

**S.R. BATLIBOI & Co. LLP**

Chartered Accountants

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**Limited Review Report to  
The Board of Directors  
Microsec Financial Services Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Microsec Financial Services Limited ('the Company') for the quarter ended June 30, 2013 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *The Company has exceeded the limits of the concentration of credit/investment norms as provided in paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended), in order to become a Systemically Important Core Investment Company (CIC-ND-SI). The Company has already applied to the Reserve Bank of India seeking exemption from complying with the aforesaid norms to become a CIC-ND-SI and pending such exemption, we are unable to comment on the possible effects of the above on the financial statements.*

*In respect of above, our audit report of the year ended 31<sup>st</sup> March, 2013 was similarly modified.*

4. Based on our review conducted as above, *except for the possible effects of the our observations stated in paragraph 3 above* nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For S.R. BATLIBOI & Co. LLP**  
ICAI Firm Registration Number: 301003E  
Chartered Accountants



per Bhaswar Sarkar  
Partner  
Membership No. : 55596



Place : Kolkata  
Date: August 14, 2013

# Microsec Financial Services Limited

Regd. Office : 1st Floor, Shivam Chambers, 53, Syed Amir Ali Avenue, Kolkata - 700 019

**MICROSEC**  
MICRO FOCUS / MICRO FINANCE

(Rs. in Lacs except for EPS)

**Part - I**

**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2013**

Particulars	Quarter Ended			Year Ended
	30-June-13 (Unaudited)	31-Mar-13 (Audited)	30-June-12 (Unaudited)	31-Mar-13 (Audited)
<b>1 INCOME FROM OPERATIONS</b>				
(a) Income from Operations (Refer Note 1)	3,468.56	948.39	1,119.31	4,505.81
(b) Other Operating Income	-	-	-	-
<b>Total Income from Operations (Net)</b>	<b>3,468.56</b>	<b>948.39</b>	<b>1,119.31</b>	<b>4,505.81</b>
<b>2 EXPENSES</b>				
(a) Purchase of Stock in Trade (Refer Note 1)	5,365.00	72.00	-	72.00
(b) Changes in inventories of stock in trade (Refer Note 1)	(2,518.00)	(72.00)	-	(72.00)
(c) Employee Benefits Expense	401.07	384.68	412.28	1,571.61
(d) Depreciation and Amortization expense	42.37	43.40	41.48	170.25
(e) Provision for diminution in Investments	14.30	265.40	-	265.40
(f) Other Expenditure	388.43	365.86	240.36	1,376.26
<b>Total Expenses</b>	<b>3,693.17</b>	<b>1,059.34</b>	<b>694.12</b>	<b>3,383.52</b>
<b>3 Profit / (Loss) from Operations before other income, finance costs (1 - 2)</b>	<b>(224.61)</b>	<b>(110.95)</b>	<b>425.19</b>	<b>1,122.29</b>
4 Other Income	100.67	75.78	59.03	256.63
<b>5 Profit / (Loss) before finance costs (3 + 4)</b>	<b>(123.94)</b>	<b>(35.17)</b>	<b>484.22</b>	<b>1,378.92</b>
6 Finance Costs	13.48	29.73	16.08	113.68
<b>7 Profit / (Loss) before tax (5 - 6)</b>	<b>(137.42)</b>	<b>(64.90)</b>	<b>468.14</b>	<b>1,265.24</b>
8 Tax Expense	7.12	1.08	143.80	325.08
(a) Current Tax	16.17	14.97	14.79	62.10
(b) Deferred Tax	(160.73)	(80.95)	309.55	878.06
<b>9 Net Profit / (Loss) after tax (7 - 8)</b>	<b>-</b>	<b>2.74</b>	<b>(13.88)</b>	<b>(57.06)</b>
10 Share of Profit / (Loss) of Associate	3.46	1.40	-	1.40
11 Minority Interest	(164.17)	(79.61)	295.67	819.60
<b>12 Net Profit / (Loss) after taxes, minority interest and share of loss of Associate</b>	<b>3,181.05</b>	<b>3,181.05</b>	<b>3,181.05</b>	<b>3,181.05</b>
13 Paid up Equity Share Capital (Face Value per share Rs.10)				24,465.04
14 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				
15 Earnings per share (Basic and Diluted)	(0.52)*	(0.25)*	0.93*	2.58

