

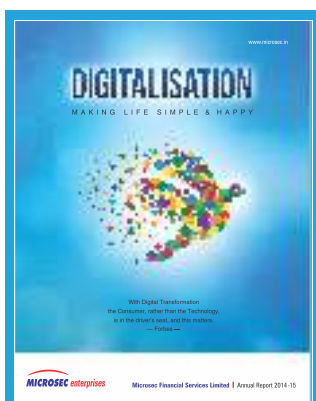
# DIGITALISATION

MAKING LIFE SIMPLE & HAPPY



With Digital Transformation  
the Consumer, rather than the Technology,  
is in the driver's seat, and this matters.

— Forbes —



This Annual Report is available online at [www.microsec.in](http://www.microsec.in)

## Corporate Information

### BOARD OF DIRECTORS

**Banwari Lal Mittal**

*Chairman and Managing Director*

**Ravi Kant Sharma**

*Non-Executive Director*

**Parimal Kumar Chattaraj**

*Independent Director*

**Raj Narain Bhardwaj**

*Independent Director*

**Deba Prasad Roy**

*Independent Director*

**Abha Mittal**

*Non-Executive Director*

*(Appointed w.e.f. 26th March, 2015)*

### CHIEF FINANCIAL OFFICER

**Giridhar Dhelia**

### COMPANY SECRETARY

**Biplab Kumar Mani**

### REGISTERED OFFICE

Shivam Chambers, 1st Floor

53, Syed Amir Ali Avenue

Kolkata - 700 019

CIN : L65993WB1989PLC047002

Phone: +91 33 3051 2100

Fax: +91 33 3051 2020

E-mail: [info@microsec.in](mailto:info@microsec.in)

Website : [www.microsec.in](http://www.microsec.in)

### CORPORATE OFFICE

Azimganj House, 2nd Floor

7, Camac Street

Kolkata - 700 017

Phone: +91 33 2282 9330

Fax: +91 33 2282 9335

### BANKERS

HDFC Bank Limited

Axis Bank Limited

Indusind Bank Limited

### AUDITORS

S.R. Batliboi & Co. LLP,

Chartered Accountants

22, Camac Street, Block-'C'

3rd Floor, Kolkata - 700 016

### REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited

59C, Chowringhee Road, 3rd Floor

Kolkata - 700 020

Phone: +91 33 2289 0539/40

Fax: +91 33 2289 0539

E-mail: [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in)

Website : [www.linkintime.co.in](http://www.linkintime.co.in)

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## From the desk of Chairman

*Dear members*

It gives me great pleasure to present to you, the 26th Annual Report of your Company for the financial year 2014-15.

As you are aware, our company is moving from financial services to digital business. In a vast country which is full of resources but lacks infrastructure, digitalisation will serve to be the key factor for connectivity and delivery of commodities and services. We are outlining the disintegration of our financial services business and trying to optimize every opportunity to fully focus on our digital business:

- **Foreseegame.com** – an innovative Digital Media for Consumer Engagement with more than 1 million registered users.
- **Sastasundar.com** – an innovative Digital Pharmacy and Healthcare store processing on an average 2000+ orders per day.

The initial response has been beyond our expectations in both the business verticals and we are working towards calibrating both of them. I strongly believe that we possess a robust

foundation that will support growth across our lines of businesses.

I once again thank you for your continued support. Your company's plans of generating greater revenue are now turning into reality.

I convey my heartfelt thanks to all our shareholders for their continued trust and confidence reposed in the management. My gratitude goes out to my colleagues on the Board as well for their valuable guidance and contributions. I also convey my sincere thanks to our customers, business associates, bankers, employees and vendors whose contribution to the enterprise's growth has been immense.

With best regards,

**Banwari Lal Mittal**



foreseegame.com



## Mission Statement

We exist to provide a win-win partnership of entertainment, games, promotion and advertisement by using knowledge and technology through fun of games, delightful sharing and interaction between brand and consumer





# Mission Statement

We exist to use knowledge and digital connectivity to reduce cost and add convenience in making available high quality medicines, healthcare products and services to make life simple and happy.



# OWN BRANDS

**STOPTAR**<sup>TM</sup>  
SMOKING FILTER

**ZEROTOX**<sup>TM</sup>  
Toxic Free Beauty Care

healthbuddy<sup>TM</sup>  
HERBAL

healthbuddy<sup>TM</sup>  
ORGANIC

healthbuddy<sup>TM</sup>  
natural

lingerieFit<sup>TM</sup>  
Ultra Hygiene & Comfort

noknok<sup>TM</sup>  
B \* A \* B \* Y

**Aasaan**<sup>TM</sup>  
MAKES CLEANING EASY

**HANDYWARE**<sup>TM</sup>  
SMART LOCK, SMART STORAGE

healthbuddy<sup>TM</sup>  
care

PURE &  
FRESH<sup>TM</sup>

Chef  n

 **DNAVITA**<sup>TM</sup>

STOPTAR

# MUST FOR SMOKERS

Reduces tar and other harmful products without changing the taste



# Zerotox

*Handmade Soap, Shampoo, Conditioner, Facewash, Bodywash, Sanitizer, Hair Colour, Shaving Soap, Shaving Lotion & Pre Shave Oil*

Invigorate your senses with our range of Zerotox - Toxic Free Beauty Care Products including handmade soaps, shampoos, conditioners, face washes, body washes, sanitizer, hair colours, shaving soap, shaving lotion and pre shave oil. Apart from this, loofah and hand washes are also available. All these products are loaded with the goodness of natural ingredients like neem, strawberry, rose, geranium, honey, natural oils etc. Shampoos, conditioners, face washes, body washes, sanitizer, shaving lotion and pre shave oil are SLS and Paraben Free which make them extremely suitable for your skin and hair. The anti-bacterial and anti-microbial properties of these products will help you keep skin diseases and hair problems at bay.



# Healthbuddy Herbal

*Health Care, Beauty Care & Baby Care*

Healthbuddy Herbal products which are combination of 100% natural ingredients are made in India with 100% herbal certification from AYUSH, a body of Govt. of India. Moreover, Healthbuddy Herbal Oil products are free from any kind of mineral oils. Apart from this, environmental standards are maintained while preparing these products. As a result, the products under this category are committed to social, economic and ecological sustainability and promotes Clean India. Thus, with these products, you can be rest assured of beauty and health care without any side-effects.





# Healthbuddy Organic

## Rice & Seeds

Healthbuddy Organic brings to you aromatic and flavourful Premium Gobind Bhog Rice, Fenugreek and Flax Seeds to add taste and flavour to your daily platter. As the brand name suggests, all these products are 100% organic in nature. Regular consumption of organic fenugreek and flax seeds will help keep blood sugar level, fatigue, body pain and acidity under control. Not only do they taste better but also maintain a harmony with nature. So, don't settle for less! Go for the best.



# Healthbuddy Care

## Belts, Bandage, Hot & Cold Pack, Nebulizer & Tissue

Make Healthbuddy Care your trusted companion in times of pain! Stay healthy and fit with a range of products like Cervical Collar, Waist Support Belt, Ankle Support Belt, Knee Support Belt as well as Pain Relief Hot & Cold Pack. All the products are made of Advanced Breathable Neoprene material and are desirably good for their "24 Hours Zero Irritation Design". The Crepe Bandage is made of pure, soft cotton that ensures hygiene with quick joint and muscle recovery. The Scientific Compressor Nebulizer delivers aerosol medication effectively and is aimed to relieve asthma, bronchitis, or COPD.



# LingerieFit

Sanitary Napkin

Keep living life to the fullest with Healthbuddy LingerieFit Sanitary Pads' extraordinary protection! Artfully designed to fit the contours of your body, the pad features air-laid perforated webbed surface which has maximal soaking ability and is gentle on skin. It's amazing "Leak-lock Design" with "Multiple Locking Zones" effectively prevents leakage by securely gathering the excess fluid and keeps you dry throughout the cycle. Forget the fear of odour as special plant extracts in the pad neutralize the stench. To ensure complete circle of hygiene, LingerieFit Sanitary Pads comes in "Aluminium Foil" pack. Redefine freedom in your style by choosing your one from LingerieFit Sanitary Pads variants - Regular, Large and X-Large!



# LingerieFit

Pantliners

Create your own story of confidence with Healthbuddy Pantliners, your daily hygiene mate! Healthbuddy Pantliners are satin-soft and ultrathin permeable liners meant for daily use to help you stay clean and fresh. Fabricated with air-laid paper - a nonwoven fabric made from fluffy pulp, the Pantliners manifest strong absorbency and soaking ability to bolster freshness all day. The essential "Anion Strip" suppresses reproduction of micro-organisms inside the pad and controls the odour all day long. To ensure superior stability, the liners are equipped with increased stay-put adhesive. Securing the complete circle of hygiene, LingerieFit Pantliners comes in "Aluminium Foil" pack to maintain 100% hygiene.





## Baby Care

A smiling woman with long dark hair, wearing a white tank top, holds a baby wearing a red Santa hat. They are surrounded by a variety of baby products. In the foreground, there is a large white storage bin with a green handle, labeled 'healthbuddy noknok B'. Next to it are several baby bottles, pacifiers, and colorful toys. The background is a solid light blue.

# Aasaan

*Household Cleaning*

The Aasaan range is here to make your daily household chores easier! You will get a range of products here including Scrub Pads, Scrub Sponges, Non Scratch Scrub Sponge, Clothes Scrub Brush, Mini Dust Wiper, Floor & Tiles Scrubber, Dust Pan with Brush and Toilet Cleaning Brush & Stand. All these products are made of hygienic and durable Polypropylene Thermoplastic Elastomers material. They ensure 100% durability and longevity. These lightweight products offer comfortable grip and effortless cleaning.



# Handyware

*Storage Solution*

Utilise your kitchen space effectively with Handyware's range of non-toxic and breakage resistant products, used essentially for storing food and raw materials. Some of the products in this range include different size of canisters, oil canister, flip flop water bottle and kid's lunch box. The containers are air tight and leakage proof due to the silicon latex band. The products are shaped in a way that allows easy accommodation in limited space. Most importantly, these products are made of hygienic and BPA free material.





# Healthbuddy The Tea Tale



## **Gold Assam Orthodox Whole Leaf**

Orthodox teas are generally known as Champagne of teas as they are more nuanced and complex than other teas. Assam Orthodox tea is famous for its bright colour and distinctively malty flavour.



## **Gold Assam CTC Tea**

Gold Assam CTC tea is processed from selectively handpicked tea leaves. Tea lovers are sure to find its taste appealing and the health benefits it yields are difficult to resist.



## **Premium Assam Orthodox Whole Leaf**

Orthodox Tea is prepared with the top two leaves of each plant, thus assuring the famous bright colour and malty flavoured liquor.



