

Limited Review Report**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 September, 30, 2014 (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. Based on our review conducted as 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", [specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014)] 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.
4. Without qualifying our conclusion, we draw attention to note no.3 of the unaudited financial results regarding the Company's credits/investments during the period having exceeded the limits prescribed by the credit concentration norms as provided in paragraph 18 of the Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended) and application filed by the Company subsequent to the quarter end for voluntary surrender of its Certificate of Registration to operate as a Non-Banking Financial Institution which is pending before the Reserve Bank of India.

For S.R. BATLIBOI & CO. LLP**ICAI Firm registration number: 301003E**

Chartered Accountants

**per Bhaswar Sarkar**

Partner

Membership No.:55596

Place: Kolkata

Date : November 11, 2014



Part - I

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2014

(Rs. In Lacs except for EPS)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 INCOME FROM OPERATIONS						
(a) Income from Operations	-	-	7.68	-	26.55	32.35
(b) Other Operating Income	50.00	50.00	50.00	100.00	100.00	200.00
Total Income from Operations (Net)	50.00	50.00	57.68	100.00	126.55	232.35
2 EXPENSES						
(a) Employee benefit expense	38.60	31.02	31.99	69.62	65.38	128.93
(b) Depreciation and amortization expense	10.42	9.87	8.81	20.29	17.49	35.65
(c) Other Expenditure	21.69	15.11	23.20	36.80	49.38	86.65
Total Expenses	70.71	56.00	64.00	126.71	132.25	251.23
3 Profit / (Loss) from Operations before Other Income, finance costs (1 - 2)	(20.71)	(6.00)	(6.32)	(26.71)	(5.70)	(18.88)
4 Other Income	15.49	21.37	2.87	36.86	4.58	43.47
5 Profit before finance costs (3 + 4)	(5.22)	15.37	(3.45)	10.15	(1.12)	24.59
6 Finance Costs	-	-	-	-	0.14	0.14
7 Profit before tax (5 - 6)	(5.22)	15.37	(3.45)	10.15	(1.26)	24.45
8 Tax Expense						
(a) Current Tax	(0.83)	0.83	(0.28)	-	-	2.64
(b) Deferred Tax Charge	-	-	2.95	-	7.06	30.83
(c) Excess provision for taxation no longer required written back	-	-	-	-	-	(67.96)
9 Net Profit / (Loss) after tax (7 - 8)	(4.39)	14.54	(6.12)	10.15	(8.32)	58.94
10 Paid up Equity Share Capital (Face Value per share Rs.10)	3,181.05	3,181.05	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						19,331.67
12 Earnings per share (Basic and Diluted)	(0.01)*	0.05 *	(0.02)*	0.03 *	(0.03)*	0.19

* Not annualised

Part - II

SELECT INFORMATION FOR THE QUARTER ENDED 30TH SEPTEMBER, 2014

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
A PARTICULARS OF SHAREHOLDING						
1 Public Shareholding						
- Number of Shares	9,078,155	9,339,968	9,832,187	9,078,155	9,832,187	9,823,581
- Percentage of Shareholding	28.54%	29.36%	30.91%	28.54%	30.91%	30.88%
2 Promoters and Promoter Group Shareholding						
a) Pledged/Encumbered						
Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
Percentage of Shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
b) Non-encumbered						
Number of Shares	22,732,345	22,470,532	21,978,313	22,732,345	21,978,313	21,986,919
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Percentage of Shares (as a % of the total share capital of the company)	71.46%	70.64%	69.09%	71.46%	69.09%	69.12%

Particulars	Quarter ended 30-Sep-14
B INVESTOR COMPLAINTS	
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 STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lacs)