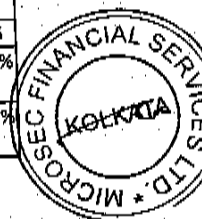
Note 1 - Item No. 1(a) Income from operations for quarter ended 30th June, 2013 includes Rs. 2,889.85 Lacs towards sale of units of liquid scheme of Mutual Fund by one of the subsidiary. Likewise, Item No. 2(a) 'Purchase of Stock in Trade' - represents purchase of units of liquid scheme of Mutual Fund and Item No. 2(b) 'Changes in inventories of stock in trade' - represents change in inventories of units of liquid scheme of Mutual Fund by that subsidiary.

\* Not annualised

**Part - II**

**SELECT INFORMATION FOR THE QUARTER ENDED 30TH JUNE, 2013**

Particulars	Quarter Ended			Year Ended
	30-June-13 (Unaudited)	31-Mar-13 (Audited)	30-June-12 (Unaudited)	31-Mar-13 (Audited)
<b>A PARTICULARS OF SHAREHOLDING</b>				
<b>1 Public Shareholding</b>				
- Number of Shares	1,09,98,766	1,12,07,365	1,21,83,410	1,12,07,365
- Percentage of Shareholding	34.58%	35.23%	38.30%	35.23%
<b>2 Promoters and Promoter Group Shareholding</b>				
a) Pledged/Encumbered				
Number of Shares	Nil	Nil	Nil	Nil
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil
Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil
b) Non-encumbered				
Number of Shares	2,08,11,734	2,06,03,135	1,96,27,090	2,06,03,135
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
Percentage of Shares (as a % of the total share capital of the Company)	65.42%	64.77%	61.70%	64.77%



	Particulars	Quarter ended 30-June-13
<b>B</b>	<b>INVESTOR COMPLAINTS</b>	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

Standalone financial results are summarised below and also available on the Company's website: [www.microsec.in](http://www.microsec.in)

Particulars	(Rs. In Lacs)			
	Quarter Ended			Year Ended
	30-June-13 (Unaudited)	31-Mar-13 (Audited)	30-June-12 (Unaudited)	31-Mar-13 (Audited)
Gross Revenue	70.58	367.92	451.89	1,789.85
Profit before Tax	2.19	248.91	390.66	1,291.69
Profit / (Loss) after Tax	(2.20)	215.01	264.53	976.23

**AUDITED CONSOLIDATED SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT**

Particulars	(Rs. In Lacs)			
	Quarter Ended			Year Ended
	30-June-13 (Unaudited)	31-Mar-13 (Audited)	30-June-12 (Unaudited)	31-Mar-13 (Audited)
<b>1 Segment Revenue</b>				
(a) Financial Services	3,468.56	948.39	1,119.31	4,505.81
(b) Digital Consumer Engagement Platform (www.foreseegame.com)	-	-	-	-
(c) Health Care Products (www.sastasundar.com)	-	-	-	-
<b>Total</b>	<b>3,468.56</b>	<b>948.39</b>	<b>1,119.31</b>	<b>4,505.81</b>
Less : Inter Segment Revenue	-	-	-	-
<b>Income from Operations</b>	<b>3,468.56</b>	<b>948.39</b>	<b>1,119.31</b>	<b>4,505.81</b>
<b>2 Segment Results</b>				
<b>Profit / (Loss) before Finance Costs and Tax</b>				
(a) Financial Services	89.82	187.70	435.72	1,393.57
(b) Digital Consumer Engagement Platform (www.foreseegame.com)	(214.47)	(39.93)	-	(39.93)
(c) Health Care Products (www.sastasundar.com)	(1.97)	(4.35)	-	(4.35)
<b>Total</b>	<b>(126.62)</b>	<b>143.42</b>	<b>435.72</b>	<b>1,349.29</b>
Less:				
Finance Costs (Refer note 1)	-	-	-	-
Other unallocable expenditure net of unallocable income	10.80	208.32	(32.42)	84.05
<b>Profit / (Loss) before tax</b>	<b>(137.42)</b>	<b>(64.90)</b>	<b>468.14</b>	<b>1,265.24</b>
<b>3 Capital Employed</b>				
(Segment Assets - Segment Liabilities)				
(a) Financial Services	21,041.21	21,239.64	24,730.51	21,239.64
(b) Digital Consumer Engagement Platform (www.foreseegame.com)	2,397.87	2,401.60	-	2,401.60
(c) Health Care Products (www.sastasundar.com)	2,093.77	2,078.82	-	2,078.82
(d) Unallocated	1,963.93	1,937.43	2,391.65	1,937.43
<b>Total</b>	<b>27,496.78</b>	<b>27,657.49</b>	<b>27,122.16</b>	<b>27,657.49</b>