## **Premium Darjeeling Green Tea Whole Leaf**

Popular worldwide, this tea is strong in antioxidants with many health benefits. The liquor is normally light green in colour and is usually not consumed with milk or sugar.



## **Premium Darjeeling Black Tea Whole Leaf**

It reduces stress hormones and improves your heart health due to high contents of polyphenols and flavonoids.



## **Organic Premium Darjeeling Green Tea Whole Leaf**

Organic Green Tea is known to be the best substitute to other normal beverages as it is low in caffeine content. Thus, this tea is a healthier option!



## **Organic Premium Darjeeling Black Tea Whole Leaf**

This tea is devoid of any chemical fertilizers and pesticides. It also aids in maintaining heart health. It is known for its delicate flavours and muscatel aroma. The strong liquor with a subtle astringent flavour makes it all the more popular.



## **Organic Green Tea (Tea Bags)**

Green Tea is full of flavonoids and antioxidants and gives your health a boost. It aids in weight loss and helps to regulate glucose levels.



## **Premium Assam CTC Tea**

Grown in Assam, the tea is known for its strength and flavour. CTC or "Cut, Tear and Curl" refers to the process used to make the tea. This process leads to super-brisk tea.



## **Premium Assam CTC Tea (Masala)**

Add an extra zing of taste to your favourite beverage with the masala pouch. It is known for a distinct flavour and taste.

# Chef-on

## Fresh & Yummy

### *Make-to-Order Cookies*



#### **CHOCOCHIP COOKIES**

Smooth and delicious cookies enriched with the flavor of mouth watering choco-chips. Enjoy them anytime of the day!



#### **PEANUT BUTTER COOKIES**

Satisfy your taste buds with the delicious cookies mixed with the rich taste of peanut butter.



#### **COFFEE COOKIES**

Exotic aroma of coffee blended into buttery cookie can make you drool all throughout the day!



#### **OAT MEAL CHOCOLATE CHIP COOKIES**

Enjoy the heavenly taste of oats and creamy butter with ample amount of chocolate chips in it!



#### **MIX NUT COOKIES**

Enjoy a lovely blend of cashew, walnut, pista and almond with our mix nut cookies.



#### **BUTTER SHORT BREAD COOKIES**

Savour the unique blend of butter, sugar and vanilla extract with our Short Bread Cookies!

### *Make-to-Order Chocolate Bars*



#### **DARK CHOCOLATE BAR**

Make to order dark chocolates - a food for your soul! Less of milk and more of creamy dark chocolate makes you just drool over them!



#### **WHITE CHOCOLATE BAR**

Indulge yourself in these ivory bars - made of rich creamy chocolate, cocoa butter and sugar. The delicious, delicate flavours will make your day!



#### **MILK CHOCOLATE BAR**

Enjoy the taste of milk and chocolate blended into delicious bars - a delight for any milk chocolate lover!

# Chef-on

Fresh & Yummy

***Make-to-Order Khari***



## **PLAIN KHARI**

Make your tea time wonderful with the authentic taste of plain khari!



## **GARLIC KHARI**

Let your taste buds enjoy the freshness of garlic with this khari.



## **CHILLI & CHAT MASALA KHARI**

Want something spicy to snack on? Enjoy the unique combination of chilli & chat masala with this khari.

## ***Make-to-Order Cheese Straw***



## **PLAIN CHEESE STRAW**

A delight for cheese lovers, they are perfect partners for cocktails, salads and soups.



## **PAPRIKA CHEESE STRAW**

Enjoy the unique blend of smoky paprika and cheese in this snack!



## **MIX MASALA CHEESE STRAW**

A delicious blend of cheese with masala to accompany your tea!



## **GARLIC & BLACK PEPPER CHEESE STRAW**

Forget your worries with the freshness of garlic and black pepper as you take a bite of this cheese straw!



# Pure & Fresh

## Powdered Spice

### *Make-to-Order*



#### **CORIANDER POWDER**

Make your platter flavourful with make-to-order coriander powder that purifies blood & cures inflammation!



#### **BLACK PEPPER POWDER**

A pinch of make-to-order black pepper powder ensures delicious flavour and aroma to any dish!



#### **CUMIN POWDER**

Enjoy the subtle taste of bitterness in your food with our make-to-order cumin powder.



#### **RED CHILLI POWDER**

Add a zing of make-to-order chilli powder to your chutneys, pickles, sauces and other food items.



#### **TURMERIC POWDER**

Make-to-order turmeric powder to add colour and taste to your food!

# Pure & Fresh

## Whole Spice



#### **CUMIN**

With cumin whole spice, add that unique musk and bitterness to your platter!



#### **BLACK PEPPER**

Enjoy the penetrating aroma and the hot, spicy taste by adding the black pepper whole spice!



# DNAVITA

Everyone is unique! So, why should you go for just any health drink? DNAVITA - a customized health supplement is here to provide you with the right kind of nutrition, vitamins and minerals depending solely upon "your" health condition, age, height, weight, food habits and lifestyle. Natural edible ingredients, which have been minimally processed under hygienic conditions to retain their nutritional integrity, are used for preparing DNAVITA. Thus, this drink is created keeping "you" and "your dietary requirements" in mind. No artificial colour, flavour and preservatives are used in this drink thereby retaining their wholesome nutritional properties. It emphasizes on the healing power of food to enhance natural immunity and boost our energy levels.



***Everyone Is Unique...***  
*Then how can your **Health Drink?***  
*be the same?*



**SastaSundar**.com ELEVATION CENTRE IN KOLKATA





## Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their 26th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

### FINANCIAL HIGHLIGHTS

A summary of Financial Results of the Company and its subsidiaries for the year ended 31st March, 2015 is given below :

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2015	Year ended 31.03.2014
Total Revenue	244.83	275.82	5,232.99	3,060.62
<b>Profit/(Loss) before Interest, Depreciation &amp; Tax</b>	<b>42.58</b>	<b>60.24</b>	<b>-822.05</b>	<b>-417.12</b>
Less: Depreciation	40.97	35.65	569.90	187.66
Less: Interest	-	0.14	93.15	65.15
<b>Profit/(Loss) before Taxation</b>	<b>1.61</b>	<b>24.45</b>	<b>-1,485.10</b>	<b>-669.93</b>
Less: Tax Expenses				
- Current Tax	-	2.65	33.66	8.93
- Excess Provision for taxation no longer required written back	-103.60	-67.97	-103.60	-104.47
- Deferred Tax	-	30.83	67.22	59.66
<b>Profit/(Loss) for the year before Minority Interest</b>	<b>105.21</b>	<b>58.94</b>	<b>-1,482.38</b>	<b>-634.05</b>
Less: Minority Interest	-	-	7.98	13.40
<b>Profit/(Loss) for the year</b>	<b>105.21</b>	<b>58.94</b>	<b>-1,490.36</b>	<b>-647.45</b>
Balance brought forward from previous year	3,924.17	3,877.02	8,158.30	8,833.17
<b>Balance Available for appropriation</b>	<b>4,029.38</b>	<b>3,935.96</b>	<b>6,667.94</b>	<b>8,185.72</b>
<b>Less: Appropriations</b>				
Transfer to Reserve under section 45-IC of the RBI Act, 1934	21.04	11.79	26.52	14.92
Transfer to Debenture Redemption Reserve	-	-	12.50	12.50
Transitional provision for depreciation under the Companies Act, 2013	21.90	-	44.43	-
Proposed dividend	-	-	-	-
Dividend Tax thereon	-	-	-	-
<b>Surplus in the Statement of Profit &amp; Loss</b>	<b>3,986.44</b>	<b>3,924.17</b>	<b>6,584.49</b>	<b>8,158.30</b>

## Directors' Report

### Dividend

Keeping in view the growth plans and diversification of business of the Company, your directors do not recommend any dividend for the financial year 2014-15.

### Reserves

During the Financial Year ended 31st March, 2015 the Company has transferred a sum of Rs. 21.04 lacs towards Reserve under Section 45-IC of the RBI Act, 1934.

### Operational Update

The Company is a Non-banking Finance Company registered with the Reserve Bank of India. With substantial investments in its wholly owned subsidiary, the Company has acquired the status of a Core Investment Company (CIC). The Company has made application to Reserve Bank of India for voluntary de-registration as NBFC. A detailed note on the operation of the Company is elaborated in the section Management Discussion and Analysis Report.

With an objective to create sustainable long term value for all stakeholders, your Company decided to fully focus on digital business. Your Company's digital business verticals are held and operated through the wholly-owned subsidiary companies. The present digital business vertical of the Company requires greater attention and full devotion. To devote greater attention and focus to the digital business vertical at present, your Company have filed an application with SEBI for withdrawal of application filed for registration as Mutual Funds as per SEBI (Mutual Funds) Regulations, 1996 and also withdraw the consent to act as a Corporate Promoter of the Small Finance Bank for which the application was filed by Microsec Resources Private Limited the wholly owned subsidiary Company, with the Reserve Bank of India.

On a standalone basis, the revenue of your Company was Rs. 244.83 Lacs as against Rs. 275.82 Lacs during the previous year. EBITD was Rs. 42.58 Lacs as compared to Rs. 60.24 Lacs during the previous financial year. The net profit for the year under review was Rs. 105.21 Lacs, as against Rs. 58.94 Lacs in the previous year .

### Deposits

Your Company has not accepted any deposit from public covered under Chapter V of the Companies Act, 2013 and as such, no amount of principal or interest on deposit from public was outstanding as on the date of balance sheet.

### Share Capital

The paid up Equity share capital of the Company as at 31st March, 2015 is Rs. 31.81 crores. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity shares. As on 31st March, 2015, none of the Directors of the Company holds instrument convertible into equity shares of the Company. Your Company has not made any provision of money for purchase of its own Shares by employees or by trustees for the benefit of employees during the year under review.

### Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### Material changes and commitments

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which financial statements relates and on the date of this report.

### Going concern status

There was no instance of any material order passed by any regulator/court/tribunal impacting the going concern status of the Company and its future operations.

### Internal Control systems and their adequacy

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its





## Directors' Report

subsidiaries. Based on the report of internal audit, management undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

### Subsidiary/Joint Ventures/Associate Companies

At the beginning of the year, the Company had fourteen subsidiaries (both direct and step down). As on 31st March, 2015 the Company has fifteen subsidiaries (both direct and step down). During the year, the Company had incorporated Microsec Tech Solutions Private Limited as its subsidiary on 19th February, 2015.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and all its subsidiaries forms part of the Annual Report. Further a statement containing the salient features of the financial statements of each of the subsidiaries, associates in the prescribed format Form AOC-1, forms a part of the Annual Report. The annual accounts of the subsidiary companies will be made available to the shareholders on request and will also be kept for inspection by the shareholders at the registered office of your Company.