Particulars		As at 30-Sep-14 (Unaudited)	As at 31-Mar-14 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	3,181.05	3,181.05
	(b) Reserves & Surplus	19,319.92	19,331.67
	Sub Total - Shareholders' Funds	22,500.97	22,512.72
2	Current Liabilities		
	(a) Trade Payables	7.89	7.90
	(b) Other current liabilities	2.58	4.75
	(c) Short-term provisions	153.19	168.19
	Sub Total - Current Liabilities	163.66	180.84
	Total - Equity and Liabilities	22,664.63	22,693.56
B.	ASSETS		
1	Non-current assets		
	(a) Fixed Assets	403.67	440.34
	(b) Non-current Investments	21,965.74	21,559.47
	(c) Long-term loans and advances	142.45	130.37
	Sub Total - Non-Current Assets	22,511.86	22,130.18
2	Current assets		
	(a) Cash, Cash Equivalents and Other Bank Balances	121.26	517.78
	(b) Short-term Loans and Advances	30.62	38.68
	(c) Other Current Assets	0.89	6.92
	Sub Total - Current Assets	152.77	563.38
	Total - Assets	22,664.63	22,693.56



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 11th November, 2014.
2. The Statutory Auditors have carried out the "Limited Review" of the results of the Stand -alone Company for the quarter ended 30th September, 2014.
3. The Statutory Auditors has in their audit report for the year ended 31st March, 2014 and review report of 30th June, 2014 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 Non Deposit Accepting Core Investment Company (ND-CIC). The shareholders of the Company had approved conversion of the Company to a Core Investment Company (CIC) on 19th March 2013. During the quarter, RBI has advised the Company to voluntarily surrender its Certificate of Registration as a Non-Banking Financial Institution. Accordingly, the Company has filed an application for such de-registration subsequent to the quarter-end and is awaiting such de-registration by the RBI.

A Company having an asset size of more than Rs. 100 crores and not accessing public funds is exempt from the registration as CIC with the RBI in terms of the notification No. DNBS. (PD) 221/CGM (US)-2011 dated 5th January 2011. In view of the above, the management believes that the Company has complied with the extant requirements of operating as a CIC and has also submitted its application with RBI for withdrawal of application for registration as CIC as submitted on 12th August, 2014.

4. The Company has only one reportable business segment, i.e., "Financial Services" and have only one reportable geographic segment in India.
5. Figures for the previous periods have been regrouped / rearranged where necessary.

Place: Kolkata

Date: 11th November, 2014



For Microsec Financial Services Limited

A handwritten signature in blue ink, appearing to read "B.L. Mittal".

B.L.Mittal

Chairman cum Managing Director

Part - I

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2014

(Rs. in Lacs except for EPS)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-14 (Unaudited)	30-Jun-14 (Unaudited)	30-Sep-13 (Unaudited)	30-Sep-14 (Unaudited)	30-Sep-13 (Unaudited)	31-Mar-14 (Audited)
1 INCOME FROM OPERATIONS						
(a) Income from Operations	1,197.36	897.37	706.60	2,094.73	1,328.16	2,674.06
(b) Other Operating Income	-	-	-	-	-	-
Total Income from Operations (Net)	1,197.36	897.37	706.60	2,094.73	1,328.16	2,674.06
2 EXPENSES						
(a) Purchase of stock in trade	510.21	225.94	35.63	736.15	35.63	202.38
(b) Changes in inventories of stock in trade	(179.14)	(75.63)	(35.60)	(254.77)	(35.60)	(141.83)
(c) Employee benefit expense	537.03	467.75	408.56	1,004.78	809.63	1,716.33
(d) Depreciation and Amortization expense	135.24	136.98	45.78	272.22	88.15	187.66
(e) Other Expenditure	534.60	446.58	395.92	981.18	798.65	1,700.85
Total Expenses	1,537.94	1,201.62	850.29	2,739.56	1,696.46	3,665.39
3 Profit / (Loss) from Operations before other income, finance costs (1 - 2)	(340.58)	(304.25)	(143.69)	(644.83)	(368.30)	(991.33)
4 Other Income	103.24	96.11	98.74	199.35	199.41	386.55
5 Profit / (Loss) before finance costs (3 + 4)	(237.34)	(208.14)	(44.95)	(445.48)	(168.89)	(604.78)
6 Finance Costs	23.36	28.24	13.79	51.60	27.27	65.15
7 Profit / (Loss) before tax (5 - 6)	(260.70)	(236.38)	(58.74)	(497.08)	(196.16)	(669.93)
8 Tax Expense						
(a) Current Tax	6.96	4.72	8.13	11.68	15.25	8.93
(b) Excess provision for taxation no longer required written back	-	-	(36.08)	-	(36.08)	(104.47)
(c) Deferred Tax	10.65	0.12	18.90	10.77	35.07	59.66
9 Net Profit / (Loss) after tax (7 - 8)	(278.31)	(241.22)	(49.69)	(519.53)	(210.40)	(634.05)
10 Minority Interest	1.88	2.94	3.85	4.82	7.31	13.40
11 Net Profit / (Loss) after taxes and minority interest	(280.19)	(244.16)	(53.54)	(524.35)	(217.71)	(647.45)
12 Paid up Equity Share Capital (Face Value per share Rs.10)	3,181.05	3,181.05	3,181.05	3,181.05	3,181.05	3,181.05
13 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						23,817.60
14 Earnings per share (Basic and Diluted)	(0.88)*	(0.77)*	(0.17)*	(1.65)*	(0.68)*	(2.04)