**Notes :**

1. Finance Costs pertaining to the segments having operations which are primarily of financial nature has been considered as part of segment results and not disclosed separately.

2 (i) Business Segments :

The Company has identified the following as business segments :

(a) Financial Services - mainly consists of financing of loans and investment in shares and securities, financial consultancy, debt syndication, Brokerage (Equity, Commodities and Currency including Depository Services), insurance broking, financial planning and distribution services.

(b) Digital Consumer Engagement Platform (www.foreseegame.com) - includes activities under foreseegame.com.

(c) Health Care Products (www.sastasundar.com) - includes activities for food processing, preservation and marketing of healthcare products through e-commerce portal www.sastasundar.com.

(ii) Geographical Segments : The Company operates in only one geographical segment i.e. "within India" and no separate information for geographical segment has been given.



**Notes:**

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14<sup>th</sup> August, 2013.
2. The Statutory Auditors have carried out the "Limited Review" of the results of the Stand -alone Company for the quarter ended 30<sup>th</sup> June, 2013.
3. The Statutory Auditors in their limited review report for the quarter ended 30<sup>th</sup> June, 2013 has commented regarding concentration of credit / investment norms as provided in paragraph 18 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended), having exceeded the limits provided therein, in order to become a Systemically Important Core Investment Company (CIC-ND-SI). The Company has already applied to the Reserve Bank of India (RBI) seeking exemption from complying with the aforesaid norms to become a CIC-ND-SI and is hopeful to receive the exemption in the aforesaid matter. Further, the Company has also written a letter to RBI seeking clarification on application for CIC.
4. The Company has re-assessed its business segments during the quarter ended on 30th June, 2013. Accordingly, (a) Financing and Investment, (b) Investment Banking and related services, (c) Brokerage (Equity, Commodities and Currency including Depository Services) and related services, and (d) Wealth Management, Insurance Broking, Financial Planning, Distribution and related services out of the primary business segment reported in the previous quarter / year are regrouped under one single segment (a) Financial Services. Apart from the same, the Company has also reported two other segments (b) Digital Consumer Engagement Platform ([www.foreseegame.com](http://www.foreseegame.com)), and (c) Health Care Products ([www.sastasundar.com](http://www.sastasundar.com)) earlier reported under segment "Others" in the previous quarter / year.

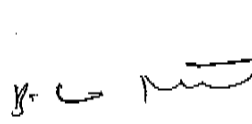

Therefore, the Company has reported three business segments (a) Financial Services, (b) Digital Consumer Engagement Platform ([www.foreseegame.com](http://www.foreseegame.com)), (c) Health Care Products ([www.sastasundar.com](http://www.sastasundar.com)). The Company continues to have only one reportable geographic segment in India. This in line with the requirements of Accounting Standard (AS) 17 "Segment Reporting" prescribed by the Companies (Accounting Standard) Rules, 2006.

5. Figures for the previous periods have been regrouped/ rearranged where necessary.

Place: Kolkata

Date: 14<sup>th</sup> August, 2013

For Microsec Financial Services Limited

B.L.Mittal

Chairman cum Managing Director

# Microsec Financial Services Limited

Regd. Office : 1st Floor, Shivam Chambers, 53, Syed Amir Ali Avenue, Kolkata - 700 019



Part - I

## STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2013

(Rs. In Lacs except for EPS)