Further as per section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company are available at our website at [www.microsec.in](http://www.microsec.in).

A Policy has been formulated for determining the Material Subsidiaries of the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges. The said Policy has been posted on the Company's website at the weblink [http://www.microsec.in/static/Pdf/Policy\\_of\\_Material\\_Subsiary\\_Microsec.pdf](http://www.microsec.in/static/Pdf/Policy_of_Material_Subsiary_Microsec.pdf).

The Company does not have any Joint Venture or Associate Company as per the Companies Act 2013.

### Board of Directors:

#### a) Directors and Key Managerial Personnel

At the 25th Annual General Meeting (AGM) of the Company held on 13th August, 2014, the Members had appointed the existing Independent Directors viz Mr. Parimal Kumar Chattaraj (DIN-00893963), Mr. Raj Narain Bhardwaj (DIN-01571764) and Mr. Deba Prasad Roy (DIN- 00049269) as Independent Directors under the Act each for a term of five years ending on 31st March, 2019.

A formal letter setting out the terms and conditions of appointment has been issued to all the Independent Directors as per the provisions of Companies Act, 2013 and Clause 49(II)(B) of the Listing Agreement. The same has been hosted on the Company's website and is available at the weblink [http://www.microsec.in/static/Pdf/Appointment\\_letter\\_of\\_ID\\_Microsec.pdf](http://www.microsec.in/static/Pdf/Appointment_letter_of_ID_Microsec.pdf).

During the year under review, the Board of Directors of the Company had appointed Mrs. Abha Mittal (DIN- 00519777) as an Additional Director (Women Director) w.e.f. 26th March, 2015.

The term of Mr. Ravi Kant Sharma (DIN- 00364066), as Managing Director and CEO has ended on 5th August, 2014. However, Mr. Sharma continues to be a non-executive director on the Board of the Company. Pursuant to the provision of section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, Mr. Ravi Kant Sharma (DIN - 00364066), Director of the Company, is liable to retire by rotation and being eligible, offers himself for re-appointment.

The tenure of Mr. Banwari Lal Mittal (DIN- 00365809) as Managing Director expires on 30th June, 2015. The Board of Director at their meeting held on 30th May, 2015, on the recommendation of Nomination and Remuneration Committee, had appointed Mr. Banwari Lal Mittal as Managing Director & CEO for a period of 3 years w.e.f. 1st July, 2015 subject to approval of the members at the forthcoming Annual General Meeting.

A brief resume of the Directors seeking appointment/re-appointment at the ensuing AGM is incorporated in the notice calling the said meeting.

In view of the provisions of Section 203 of the Companies Act, 2013 the Board took on record Mr. Banwari Lal Mittal, Managing Director, Mr. Giridhar Dhelia, Chief Financial Officer and Mr. Biplab Kumar Mani, Company Secretary as the whole time Key Managerial Personnel of the Company.

#### b) Declaration by an Independent Director(s)

In terms with Section 149(7) of the Companies Act, 2013, every Independent Director of the Company has submitted a declaration that they meet the criteria of Independence.

## Directors' Report

### c) Familiarization Programme undertaken for Independent Director

A policy on the familiarization programme for Independent Director has been adopted by the Company and the said policy is posted on the Company's website at the weblink [http://www.microsec.in/static/Pdf/Familiarisation\\_program\\_for\\_ID\\_Microsec.pdf](http://www.microsec.in/static/Pdf/Familiarisation_program_for_ID_Microsec.pdf). The familiarization programme of Independent Director has been explained in the Corporate Governance Report.

### d) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the corporate governance report section in this annual report.

For annual evaluation of the Board as a whole, its Committee(s) and Individual Directors including the Chairman of the Board, the Company has formulated a questionnaire to assist in evaluation of the performance. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### e) Remuneration Policy

The Board has on the recommendation of the Nomination & Remuneration Committee adopted the Remuneration Policy, which inter alia includes policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management Personnel and their remuneration. The said Policy has been disclosed in the Corporate Governance Report, which forms part of this Annual Report.

### Meetings of the Board of Directors

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other Board business. However, in case of special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting. During the year under review, four Board Meetings were convened and held on 19th May, 2014, 13th August, 2014, 11th November, 2014 and 29th January, 2015, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 as well as the listing agreement.

### Audit Committee

The composition and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

### Nomination and Remuneration Committee

The composition and terms of reference of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

### Stakeholders Relationship and Shareholders Grievance Committee

The composition and terms of reference of the Stakeholders Relationship and Shareholders Grievance Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

### Auditors

M/s S. R. Batliboi & Co. LLP (Firm Regn No. 301003E), Chartered Accountants, retire at the close of this Annual General Meeting and are eligible for re-appointment. The Board recommended the re-appointment of M/s S. R. Batliboi & Co. LLP (Firm Regn No. 301003E), Chartered Accountants as Statutory Auditor from the end of the 26th Annual General Meeting till the conclusion of the 27th Annual General Meeting to audit the accounts of the Company for the FY 2015-16. The Company has obtained written confirmation under Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 from M/s S. R. Batliboi & Co. LLP (Firm Regn No. 301003E), Chartered Accountants about their eligibility and the limit specified in the said section.

As required under Clause 41 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Audit Committee and the Board of Directors have recommended the re-appointment of the Auditors for the financial year 2015-16. The necessary resolution is being placed before the shareholders for approval.



## Directors' Report

### Auditors' Report

In relation to the matter dealt with by the Auditors under para "Basis for qualified opinion" in their Consolidated Audit Report dated 30th May, 2015, we would like to state that as the items in inventory are large in numbers, the management is under process of strengthening the procedure of physical verification of inventory for Microsec Health Buddy Limited (a wholly owned subsidiary of the Company). Further, physical verification by the management has been completed by now and there is no material impact on the financial results for the year ended 31st March, 2015 for Microsec Health Buddy Limited.

### Secretarial Audit Report

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mr. Manoj Kumar Banthia of M/s MKB & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as *Annexure - I*.

The Company is pleased to inform that there was no qualification/reservation/adverse remarks made by the Secretarial Auditor.

### Related Party Transaction

The particulars of contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 disclosed in Form No. AOC -2 is annexed herewith as *Annexure - II*.

A policy on Materiality of Related Party Transactions and dealing with related party has been adopted by the Board of Directors and the said policy is posted at the Company's website at the weblink [http://www.microsec.in/static/Pdf/Related\\_Party\\_Transaction\\_Policy\\_Microsec.pdf](http://www.microsec.in/static/Pdf/Related_Party_Transaction_Policy_Microsec.pdf).

### Conservation of energy, technology absorption and foreign exchange earnings and outgo

The information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as per section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as *Annexure - III*.

### Extract of the annual return

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the annual return in Form No. MGT – 9 is included in this report as *Annexure - IV* and forms an integral part of this report.

### Particulars of Employees & Related Disclosures

Your Company has no employee of the category as specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in *Annexure - V*.

### Vigil Mechanism/Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and Employees to report their concern about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company at the weblink [http://www.microsec.in/static/Pdf/Whistle\\_Blower\\_Policy\\_Microsec.pdf](http://www.microsec.in/static/Pdf/Whistle_Blower_Policy_Microsec.pdf).

### Fraud reporting

Fraud reporting made in terms of RBI Guidelines are reviewed by the Audit Committee of the Board. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of your Company during the year under review.

## Directors' Report

### Corporate Governance Report and Management Discussion Analysis Report

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements as set out by SEBI. The Company has also implemented several best corporate governance practices. The report on Corporate Governance and Management Discussion & Analysis Report as stipulated under Clause 49 of the listing agreement forms an integral part of this report.

### Corporate Governance Certificate

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

Certificate from the Statutory Auditors M/s S. R. Batliboi & Co. LLP, Chartered Accountants regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges is annexed to the report.

Your Company has taken adequate steps for strict compliance with the Corporate Governance guidelines, as amended from time to time.

### Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification

As required under Clause 49 of the Listing Agreement, the CEO/CFO certification has been submitted to the Board and a copy thereof is contained elsewhere in this Annual Report.

### Risk management policy

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

### Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that —

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Green Initiatives in Corporate Governance

Ministry of Corporate Affairs has permitted Companies to send copies of Annual report, Notices, etc., electronically to the email IDs of shareholders. Your Company has arranged to send the soft copies of these documents to the registered email IDs of the shareholders, wherever applicable. In case, any shareholder would like to receive physical copies of these documents, the same shall be forwarded upon receipt of written request in this respect.





## Directors' Report

### Human Resources

Our employees are our core resource and the Company has continuously evolved policies to strengthen its employee value proposition. Your Company was able to attract and retain best talent in the market and the same can be felt in the past growth of Microsec Group. The Company is constantly working on providing the best working environment to its Human Resources with a view to inculcate leadership, autonomy and towards this objective, your company spends large efforts on training. Your Company shall always place all necessary emphasis on continuous development of its Human Resources. The belief "great people create great organization" has been at the core of the Company's approach to its people.

### Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Your Company has in place a formal policy for prevention of Sexual Harassment of its women employees in line with "the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013". During the financial year ended 31st March, 2015 the Company has not received any complaints pertaining to Sexual Harassment.

### Acknowledgements

Your Directors take this opportunity to thank the Regulatory and Government Authorities, Bankers, Business Associates, Shareholders and the Customers of the Company for their continued support to the Company. The Directors express their deep sense of appreciation towards all the employees and staff of the Company and wish the management all the best for achieving greater heights in the future.

For and on behalf of the Board

Place : Kolkata

Date : 30th May, 2015

**B. L. Mittal**

*Chairman & Managing Director*

## Annexure to the Directors' Report

### ANNEXURE - I

#### SECRETARIAL AUDIT REPORT

##### Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,  
**Microsec Financial Services Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Microsec Financial Services Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable :
  - a) The Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
  - b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
  - c) The Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - d) The Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
  - e) The Securities Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
  - f) The Securities Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
  - g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
  - h) The Securities Exchange Board of India (Buyback of Securities) Regulations, 1998
- vi) As identified by the Management, the following Directions, Circulars & Guidelines prescribed by the Reserve Bank of India; inter alia, specifically applicable to the Company:



## Annexure to the Directors' Report

- a) Reserve Bank of India Act, 1934 (Chapter IIIB), Sec 45 IA
- b) Non-Banking Financial Companies (Reserve Bank) Directions, 1998
- c) Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007
- d) Master Circular dated 1st July, 2014 on Know Your Customer (KYC) Guidelines – Anti Money Laundering Standards (AML) - Prevention of Money Laundering Act, 2002.
- e) Master Circular dated 1st July, 2014 on Miscellaneous Instructions to NBFC – ND- SI
- f) Master Circular dated 1st July, 2014 on Fair Practices Code

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company
- b) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there are no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

This report is to be read with my letter of even date which is annexed as Annexure - 1 which forms an integral part of this report.