* Not annualised

Part - II

SELECT INFORMATION FOR THE QUARTER ENDED 30TH SEPTEMBER, 2014

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
A PARTICULARS OF SHAREHOLDING						
1 Public Shareholding						
- Number of Shares	9,078,155	9,339,968	9,832,187	9,078,155	9,832,187	9,823,581
- Percentage of Shareholding	28.54%	29.36%	30.91%	28.54%	30.91%	30.88%
2 Promoters and Promoter Group Shareholding						
a) Pledged/Encumbered						
Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil
b) Non-encumbered						
Number of Shares	22,732,345	22,470,532	21,978,313	22,732,345	21,978,313	21,986,919
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Percentage of Shares (as a % of the total share capital of the Company)	71.46%	70.64%	69.09%	71.46%	69.09%	69.12%

Particulars	Quarter ended 30-Sep-14
B INVESTOR COMPLAINTS	
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

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Gross Revenue	65.49	71.37	60.55	136.86	131.13	275.82
Profit / (Loss) before Tax	(5.22)	15.37	(3.45)	10.15	(1.26)	24.45
Profit / (Loss) after Tax	(4.39)	14.54	(6.12)	10.15	(8.32)	58.94

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

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Segment Revenue						
(a) Financial Services	812.69	729.23	704.67	1,541.92	1,326.23	2,596.69
(b) Digital Media of Consumer Engagement (www.foreseegame.com)	6.56	5.06	1.90	11.62	1.90	10.74
(c) Digital Pharmacy & Healthcare Store (www.sastasundar.com)	378.11	163.08	0.03	541.19	0.03	66.63
Total	1,197.36	897.37	706.60	2,094.73	1,328.16	2,674.06
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	1,197.36	897.37	706.60	2,094.73	1,328.16	2,674.06
2 Segment Results						
Profit / (Loss) before Finance Costs and Tax						
(a) Financial Services	322.31	275.62	200.85	597.93	290.67	577.89
(b) Digital Media of Consumer Engagement (www.foreseegame.com)	(283.69)	(253.62)	(245.07)	(537.31)	(459.54)	(880.66)
(c) Digital Pharmacy & Healthcare Store (www.sastasundar.com)	(291.91)	(252.11)	(9.21)	(544.02)	(11.18)	(332.55)
Total	(253.29)	(230.11)	(53.43)	(483.40)	(180.05)	(635.32)
Less:						
Finance Costs (Refer note 1)	-	-	-	-	-	-
Other unallocable expenditure net of unallocable income	7.41	6.27	5.31	13.68	16.11	34.61
Profit / (Loss) before tax	(260.70)	(236.38)	(58.74)	(497.08)	(196.16)	(669.93)
3 Capital Employed						
(Segment Assets - Segment Liabilities)						
(a) Financial Services	10,648.23	12,652.09	15,907.09	10,648.23	15,907.09	13,743.22
(b) Digital Media of Consumer Engagement (www.foreseegame.com)	3,415.97	3,336.70	2,130.27	3,415.97	2,130.27	3,023.80
(c) Digital Pharmacy & Healthcare Store (www.sastasundar.com)	9,619.38	8,025.11	6,708.55	9,619.38	6,708.55	7,490.39
(d) Unallocated	2,768.64	2,768.32	2,701.19	2,768.64	2,701.19	2,766.03
Total	26,452.22	26,782.22	27,447.10	26,452.22	27,447.10	27,023.44