Particulars	Quarter Ended			Year Ended
	30-June-13	31-Mar-13	30-June-12	31-Mar-13
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>1 INCOME FROM OPERATIONS</b>				
(a) Income from Operations	18.87	366.26	450.43	1,776.72
(b) Other Operating Income	50.00	-	-	-
<b>Total Income from Operations (Net)</b>	<b>68.87</b>	<b>366.26</b>	<b>450.43</b>	<b>1,776.72</b>
<b>2 EXPENSES</b>				
(a) Employees Benefits Expense	33.39	46.51	32.66	179.17
(b) Depreciation and amortization expense	8.68	9.70	9.49	38.71
(c) Advertisement and Publicity	5.77	12.46	1.31	18.33
(d) Loss on pre-matured recovery of debts	-	-	-	136.68
(e) Other Expenditure	20.41	50.34	17.54	120.08
<b>Total Expenses</b>	<b>68.25</b>	<b>119.01</b>	<b>61.00</b>	<b>492.97</b>
<b>3 Profit from Operations before Other Income, finance costs (1 - 2)</b>	<b>0.62</b>	<b>247.25</b>	<b>389.43</b>	<b>1,283.75</b>
4 Other Income	1.71	1.66	1.46	13.13
<b>5 Profit before finance costs (3 + 4)</b>	<b>2.33</b>	<b>248.91</b>	<b>390.89</b>	<b>1,296.88</b>
6 Finance Costs	0.14	-	0.23	5.19
<b>7 Profit before tax (5 - 6)</b>	<b>2.19</b>	<b>248.91</b>	<b>390.66</b>	<b>1,291.69</b>
<b>8 Tax Expense</b>				
(a) Current Tax	0.28	30.65	121.93	297.51
(b) Deferred Tax	4.11	3.25	4.20	17.95
<b>9 Net Profit / (Loss) after tax (7 - 8)</b>	<b>(2.20)</b>	<b>215.01</b>	<b>264.53</b>	<b>976.23</b>
10 Paid up Equity Share Capital (Face Value per share Rs.10.)	3,181.05	3,181.05	3,181.05	3,181.05
11 Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year				19,272.73
12 Earnings per share (Basic and Diluted)	(0.01)*	0.68*	0.83*	3.07

\* Not annualised

Part - II

Particulars	Quarter Ended			Year Ended
	30-June-13	31-Mar-13	30-June-12	31-Mar-13
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>A PARTICULARS OF SHAREHOLDING</b>				
<b>1 Public Shareholding</b>				
- Number of Shares	1,09,98,766	1,12,07,365	1,21,83,410	1,12,07,365
- Percentage of Shareholding	34.58%	35.23%	38.30%	35.23%
<b>2 Promoters and Promoter Group Shareholding</b>				
a) Pledged/Encumbered				
Number of Shares	Nil	Nil	Nil	Nil
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil
Percentage of Shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil
b) Non-encumbered				
Number of Shares	2,08,11,734	2,06,03,135	1,96,27,090	2,06,03,135
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
Percentage of Shares (as a % of the total share capital of the company)	65.42%	64.77%	61.70%	64.77%

Particulars	Quarter ended 30-June-13
<b>B INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed of during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil



**Notes:**

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14<sup>th</sup> August, 2013.
2. The Statutory Auditors have carried out the "Limited Review" of the results of the Stand -alone Company for the quarter ended 30<sup>th</sup> June, 2013.
3. The Statutory Auditors in their limited review report for the quarter ended 30<sup>th</sup> June, 2013 has commented regarding concentration of credit / investment norms as provided in paragraph 18 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended), having exceeded the limits provided therein, in order to become a Systemically Important Core Investment Company (CIC-ND-SI). The Company has already applied to the Reserve Bank of India (RBI) seeking exemption from complying with the aforesaid norms to become a CIC-ND-SI and is hopeful to receive the exemption in the aforesaid matter. Further, the Company has also written a letter to RBI seeking clarification on application for CIC.
4. The Company has re-assessed its business segment with regard to business carried out during the quarter ended 30th June, 2013. Accordingly the Company has only one reportable business segment i.e. "Financial Services" as against "Financing and Investment" and "Investment Banking and related services" as reported in the last quarter/ year. The Company continues to have only one reportable geographic segment in India.
5. Figures for the previous periods have been regrouped/ rearranged where necessary.

Place: Kolkata  
Date: 14<sup>th</sup> August, 2013

For Microsec Financial Services Limited

B.L.Mittal  
Chairman cum Managing Director