For **MKB & Associates**  
Company Secretaries

**Manoj Kumar Banthia**  
[Proprietor]  
ACS No. 11470  
COP No. 7596

Date: 26th May, 2015  
Place: Kolkata

## Annexure to the Directors' Report

### Annexure - 1

To,  
The Members,  
**Microsec Financial Services Limited**

Our report of even date is to be read along with this letter.

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

For **MKB & Associates**  
*Company Secretaries*

**Manoj Kumar Banthia**  
*[Proprietor]*  
ACS No. 11470  
COP No. 7596

Date: 26th May, 2015  
Place: Kolkata





## Annexure to the Directors' Report

### ANNEXURE - II

#### FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

<b>1 Details of contracts or arrangements or transactions not at arm’s length basis</b>		
Name(s) of the related party and nature of relationship		<b>Microsec Capital Limited, a wholly owned subsidiary Company</b>
Nature of contracts/arrangements/transactions		Rendering of Corporate Advisory Services
Duration of the contracts/arrangements/ transactions		2nd April, 2013 to 2nd April, 2018
Salient terms of the contracts or arrangements or transactions including the value, if any		Providing Corporate Advisory Services: Microsec Financial Services Limited provides Advisory Services on various matters viz. Financial and Strategy Planning, Compliance matters with Statutory Authorities and Exchanges, fund planning, receivable management, formulate and updation of the internal controls etc. Rs. 200.00 Lacs pa
Justification for entering into such contracts or arrangements or transactions		All transactions would be carried out as part of the business requirements of the Company in ordinary course of business.
Date(s) of approval by the Board		8th February, 2013 further ratified by the Board on 19th May, 2014
Amount paid as advances, if any :		NIL
Date on which the special resolution was passed in general meeting as required under first proviso to Section 188		13th August, 2014
<b>2 Details of material contracts or arrangement or transactions at arm’s length basis</b>		
a. Name(s) of the related party and nature of relationship		–
b. Nature of contracts/arrangements/transactions		–
c. Duration of the contracts/arrangements/transactions		–
d. Salient terms of the contracts or arrangements or transactions including the value, if any:		–
e. Date(s) of approval by the Board, if any :		–
f. Amount paid as advances, if any		–

For and on behalf of the Board

Place : Kolkata

Date : 30th May, 2015

**B. L. Mittal**

*Chairman & Managing Director*

## Annexure to the Directors' Report

### ANNEXURE - III

**DISCLOSURE OF THE PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.**

#### A) CONSERVATION OF ENERGY:

i)	the steps taken or impact on conservation of energy;	The Company is engaged in providing financial services and as such its operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy by using efficient computer systems and procuring energy efficient equipment. As an ongoing process, your Company evaluates new technologies and techniques to make its infrastructure more energy efficient.
ii)	the steps taken by the company for utilising alternate sources of energy	
iii)	the capital investment on energy conservation equipments;	

#### B) TECHNOLOGY ABSORPTION:

##### From B: Disclosure of particulars with respect to Technology Absorption

##### Technology absorption, adaptation and innovation :-

Efforts made towards technology absorption	There is no change in technology used by the company
The benefits derived like product improvement, cost reduction, product development or import substitution	
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	Not Applicable

##### Research & Development (R & D) :-

The expenditure incurred on Research and Development	The Company is engaged in financial services and so there were no activities in the nature of research and development involved in the business. Being in financial services, we provide financial and equity research to the customers which is not in the nature of research and development.
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#### C) Foreign Exchange Earning and outgo :

(in Rs.)

	FY 2014-15	FY 2013-14
Foreign Exchange earnings	NIL	NIL
Foreign Exchange outgo	NIL	NIL



## Annexure to the Directors' Report

### ANNEXURE - IV

#### FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

<b>I</b>		
i) CIN		L65993WB1989PLC047002
ii) Registration Date		6th June, 1989
iii) Name of the Company		Microsec Financial Services Limited
iv) Category / Sub-Category of the Company		Public Limited Company
v) Address of the Registered office and contact details		Shivam Chambers, 1st Floor, 53 Syed Amir Ali Avenue Kolkata - 700 019 Tel : 033 3051 2100, Fax : 033 3051 2020
vi) Whether listed company (Yes / No)		Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any		Link Intime India Private Limited 59C, Chowringhee Road, 3rd Floor Kolkata - 700 020 Tel : 033 2289 0540, Fax : 033 2289 0539

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Professional Fees (Management Consultancy Activities)	70200	99.999

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

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	<b>Microsec Capital Limited</b> Shivam Chambers, 1st Floor, 53 Syed Amir Ali Avenue, Kolkata - 700 019	U51909WB1995PLC072876	Subsidiary	100	2(87)
2	<b>Microsec Resources Private Limited</b> Azimganj House, 7 Camac Street, 2nd Floor, Kolkata - 700 017	U51109WB1994PTC066509	Subsidiary	100	2(87)
3	<b>Microsec Technologies Limited</b> Microsec Tower, Premise No. 16-315, Plot No. DH6/32, Action Area - 1D, Newtown, Rajarhat, Kolkata - 700156	U72200WB2002PLC094642	Subsidiary	100	2(87)
4	<b>Microsec Commerze Limited</b> Shivam Chambers, 1st Floor, 53 Syed Amir Ali Avenue, Kolkata - 700 019	U74140WB1994PLC066386	Step down Subsidiary	100	2(87)
5	<b>Microsec Insurance Brokers Limited</b> Shivam Chambers, 1st Floor, 53 Syed Amir Ali Avenue, Kolkata - 700 019	U67200WB2002PLC095275	Step down Subsidiary	100	2(87)

## Annexure to the Directors' Report

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
6	<b>PRP Technologies Limited</b> Shivam Chambers, 1st Floor, 53 Syed Amir Ali Avenue, Kolkata - 700 019	U72200WB2007PLC119759	Subsidiary	100	2(87)
7	<b>Microsec Health Buddy Limited</b> Azimganj House, 7 Camac Street, 2nd Floor, Kolkata - 700 017	U15411WB2011PLC160195	Subsidiary	100	2(87)
8	<b>Bharatiya Sanskriti Village Private Limited</b> Jindal Towers, 21/1A/3 Darga Road, Unit - 502, Block- B, 5th Floor, Kolkata - 700 017	U92140WB2011PTC166740	Subsidiary	100	2(87)
9	<b>Myjoy Tasty Food Private Limited</b> Jindal Towers, 21/1A/3 Darga Road, Unit - 502, Block- B, 5th Floor, Kolkata - 700 017	U55209WB2011PTC162516	Subsidiary	100	2(87)
10	<b>Myjoy Hospitality Private Limited</b> Jindal Towers, 21/1A/3 Darga Road, Unit - 502, Block- B, 5th Floor, Kolkata - 700 017	U55101WB2011PTC162474	Step down Subsidiary	100	2(87)
11	<b>Myjoy Technologies Private Limited</b> Microsec Block, Azimganj House, 7 Camac Street, 2nd Floor, Kolkata - 700 017	U72200WB2011PTC164402	Step down Subsidiary	100	2(87)
12	<b>Myjoy Pharmaceuticals Private Limited</b> Jindal Towers, 21/1A/3 Darga Road, Unit - 502, Block- B, 5th Floor, Kolkata - 700 017	U24232WB2011PTC169959	Step down Subsidiary	100	2(87)
13	<b>Sasta Sundar Shop Private Limited</b> Jindal Towers, 21/1A/3 Darga Road, Unit - 502, Block- B, 5th Floor, Kolkata - 700 017	U74999WB2011PTC165465	Step down Subsidiary	100	2(87)
14	<b>Joybuddy Fun Products Private Limited</b> Flat 1E, 1st Floor, 25D Harish Mukherjee Road, Kolkata - 700 025	U52100WB2014PTC200741	Step down Subsidiary	100	2(87)
15	<b>Microsec Tech Solutions Private Limited</b> Azimganj House, 7 Camac Street (Abanindra Nath Thakur Sarani), 2nd Floor, Kolkata - 700 017	U72300WB2015PTC205351	Step down Subsidiary	100	2(87)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1,20,78,793	0	1,20,78,793	37.97	1,20,78,793	0	1,20,78,793	37.97	0.00
b) Central Govt.	0	0	0	0	0	0	0	0	0.00
c) State Govt. (s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	20,45,675	0	20,45,675	6.43	20,45,675	0	20,45,675	6.43	0.00





## Annexure to the Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any Other	78,62,451	0	78,62,451	24.72	86,65,069	0	86,65,069	27.24	+2.52
<b>Sub-total (A) (1):-</b>	<b>2,19,86,919</b>	<b>0</b>	<b>2,19,86,919</b>	<b>69.12</b>	<b>2,27,89,537</b>	<b>0</b>	<b>2,27,89,537</b>	<b>71.64</b>	<b>+2.52</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
b) Other – Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any Other	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A) (2)</b>	<b>2,19,86,919</b>	<b>0</b>	<b>2,19,86,919</b>	<b>69.12</b>	<b>2,27,89,537</b>	<b>0</b>	<b>2,27,89,537</b>	<b>71.64</b>	<b>+2.52</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	16,515	0	16,515	0.05	16,515	0	16,515	0.05	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIIs	1,44,205	0	1,44,205	0.45	0	0	0	0	-0.45
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (B)(1):-</b>	<b>1,60,720</b>	<b>0</b>	<b>1,60,720</b>	<b>0.51</b>	<b>16,515</b>	<b>0</b>	<b>16,515</b>	<b>0.05</b>	<b>-0.46</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	18,88,121	0	18,88,121	5.94	17,75,734	0	17,75,734	5.58	-0.35
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	32,34,351	16	32,34,367	10.17	25,01,709	16	25,01,725	7.87	-2.30
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	26,89,342	0	26,89,342	8.45	28,44,671	0	28,44,671	8.94	+0.49
c) Others (specify)									
1. Clearing Member	24,665	0	24,665	0.08	79,694	0	79,694	0.25	+0.17

## Annexure to the Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Trust	395	17,83,400	17,83,795	5.61	395	17,83,400	17,83,795	5.61	0.00
3. NRIs	20,356	0	20,356	0.06	13,575	0	13,575	0.05	- 0.01
4. NRN	22,215	0	22,215	0.07	5,254	0	5,254	0.01	-0.06
<b>Sub-total (B)(2):-</b>	<b>78,79,445</b>	<b>17,83,416</b>	<b>96,62,861</b>	<b>30.37</b>	<b>72,21,032</b>	<b>17,83,416</b>	<b>90,04,448</b>	<b>28.31</b>	<b>-2.06</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>80,40,165</b>	<b>17,83,416</b>	<b>98,23,581</b>	<b>30.88</b>	<b>72,37,547</b>	<b>17,83,416</b>	<b>90,20,963</b>	<b>28.36</b>	<b>-2.52</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>3,00,27,084</b>	<b>17,83,416</b>	<b>3,18,10,500</b>	<b>100.00</b>	<b>3,00,27,084</b>	<b>17,83,416</b>	<b>3,18,10,500</b>	<b>100.00</b>	<b>0.00</b>

### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Banwari Lal Mittal	1,08,16,000	34.00	0.00	1,08,16,000	34.00	0.00	0.00
2	Topview Enclaves LLP	66,21,451	20.81	0.00	74,24,069	23.34	0.00	+2.52
3	Luv Kush Projects Limited	12,45,675	3.92	0.00	12,45,675	3.92	0.00	0.00
4	Ravi Kant Sharma Jointly with Luv Kush Projects Ltd.	12,41,000	3.90	0.00	12,41,000	3.90	0.00	0.00
5	Ravi Kant Sharma	9,23,893	2.90	0.00	9,23,893	2.90	0.00	0.00
6	Longrange Management Services Pvt. Ltd.	8,00,000	2.52	0.00	8,00,000	2.52	0.00	0.00
7	Bharati Sharma	3,23,200	1.02	0.00	3,23,200	1.02	0.00	0.00
8	Abha Mittal	15,700	0.05	0.00	15,700	0.05	0.00	0.00
	<b>Total</b>	<b>2,19,86,919</b>	<b>69.12</b>	<b>0.00</b>	<b>2,27,89,537</b>	<b>71.64</b>	<b>0.00</b>	<b>+2.52</b>

### (iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>				
	Topview Enclaves LLP	66,21,451	20.81		



## Annexure to the Directors' Report

Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):

Date	Reason	No. of shares purchased / sell	% of total shares of the company	Cumulative No. of shares	Cumulative % of total shares of the company
1-Apr-14	Buy	2000	0.01	6623451	20.82
25-Apr-14	Buy	397126	1.25	7020577	22.07
28-Apr-14	Buy	7	0.00	7020584	22.07
30-Apr-14	Buy	8222	0.03	7028806	22.10
2-May-14	Buy	4500	0.01	7033306	22.11
3-Jun-14	Buy	46663	0.15	7079969	22.26
4-Jun-14	Buy	2022	0.01	7081991	22.26
13-Jun-14	Buy	320	0.00	7082311	22.26
17-Jun-14	Buy	4797	0.02	7087108	22.28
18-Jun-14	Buy	2410	0.01	7089518	22.29
19-Jun-14	Buy	1935	0.01	7091453	22.29
20-Jun-13	Buy	2599	0.01	7094052	22.30
23-Jun-14	Buy	1653	0.01	7095705	22.31
24-Jun-14	Buy	6266	0.02	7101971	22.33
25-Jun-14	Buy	1093	0.00	7103064	22.33
26-Jun-14	Buy	2000	0.01	7105064	22.34
1-Jul-14	Buy	7895	0.02	7112959	22.36
2-Jul-14	Buy	5856	0.02	7118815	22.38
3-Jul-14	Buy	9036	0.03	7127851	22.41
7-Jul-14	Buy	8581	0.03	7136432	22.43
8-Jul-14	Buy	27125	0.09	7163557	22.52
9-Jul-14	Buy	10000	0.03	7173557	22.55
10-Jul-14	Buy	6350	0.02	7179907	22.57
11-Jul-14	Buy	2005	0.01	7181912	22.58
14-Jul-14	Buy	4383	0.01	7186295	22.59
15-Jul-14	Buy	161	0.00	7186456	22.59
24-Jul-14	Buy	2952	0.01	7189408	22.60
25-Jul-14	Buy	6294	0.02	7195702	22.62
28-Jul-14	Buy	3822	0.01	7199524	22.63
30-Jul-14	Buy	10000	0.03	7209524	22.66
25-Aug-14	Buy	2578	0.01	7212102	22.67
26-Aug-14	Buy	3914	0.01	7216016	22.68
27-Aug-14	Buy	844	0.00	7216860	22.69
28-Aug-14	Buy	7046	0.02	7223906	22.71
1-Sep-14	Buy	9715	0.03	7233621	22.74
2-Sep-14	Buy	11697	0.04	7245318	22.78
3-Sep-14	Buy	3247	0.01	7248565	22.79
4-Sep-14	Buy	13253	0.04	7261818	22.83
5-Sep-14	Buy	3201	0.01	7265019	22.84
8-Sep-14	Buy	37573	0.12	7302592	22.96
9-Sep-14	Buy	5530	0.02	7308122	22.97
10-Sep-14	Buy	3250	0.01	7311372	22.98
11-Sep-14	Buy	8061	0.03	7319433	23.01
12-Sep-14	Buy	7990	0.03	7327423	23.03
15-Sep-14	Buy	1959	0.01	7329382	23.04
16-Sep-14	Buy	5762	0.02	7335144	23.06
17-Sep-14	Buy	5753	0.02	7340897	23.08
18-Sep-14	Buy	8267	0.03	7349164	23.10
19-Sep-14	Buy	1000	0.00	7350164	23.11

## Annexure to the Directors' Report

	Date	Reason	No. of shares purchased / sell	% of total shares of the company	Cumulative No. of shares	Cumulative % of total shares of the company
	22-Sep-14	Buy	5713	0.02	7355877	23.12
	23-Sep-14	Buy	11000	0.03	7366877	23.16
	10-Oct-14	Buy	7050	0.02	7373927	23.18
	23-Oct-14	Buy	15000	0.05	7388927	23.23
	29-Dec-14	Buy	10237	0.03	7399164	23.26
	25-Feb-15	Buy	10000	0.03	7409164	23.29
	10-Mar-15	Buy	14905	0.05	7424069	23.34
	<b>At the End of the year</b> - Topview Enclaves LLP		<b>74,24,069</b>	<b>23.34</b>		

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Microsec Vision Employees Trust	17,83,400	5.61	17,83,400	5.61%
2.	Payal Bhanshali	3,00,000	0.94	3,00,000	0.94
3.	Manek Bhanshali	2,50,000	0.78	2,50,000	0.78
4.	Mangal Bhanshali	2,50,000	0.78	2,50,000	0.78
5.	Suraj Bhanshali	2,50,000	0.78	2,50,000	0.78
6.	Vallabh Bhanshali	2,50,000	0.78	2,32,100	0.72
7.	Chaturbhuj Advisory Services LLP	2,30,987	0.72	60,000	0.19
8.	Aparesh Infotech Private Limited	2,30,000	0.72	2,00,000	0.63
9.	BV Advisory Services LLP	2,25,000	0.71	-	-
10.	Sardarsingh Gopalsingh Karnavat	1,70,000	0.53	1,70,000	0.53
11.	Sree Seating Systems Private Limited	-	-	3,49,243	1.10
12.	Shashi Lahoti	1,06,000	0.33	2,05,820	0.65
13.	Sushil Lahoti	1,55,000	0.49	1,80,000	0.57

Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):

#### 1 SREE SEATING SYSTEMS PVT LTD

	Date	Reason	No. of shares purchased / sell	% of total shares of the company	Cumulative No. of shares	Cumulative % of total shares of the company
	1-Aug-14	Buy	9528	0.03	9,528	0.03
	8-Aug-14	Buy	5805	0.02	15,333	0.05
	15-Aug-14	Buy	44715	0.14	60,048	0.19
	22-Aug-14	Buy	39538	0.12	99,586	0.31
	29-Aug-14	Buy	15,094	0.05	1,14,680	0.36
	5-Sept-14	Buy	38,008	0.12	1,52,688	0.48
	12-Sept-14	Buy	18,972	0.06	1,71,660	0.54
	19-Sept-14	Buy	63,055	0.20	2,34,715	0.74
	30-Sept-14	Buy	73,754	0.23	3,08,469	0.97
	24-Oct-14	Buy	8,202	0.03	3,16,671	1.00
	31-Oct-2014	Buy	5,628	0.02	3,22,299	1.01
	14-Nov-14	Buy	9,624	0.03	3,31,923	1.04





## Annexure to the Directors' Report

	Date	Reason	No. of shares purchased / sell	% of total shares of the company	Cumulative No. of shares	Cumulative % of total shares of the company
	21-Nov-14	Buy	24,249	0.08	3,56,172	1.12
	9-Jan-15	Sell	4,000	0.01	3,52,172	1.11
	23-Jan-14	Buy	4,000	0.01	3,56,172	1.12
	30-Jan-15	Sell	4,100	0.01	3,52,072	1.11
	6-Feb-15	Buy	10,000	0.03	3,62,072	1.14
	20-Feb-15	Sell	12,829	0.04	3,49,243	1.10
<b>2</b>	<b>SHASHI LAHOTI</b>					
	2-May-14	Buy	99000	0.31	2,05,000	0.64
	9-May-14	Sell	1333	0.00	2,03,667	0.64
	30-Jun-14	Sell	97667	0.31	1,06,000	0.33
	30-Sept-14	Buy	10000	0.03	1,16,000	0.36
	24-Oct-14	Buy	10000	0.03	1,26,000	0.40
	31-Oct-14	Buy	5000	0.02	1,31,000	0.41
	14-Nov-14	Buy	35000	0.11	1,66,000	0.52
	21-Nov-14	Buy	2058	0.01	1,68,058	0.53
	28-Nov-14	Buy	7942	0.02	1,76,000	0.55
	19-Dec-14	Buy	11100	0.03	1,87,100	0.59
	16-Jan-15	Buy	3900	0.01	1,91,000	0.60
	23-Jan-15	Buy	3000	0.01	1,94,000	0.61
	6-Feb-15	Buy	11000	0.03	2,05,000	0.64
	3-Mar-15	Buy	8000	0.03	2,13,000	0.67
	13-Mar-15	Sell	11000	0.03	2,02,000	0.64
	20-Mar-15	Buy	2000	0.01	2,04,000	0.64
	31-Mar-15	Buy	1820	0.01	2,05,820	0.65
<b>3.</b>	<b>SUSHIL LAHOTI</b>					
	2-May-14	Buy	25000	0.08	1,80,000	0.57
<b>4.</b>	<b>APARESH INFOTECH PVT LTD</b>					
	2-May-14	Sell	30000	0.09	200000	0.63
	30-Jun-14	Buy	30000	0.09	230000	0.72
	6-Feb-15	Sell	19886	0.06	210114	0.66
	20-Feb-15	Sell	10114	0.03	200000	0.63
<b>5.</b>	<b>VALLABH BHANSHALI</b>					
	7-Nov-14	Sell	17900	0.06	232100	0.72
<b>6.</b>	<b>CHATURBHUJ ADVISORY SERVICES LLP</b>					
	4-Apr-14	Buy	2001	0.01	232988	0.73
	18-Apr-14	Buy	690	0.002	233678	0.73
	2-May-14	Sell	174255	0.54	59423	0.18
	14-Nov-14	Buy	577	0.001	60000	0.19
<b>7.</b>	<b>BV ADVISORY SERVICES LLP</b>					
	2-May-14	Sell	225000	0.71	0	0