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

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

(c) Digital Pharmacy & Healthcare Store (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.



CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lacs)

Particulars	(Rs. in Lacs)	
	As at 30-Sep-14 (Unaudited)	As at 31-Mar-14 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	3,181.05	3,181.05
(b) Reserves & Surplus	23,241.55	23,817.60
Sub Total - Shareholders' Funds	26,422.60	26,998.65
2 Minority Interest	29.62	24.80
3 Non - Current Liabilities		
(a) Deferred Tax Liabilities (net)	322.72	310.91
(b) Long-term Provisions	7.64	6.12
Sub Total - Non-current Liabilities	330.36	317.03
4 Current Liabilities		
(a) Short-term borrowings	658.04	18.34
(b) Trade Payables	1,119.19	1,743.77
(c) Other current liabilities	1,328.24	1,589.56
(d) Short-term provisions	185.74	190.76
Sub Total - Current Liabilities	3,291.21	3,542.43
Total - Equity and Liabilities	30,073.79	30,882.91
B. ASSETS		
1 Non-current assets		
(a) Fixed Assets	5,938.92	5,947.89
(b) Goodwill on Consolidation	5,738.52	5,738.52
(c) Non-current Investments	1,895.43	1,799.44
(d) Deferred Tax Assets (net)	3.56	2.51
(e) Long-term loans and advances	2,962.60	2,695.28
(f) Other non current assets	1,427.91	903.69
Sub Total - Non-Current Assets	17,966.94	17,087.33
2 Current assets		
(a) Current Investments	2,506.75	2,317.53
(b) Inventories	420.57	715.83
(c) Trade Receivables	1,695.19	1,403.96
(d) Cash, Cash Equivalents and Other Bank Balances	1,859.63	4,274.16
(e) Short-term Loans and Advances	5,569.55	4,912.05
(f) Other Current Assets	55.16	172.05
Sub Total - Current Assets	12,106.85	13,795.58
Total - Assets	30,073.79	30,882.91



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 11th November, 2014.
2. The Statutory Auditors have carried out the "Limited Review" of the results of the Stand -alone Company for the quarter ended 30th September, 2014.
3. The Statutory Auditors has in their audit report for the year ended 31st March, 2014 and review report of 30th June, 2014 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 Non Deposit Accepting Core Investment Company (ND-CIC). The shareholders of the Company had approved conversion of the Company to a Core Investment Company (CIC) on 19th March 2013. During the quarter, RBI has advised the Company to voluntarily surrender its Certificate of Registration as a Non-Banking Financial Institution. Accordingly, the Company has filed an application for such de-registration subsequent to the quarter-end and is awaiting such de-registration by the RBI.

A Company having an asset size of more than Rs. 100 crores and not accessing public funds is exempt from the registration as CIC with the RBI in terms of the notification No. DNBS. (PD) 221/CGM (US)-2011 dated 5th January 2011. In view of the above, the management believes that the Company has complied with the extant requirements of operating as a CIC and has also submitted its application with RBI for withdrawal of application for registration as CIC as submitted on 12th August, 2014.

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

Place: Kolkata

Date: 11th November, 2014



For Microsec Financial Services Limited

B. L. Mittal

Chairman cum Managing Director