 79,029/-).

ii) Defined Benefit Plan

The Company has following defined benefit plans which are unfunded

a) Gratuity

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

Method of valuation of accrued liability for retirement benefits has been changed from 'accrual basis' in the previous year to 'cash basis' in the current year. The impact of such change in the method of valuation of liability for retirement benefits is not ascertainable.

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

39. EARNING PER SHARE

In accordance with Accounting Standard – 20 on 'Earning Per Share', the Earning Per Share has been computed as under:

1. Calculation of Basic Earning Per Share:

			2013-14	2012-13
a)	Net Profit / (Loss) @	(Rs.)	(8,67,779.87)	(66,47,296.09)
b)	Number of Equity Shares	(Nos.)	91,40,168	91,40,168
c)	Nominal Value per Equity Shares	(Rs.)	10.00	10.00
d)	Earning Per Share (Basic & Diluted)	(Rs.)	(0.09)	(0.73)

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, 2014.

40. PAYMENTS MADE TO AUDITORS

Particulars	2013-2014	2012-2013
- Statutory Audit Fee	1,08,315/-	1,08,315/-
- Tax Audit Fee	16,405/-	16,405/-
- In Other Capacity	28,403/-	21,100/-

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

Sd/-
(Vijay Mehta)
Chairman

Sd/-
Director

for V.K.Dhingra & Co.
Chartered Accountants

Sd/-
(Lalit Ahuja)
Partner

M.No: 085842

Place : New Delhi
Dated : May 30, 2014

ATTENDANCE SLIP

I hereby record my presence at **29th ANNUAL GENERAL MEETING OF MEFCOM CAPITAL MARKETS LIMITED** at "E-15 Ansal Villas, Village Satbari, New Delhi - 110030" on Saturday the **5th July, 2014** at **11.30 A.M.**

Folio Number ----- Number of Shares held -----
DPID/Client ID

Name of Shareholder----- Signature -----

Name of Proxy----- Signature -----
(To be filed if the Proxy attends instead of the Member)

NOTES

1. Members or their proxies are requested to present this form for admission duly signed in accordance with their specimen signatures registered with the Company. The admission will however be subject to verification of signatures and such other checks, as may be necessary. Under no circumstances will any duplicate slip be issued at the entrance to the meeting hall.
2. No Gift/ Coupons will be distributed at the meeting.

ATTENDANCE SLIP

I hereby record my presence at **29th ANNUAL GENERAL MEETING OF MEFCOM CAPITAL MARKETS LIMITED** at "E-15 Ansal Villas, Village Satbari, New Delhi - 110030" on Saturday the **5th July, 2014** at **11.30 A.M.**

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