## Annexure to the Directors' Report

### (v) Shareholding of Directors and Key Managerial Personnel :

	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For each Directors					
	At the beginning of the year	Mr. Banwari Lal Mittal - 1,08,16,000 (34.00%) Mr. Ravi Kant Sharma - 9,23,893 (2.90%) Mrs. Abha Mittal - 15,700 (0.05%)			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	Nil			
	At the End of the year (or on the date of separation, if separated during the year)	Mr. Banwari Lal Mittal - 1,08,16,000 (34.00%) Mr. Ravi Kant Sharma - 9,23,893 (2.90%) Mrs. Abha Mittal - 15,700 (0.05%)			
For each Key Managerial Personnel					
	At the beginning of the year	Mr. Biplab Kumar Mani, CS - 50 (0.00%) Mr. Giridhar Dhelia, CFO - 0 (0.00%)			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	Nil			
	At the End of the year	Mr. Biplab Kumar Mani, CS - 50 (0.00%) Mr. Giridhar Dhelia, CFO - 0 (0.00%)			

### V. INDEBTEDNESS

#### Indebtedness of the Company including interest outstanding/accrued but not due for payment :

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total ( i + ii + iii)				
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year:				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total ( i + ii + iii)				



## Annexure to the Directors' Report

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

(Rs. in Lacs)

Sl No.	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount
		<b>Mr. Banwari Lal Mittal, CMD</b>	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32.89	32.89
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others - (Employers' contribution to PF and Insurance Premium)	2.50	2.50
	<b>Total (A)</b>	<b>35.39</b>	<b>35.39</b>
	Ceiling as per the Act		48.00

#### B. Remuneration to other directors :

(Rs. in Lacs)

Sl No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	<b>Independent Directors</b>	<b>Mr. P. K. Chattaraj</b>	<b>Mr. R. N. Bhardwaj</b>	<b>Mr. D. P. Roy</b>	
	Fee for attending board / committee meetings	2.70	6.00	5.90	14.60
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>2.70</b>	<b>6.00</b>	<b>5.90</b>	<b>14.60</b>
2.	<b>Other Non-Executive Directors</b>	<b>Mr. Ravi Kant Sharma</b>	<b>Mrs. Abha Mittal</b>		<b>Total Amount</b>
	Fee for attending board / committee meetings	-	-		-
	Commission	-	-		-
	Others, please specify	-	-		-
	<b>Total (2)</b>	-	-		-
	<b>Total (B)=(1+2)</b>	-	-		-
	<b>Total Managerial Remuneration</b>	-	-		-
	Overall Ceiling as per the Act*	-			

\* All the Independent Directors have been paid only sitting fees for attending board meetings and committee meetings which is well within the limits prescribed under the Companies Act, 2013.

## Annexure to the Directors' Report

### C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD :

(Rs. in Lacs)

Sl No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Giridhar Dhelia, Chief Financial Officer	Mr. Biplab Kumar Mani, Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.99	12.33	25.32
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.22	0.32	0.54
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify.	-	-	-
5	Others - (Employers' contribution to PF and Insurance Premium)	0.07	0.23	0.30
	<b>Total</b>	<b>13.28</b>	<b>12.88</b>	<b>26.16</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
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#### A. COMPANY :

Penalty	None
Punishment	
Compounding	

#### B. DIRECTORS:

Penalty	None
Punishment	
Compounding	

#### C. OTHER OFFICERS IN DEFAULT:

Penalty	None
Punishment	
Compounding	





## Annexure to the Directors' Report

### ANNEXURE - V

#### INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNELS) RULES, 2014

Sl. No.	Requirements of Rule 5(1)	Details																
i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Mr. B L Mittal : 2.87:1																
ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<u>Managing Director:</u> Mr. B L Mittal : NIL <u>Key Managerial Personnel:</u> Mr. G. Dhelia, CFO - 10% Mr. B K Mani, CS - 10%																
iii)	The percentage increase in the median remuneration of employees in the financial year;	The percentage increase in the median remuneration of employees in the financial year was 10%.																
iv)	The number of permanent employees on the rolls of company	The number of permanent employees on the rolls of company as on 31st March, 2015 were 8 (Eight).																
v)	The explanation on the relationship between average increase in remuneration and company performance;	The increase in the net profit of the Company is 78.50%. The average increase in remuneration is 10%.																
vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The net profit during FY 2015 increased by 78.50% (from Rs. 58.94 lacs in FY 2014 to Rs. 105.21 lacs in FY 2015) where as the remuneration of the Key Managerial Personnel grew by 6.67% over the previous fiscal year.																
vii)	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	<p>The market capitalisation of the Company as on 31st March, 2015 was Rs. 262.44 crores as against Rs. 83.03 crores as on 31st March, 2014.</p> <p>The price earning ratio of the Company on standalone basis was 249.79 as on 31st March, 2015 and was 137.63 as at 31st March, 2014.</p> <p>The Company has come out with the public issue in the year 2010 at the price of Rs. 118 per equity share. The market price of the share of the Company' as on 31st March, 2015 and as on 31st March, 2014 is as under:</p> <table><tr><td></td><td>As on 31.03.2015</td><td>As on 31.03.2014</td><td>% increase</td></tr><tr><td>Share Price</td><td></td><td></td><td></td></tr><tr><td>BSE</td><td>82.50</td><td>26.20</td><td>215%</td></tr><tr><td>NSE</td><td>82.35</td><td>26.10</td><td>215%</td></tr></table>		As on 31.03.2015	As on 31.03.2014	% increase	Share Price				BSE	82.50	26.20	215%	NSE	82.35	26.10	215%
	As on 31.03.2015	As on 31.03.2014	% increase															
Share Price																		
BSE	82.50	26.20	215%															
NSE	82.35	26.10	215%															
viii)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<p>Average Salary increase of non-manual employees is 10%.</p> <p>Average increase in the salary of the managerial employees is 6.67% as there has been no increase in the remuneration of Managing Director.</p> <p>There are no exceptional circumstances for increase in the managerial remuneration.</p>																
ix)	comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	Same as mentioned in point no. (vi)																
x)	the key parameters for any variable component of remuneration availed by the directors	The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee as per the remuneration policy of the Company.																

## Annexure to the Directors' Report

Sl. No.	Requirements of Rule 5(1)	Details
xi)	the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	The Managing Director is the highest paid Director. No employees received any remuneration higher than the Managing Director.
xii)	affirmation that the remuneration is as per the remuneration policy of the company.	The remuneration paid during the financial ended 31st March, 2015 is as per the remuneration policy of the Company.



## Management Discussion and Analysis Report

### Global Overview:

Global economy witnessed another year of subdued and uneven growth in 2014. According to International Monetary Fund (IMF), world economy grew by 3.4% rate in 2014, with a pickup in growth in advanced economies (mainly in U.S. and U.K.) and a slowdown in emerging market and developing economies. Despite the slow-down, emerging market and developing economies still accounted for three-fourths of global growth in 2014.

Going forward, a number of compound forces (such as global shocks and many country or region specific factors) are likely to determine the outlook of global economies. In advanced economies, mainly in Euro area, the prospects of growth are clouded by aging populations, weak investment and policy actions. Moreover, many advanced economies and some emerging markets are dealing with high private or public debt or both. Although, lower oil prices provide a boost to global economic activities but it will weigh on oil exporters.

Growth in the U.S. remained strong, averaging 3.9% annualized in the last three quarters of 2014. Consumption, the main engine of growth, has benefited from steady job creation and income growth, lower oil prices and improved consumer confidence. The Unemployment Rate declined to 5.5% in March 2015, more than 1 percentage point below its level of a year ago. Going forward, lower oil prices, softer Inflation, favorable financial conditions and strengthened household will maintain growth momentum. According to IMF estimates, the U.S. growth is likely to reach 3.1% in 2015 and accelerate at the same rate during 2016.

Economic growth remains weak across Euro countries in 2014 as output and investment remained well below pre crisis levels. The slowdown in investment derives from persistent economic slack, declining growth expectations, ongoing political and policy uncertainty, geopolitical tensions and tight credit conditions. In 2015, growth is expected to increase to 1.5% from 0.9% in 2014 on account of supportive wage increases, a near-term boost from lower oil prices and the European Central Bank's (ECB) actions. ECB announced a decisive asset purchase program, including purchases of sovereign bonds. However, uneven recovery across the countries, high Unemployment, aging population and low investment will weigh on the recovery. Moreover, ECB's reforms strengthen sentiments but this effort is still a work in progress.

Growth slowed down across most of the Asian countries in Q1 of 2014 as Exports growth declined and domestic demand cooled in China. However, activity picked up in most of the region's economies in Q2, including in China, on new measures to support activity. Going forward, Asia's growth outlook is expected to remain steady and is expected to continue outperforming the rest of the world. While China's growth rate is shifting to a more sustainable pace, growth is projected to pick up elsewhere in the region on lower oil prices, still-favorable financial conditions and healthy labour markets.

### Domestic Overview:

On the domestic front, macroeconomic vulnerabilities have abated significantly from the second half of 2014 on the back of improvement in growth outlook, fall in Inflation, recovery in the external sector and political stability.

In advance estimate of Nation Income, FY2014-15 real GDP growth of India has been pegged at 7.4% YoY compared with 6.9% YoY last year. These estimates follow the recent base revision in GDP to FY2011-12 from FY2004-05. Moreover, GDP of India which entered the USD2 tn club in 2014 is likely to register an above USD3 tn value in nominal terms by 2018.

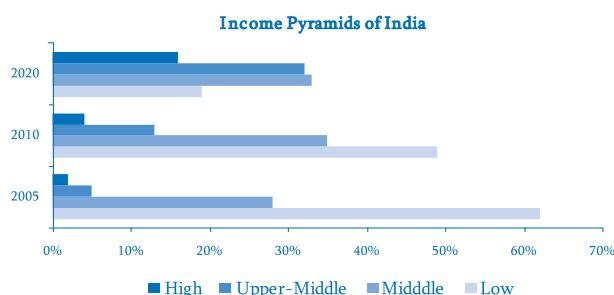
Terming India as a "bright spot" on the global economic landscape, the International Monetary Fund (IMF) raised India's growth forecast for FY2015-16 to 7.5% YoY, on account of positive policy actions, stronger investment flows and lower global oil prices. Other leading organizations (World Bank, ADB, OECD) too revised their outlook. According to ADB, higher growth in India is expected to come on the back of easing monetary stance by the Reserve Bank of India (RBI) and a pick-up in capital expenditure. OECD think implementation of new reforms promised by the Government will be the key to putting India on a strong and sustainable growth path.

Price of oil dropped about 60% between June 2014 and January 2015, plunging to a six-year low of USD47 a barrel in January. Despite a rebound from that low, oil is likely to remain at around USD55-60 a barrel in FY2015-16. India benefits from lower oil prices through improved Current Account Deficit (CAD) reduced Fiscal Deficit and lower Inflation. Petroleum-related products comprise about 30% of India's merchandise Imports and 20% of merchandise Exports. So, cheaper oil will decrease Trade Deficit as well as CAD. Moreover, falling oil prices allowed the Government to bring about a slew of fuel subsidy reforms in October 2014, including diesel price deregulation and announcement of new gas price. As a result,

## Management Discussion and Analysis Report

under-recoveries for oil companies is expected to decrease from INR1399 billion in FY2013-14 to INR840 billion in FY2014-15 and INR650 billion in FY2015-16 and moderate Fiscal Deficit. On the other hand, Inflation in India is finally moderating to comfortable rates. CPI Inflation dropped to 5.2% YoY in March 2015 from 8.3% YoY last year, not only because of favorable base and cheaper food items but also due to weaker fuel prices. Owing to the slump in oil prices, Fuel and Light Inflation declined to as low as 3.8% YoY in January 2015. With de-regulation of diesel, the pass through of global prices would ease Inflation directly / indirectly. As per RBI study, 10% decline in crude could reduce CPI by 20bps.

India's income pyramid shows the rapid decline in lower income class and a steady increase in higher income class. Low income group (earns upto USD2500 a year) which constituted more than 60% in 2005 has fallen to less than 50% in 2010 and is expected to fall further. Similarly, High income group (earns more than USD10000 per year) has gone up from 2% in 2005 to 4% in 2010 and is projected to scale up further, which gives us clear visibility of the kind of income as well as consumption growth the country is witnessing.



However, macro-economic adjustment is far from complete, with persistence of slowdown in Industrial activities. Much more efforts in terms of removing structural impediments, building business confidence and creating fiscal space to support investments will be needed to secure over 8% growth.

### BUSINESS OVERVIEW

Your Company believes that by pursuing Innovative business models, the businesses can be transformed to create sustainable benefits for all and long term value for our stakeholders. The initiative taken by your company to focus on digital business is a step in this direction.

#### Financial Services

During the year, the BSE Sensex has gone up by 24.89% on YoY basis. The BSE and NSE combined Cash volumes were INR 51,845.00 billion in 2014-15 against INR 33413.37 billion last year, registering an increase of 55.16 percent. Out of the total volume registered in the exchanges, 87.06% contributed by F&O segment in FY14-15 against 93.44% registered in FY 13- 14. Though the market during the year was favorable, the participation of non-institutional investors was not increased in commensurate with market movement. There was pressure on brokerage yield also. We believe that the brokerage businesses in India will see phase of consolidation in future. As on 31st March 2015, we have more than 35,000 registered clients for our Equity Brokerage Services. In Institutional business, we were successful in getting empanelment with 21 institutions as at 31st March, 2015.

The financing segment mainly consists of Loan against Shares (LAS). Your company focuses more on the quality of collateral rather yield on lending. The company keeps sufficient margins of quality stocks from borrowers.

The Investment Banking segment is highly correlated with the Capital Market and the subdued sentiments in last year specifically towards primary issues had an impact on the earnings of your Company.

#### FORESEEGAME.COM

Foreseegame.com is No. 1 consumer engagement platform in India with Alex ranking of 380 at India level. As on 31st March 2015, foreseegame.com had more than 1 million registered users. With more than 1 million pageviews per month and 25 minutes average time spend per user, foreseegame.com is far ahead from any peer platform in India. During the year, the revenue earned from this segment was Rs. 4.09 millions which your Company feels is in the line with any start up business.

With the advent of urbanization the advertising industry is experiencing a paradigm shift to digitalisation. The advertising platform is now more inclining towards digital platforms to attract the youth consumers of the nation.

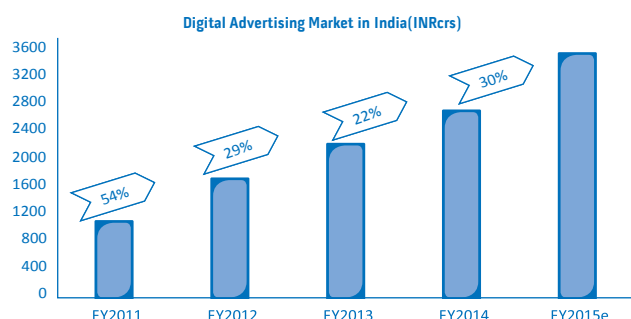
The rise in internet usage and healthy growth in sales of smart phones together with higher net disposable income led to the popularisation of digitalization to a greater level. Considering the benefits of the digitalisation coupled with the increasing affordability amongst the population, the contemporary marketing and promotional strategies are switching to digital mastering design to keep up with the ongoing changes in advertising.





## Management Discussion and Analysis Report

With the increasing exposure to the online content the digital advertising is poised to grow at a notable rate.



According to a study by the Internet & Mobile Association of India (IAMAI) and the IMRB international the online advertising was projected to reach INR 3575 crores by March 2015, representing a growth of 30% from the previous year where it was INR 2750 crores.

On industry wise spends, the report reflected that e-commerce, telecom, FMCG and consumer durables are the top three verticals driving digital ad spends in India.

The following table shows the spending on digital advertising across various business verticals:

	FY 12		FY 13		FY 14	
Industry Verticals	Overall Ad spend (INRcr)	%ge to overall spend	Overall Ad spend (INRcr)	%ge to overall spend	Overall Ad spend (INRcr)	%ge to overall spend
Overall Ad Spend	1750	-	2260	-	2750	-
E-Commerce	123	7%	113	5%	495	18%
Telecom	228	13%	316	14%	413	15%
FMCG & Consumer Durables	245	14%	362	16%	385	14%
BFSI	193	11%	271	12%	303	11%
Travel	210	12%	271	12%	303	11%
Auto	298	17%	294	13%	275	10%
Education	105	6%	158	7%	193	7%
IT/ITeS	140	8%	181	8%	220	8%
Others	208	12%	294	13%	165	6%

The outlook for digital advertising and marketing sector in India remains promising as the internet penetration in the country is still low and expected to grow significantly in the years to come. Launch of affordable 4G smart phones, expansion of data services to the rural part of the nation and the government's Digital India initiative are likely to keep driving the growth of digital content in the country. This factor is expected to remain supportive to the performance of digital advertising and marketing sector as well.

Your company is foreseeing excellent opportunities in this space and is expecting good growth in this business segment.

### SASTASUNDAR.COM

Sastasundar.com has been able to establish itself as a trusted brand among customers. High percentage of repeat orders from the existing customers reflects high confidence of the customers on brand. At present, the services of sastasundar.com is available in Kolkata and nearby suburb area and it is processing on an average 2000 plus orders on daily basis. The revenue from this segment during the year was Rs. 211.19 millions comparison Rs. 6.63 millions previous year.

Sensing the positive response of the customers, your company has launched its own brands of products in healthcare segment. Your Company's aspiring portfolio of products viz Zerotox, Healthbuddy Herbal, Healthbuddy Organic, Healthbuddy Natural, Lingerie Fit, Noknok Baby, Aasaan, Handyware, Healthbuddy Care, Stoptar, Chefon and Pure & Fresh are getting good feedback from the market and getting acceptance in households.

The bakery and confectionary range of products of Chefon as well and Tea & Spices range under Pure & Fresh made on innovative concept of Make-to-order has been launched. The uniqueness of Make-to-Order wherein products are made after customer's order so that the customers can have fresh products to eat, is going to create separate space for Chefon and Pure & Fresh in market.

## Management Discussion and Analysis Report

The extensive R&D work done by your Company for the core purpose of providing health drink to the customer as per their body requirement has been completed. We are working on the regulatory approvals and are hopeful to launch this innovative product under the brand DNAVITA which we believe will be highly beneficial for the mankind.

### OPPORTUNITIES

- Healthy and sustainable economic growth rate with sound macro-economic fundamentals
- With more than 350 million internet users in India which is expected to cross 500 million by 2017 provides excellent opportunities for digital businesses
- Young and aspiring population

### THREATS

- Increased competition from local and global players operating in India
- Technology Advancement
- Getting Trained Manpower

### RISK MANAGEMENT

The objective of risk management is to balance the tradeoff between risk and return and ensure optimum risk adjusted return on capital. The Risk Management Policies related to Procurement, Debtors, Inventory, Financing and Investments are in place and properly documented and reviewed continuously. The processes have been laid down to oversee the implementation of the policies and continuous monitoring of the same. Our Board level Committee viz. Audit Committee and Risk Management Committee oversee risk management policies and procedures. It reviews the credit and operational risks, reviews policies in relation to investment strategy and other risks like interest rate risk, compliance risk and liquidity risk.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In any industry, the processes and internal control systems play a critical role in the health of the Company. We have adequate Internal Audit and Control system across all businesses. Our internal control systems are adequate and provide, among other things, reasonable assurance of recording transactions of operations in all material respects and of providing protection against significant misuse or loss of company assets. We believe in the conduct of its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The internal processes have been designed to ensure adequate checks and balances at every stage. Internal audit is conducted to assess the adequacy of our internal controls procedures and processes, and their reports are reviewed by the Audit Committee of the Board. Policy and process corrections are undertaken based on inputs from the internal auditors.

### HUMAN RESOURCES

Human resource is one of the most important key to the success of any company. Your Company's business critically depends on quality of manpower. Your Company's multi-business context poses unique challenges to the Human Resource function. The HR function of your Company has been structured and aligned in line with the business needs and requirements. The Company's businesses are managed by a team of competent and passionate leaders, capable of enhancing your Company's standing in the competitive market. The Company's employees have a defining role in significantly accelerating its growth and transformation, thereby enhancing its position as one of the largest corporate houses. The Company has a structured recruitment process, the focus is on recruiting people who have the right mindset for working at Microsec, supported by structured training programmes and internal growth opportunities. The company consistently invests efforts in training and developing its employees, which in-turn leads to sustained growth. The total employee strength of Microsec Group is 818 as on 31st March, 2015.

### CAUTIONARY STATEMENT

Statements in the Management discussion and analysis, describing the Company's objectives, outlook, opportunities and expectations may constitute "Forward Looking Statements" within the meaning of applicable laws and regulations. The Actual result may vary materially from those expressed or implied in the statement. Several factors make a significant difference to the company's operations including the government regulations, taxation and economic scenario affecting demand and supply condition and other such factors over which the Company does not have any direct control.



# Corporate Governance Report

## 1. CORPORATE GOVERNANCE PHILOSOPHY

Microsec's Corporate Governance principles are based on the principles of transparency, responsibility, accountability, knowledge and commitment to values. The Company adheres to good corporate practices and is constantly striving to better them and adopt emerging best practices. Best results are achieved when the companies begin to treat the Corporate Governance system not as a mere structure but as a way of corporate life. The Company firmly believes that these aspects as well as compliances of applicable legislations and timely disclosures enhance the image of the Company and the long term value of all Shareholders and Stakeholders. However, good corporate governance practices should aim at striking a balance between interest of various stakeholders on the one hand and the duties and responsibilities of the Board and senior management in overseeing the affairs of the Company on the other. The Company's Board of Directors has framed a Code of Conduct for its Senior Managers including the Board Members. The Code of Conduct is available on the Company's website [www.microsec.in](http://www.microsec.in).

## 2. BOARD OF DIRECTORS

### Composition of the Board

The Board of Directors in Microsec has been constituted in a manner which ensures appropriate mix of Executive/ Non-Executive and independent directors to ensure proper governance and management. The members of our Board are from diverse backgrounds with skills and experience in critical areas like taxation, finance, entrepreneurship, legal and general management. Many of them have worked extensively in senior management positions in global corporations with a deep understanding of the Indian business environment.

The Company's Board comprises of six members. The Company has an Executive Chairman, and therefore, at least 50% of the total number of Directors should comprise of Independent Directors. At present the Company has one executive director and five non executive directors out of which one is women director. The number of Independent Directors is three i.e. 50% of the total number of Directors. At the time of appointment, every Independent Director signs a Declaration to confirm that they fulfill all the conditions for being an Independent Director as laid down under Revised Clause 49 of the Listing Agreement with the Stock Exchanges. The terms and conditions of appointment are disclosed on the website of the company. The management of the Company is headed by Mr. Banwari Lal Mittal, Chairman & Managing Director who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholder value are met. Mr. Ravi Kant Sharma, Director is also the Managing Director of the Microsec Capital Limited (MCap), a wholly owned Subsidiary of the Company and draws remuneration from MCap. None of the Directors is related to each other except Mrs. Abha Mittal, being spouse of Mr. B. L. Mittal.

The Company has one Woman Director in its Board and as such the Company has complied with the provisions of section 149 of the companies Act 2013 and clause 49(II)(A)(I) of the Listing Agreement.

### Number of Board Meetings

The Board of Directors met four times during the year ended 31st March, 2015 on 19th May, 2014, 13th August, 2014, 11th November, 2014 and 29th January, 2015. All meetings were well attended. The maximum interval between any two meetings was well within the maximum allowed gap of four months. The Board Meetings are usually held at the registered office of the Company at Shivam Chambers, 1st Floor, 53 Syed Amir Ali Avenue, Kolkata - 700 019.

### Role of Company Secretary in overall Governance Process

The Company Secretary plays a vital role in ensuring that Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and the senior management for effective decision-making at the meeting.

### Directors' Attendance Record and Directorship Held

As mandated by Clause 49 of the Listing Agreement, none of the Directors are members of neither more than ten Board level Committees nor are they Chairman of more than five Committees in which they are Directors.

The table below gives the names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in other companies :

## Corporate Governance Report

Name of Directors	Category	No. of Board Meetings		Attendance at the previous AGM	No. of Directorships and Committee Memberships/ Chairmanships in other company		
		Held	Attended		Directorships*	Committee Memberships**	Committee Chairmanships**
B.L. Mittal DIN: 00365809	Chairman & Managing Director	4	4	Yes	5	-	-
R.K. Sharma DIN: 00364066	Non-Executive Director	4	4	Yes	5	-	-
P.K. Chattaraj DIN: 00893963	Independent	4	3	Yes	5	-	-
R.N. Bhardwaj DIN: 01571764	Independent	4	4	Yes	8	8	1
D.P. Roy DIN: 00049269	Independent	4	4	Yes	3	3	-
Abha Mittal*** DIN: 00519777	Non-Executive Director	-	-	-	3	-	-

\* excludes directorship in Private Limited Companies, Section 8 Companies including the Company

\*\* Only memberships/chairmanships of the Audit Committees and Stakeholders Relationship and Shareholder's Grievance Committees in various public limited companies, considered.

\*\*\* Appointed as an Additional Director w.e.f. 26th March, 2015.

None of the Directors of your Company is a member of more than 10 Committee or is the Chairman of more than 5 Committees across all the Companies in which he is a Director.

**Note :** In the above statement the Directorship and Committee Membership of Directors have been computed with reference to section 165 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with Stock Exchanges. The number of Directorship, Committee Membership and Chairmanship excludes that of the Company.

The Company sends a detailed agenda folder to each Director with sufficient time before every Board and Committee meetings. All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decision. To enable the Board to discharge its responsibilities effectively, the Managing Director apprises the Board at every meeting on the overall performance of the Company. The Board also, inter alia, considers and reviews investment and exposure limits, adoption of quarterly/half-yearly/annual results, transactions pertaining to purchase/disposal of property, major accounting provisions and write-offs, minutes of meetings of the Audit and other Committees of the Board and information on recruitment of officers just below the Board level, including the Compliance Officer.

The Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliance, if any. In addition to the above, pursuant to the Clause 49, the minutes of the Board meetings of your Company's subsidiaries and a statement of all significant transactions and arrangements entered into by the subsidiaries are also placed before the Board.

### Information Placed before Board of Directors

During the year 2014-15, information as mentioned in annexure X to clause 49 of the Listing Agreement has been placed before the Board for its consideration.

### Directors Induction, Familiarisation and Training

Selection of Board members are dependent on several parameters. The Nomination and Remuneration Committee, in consultation with the Chairman of the Board, discusses suitable candidates. Upon fulfillment of the parameters, the candidates are appointed.





## Corporate Governance Report

At Microsec, all the members of the Board of Directors are well-experienced professionals who are well acquainted with business knowledge of the industry. The Board members are provided necessary documents, reports and other presentations about Microsec. Such information enables the Independent Directors to get familiarized with the Company's operations and the industry at large. Further, in respect of Executive Directors, the Company arranges for training in the field of risk management of the Company's business. Such training enables better decision-making and helps the Executive Directors in discharging their responsibilities. The relevant statutory changes/updates are circulated to them from time to time so that it helps the Directors to make better and informed decisions.

Independent Directors are regularly informed and updated on the business model of the Company by sending them presentations having details of businesses of the company as well as details of competitors, changes in relevant laws, their duties/ responsibilities and liability as a Director. Business and Functional Heads too, share with the Board their short term and long term plans, major activities, likely risks and challenges with actions to mitigate them in their respective areas. The suggestions and comments of Directors are incorporated in the business plans of the Company.

The policy on the familiarisation programme for Independent Director has been adopted by the Company and placed on the website of the Company at the weblink [http://www.microsec.in/static/Pdf/Familiarisation\\_program\\_for\\_ID\\_Microsec.pdf](http://www.microsec.in/static/Pdf/Familiarisation_program_for_ID_Microsec.pdf).

### Board Evaluation Policy

The primary objective of the Policy is to provide a framework and set standards for the evaluation of the Board as a whole and each Director individually. Microsec aims to achieve a balance of merit, experience and skills on the Board. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of Executive/ Non-Executive and Independent Director. The policy is to assess and enhance the effectiveness of the Board as a whole. Individual Board members are assessed on their effective contribution and commitment to their role and responsibilities as Directors. The Independent Directors have three key roles-governance, control and guidance. Some of the performance indicators based on which the independent director are evaluated includes:

- Active participation in long term strategic planning
- Ability to contribute to and monitor our corporate governance practices.
- Ability to contribute by introducing international best practices

### Post meeting follow-up mechanism

The important decisions taken at the Board/Board level Committee meetings are communicated to the departments/divisions concerned promptly. A report on the action taken on the decisions/suggestions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board / Committee for noting the same.

### Code of Conduct

The Board has laid down the Code of Conduct for its members and for designated Senior Management Personnel of the Company. The Code has been posted on the Company's website [www.microsec.in](http://www.microsec.in). All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

### Risk Management

The Company has a well-defined risk management policy in place. The risk management policy adopted by the Company is discussed in detail in the Management Discussion and Analysis chapter of this Annual Report. The Board assesses the risk and the procedures being followed by the Company and steps taken by it to mitigate these risks.

The Board has also constituted a Risk Management Committee which ensures that the management controls risks through means of a properly defined framework.

## 3. COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board has constituted various Committees comprising of Directors and Senior Management Personnel, some of them are Audit Committee, Nomination

## Corporate Governance Report

and Remuneration Committee, Stakeholders Relationship and Shareholders Grievance Committee, Risk Management Committee, Nomination Committee, Asset Liability Management Committee and Banking Committee, which act in accordance with the terms of reference determined by the Board. Meetings of each of these Committees are convened by the respective Chairman. Matters requiring Board's attention/approval are placed before the Board. The Minutes of the meetings of all the Committees are placed before the Board for review. Details of role and composition of these Committees including the number of meetings held during the financial year and the related attendance details are provided hereunder.

### (A) AUDIT COMMITTEE

The Audit Committee comprises of four Directors out of which three are Independent Directors and one is Non-Executive Director. The Committee comprises of:-

- i) Mr. Parimal Kumar Chattaraj, Independent Director (Chairman)
- ii) Mr. Raj Narain Bhardwaj, Independent Director
- iii) Mr. Deba Prasad Roy, Independent Director and
- iv) Mr. Ravi Kant Sharma, Non-Executive Director

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of operations, both domestic and overseas;
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

The Audit Committee is empowered, pursuant to its terms of reference, inter-alia, to:

- investigate any activity within its terms of reference and to seek any information it requires from any employee;
- obtain legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The role of the Committee includes the following: -

- (a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and fixation of their remuneration;
- (c) Reviewing, with the management, the financial statements before submission to the Board, focusing primarily on:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.



## Corporate Governance Report

- (d) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (e) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (f) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- (g) Approval or any subsequent modification of transactions of the company with related parties;
- (h) Scrutiny of inter-corporate loans and investments;
- (i) Valuation of undertakings or assets of the company, wherever it is necessary;
- (j) Evaluation of internal financial controls and risk management systems;
- (k) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (l) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (m) Discussion with internal auditors any significant findings and follow up there on;
- (n) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (o) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (p) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- (q) To review the functioning of the Whistle Blower mechanism;
- (r) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- (s) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee reviews the following information:

- a) Review of Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions as submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.

Mr. P.K. Chattaraj, the Chairman of the Committee was present at the previous Annual General Meeting of the Company.

During the financial year ended 31st March, 2015 the Audit Committee met four times on 19th May, 2014, 13th August, 2014, 11th November, 2014 and 29th January, 2015. The details of the Composition of the Committee, Number of meetings held and the attendance of the Directors thereat is given herein below: -

## Corporate Governance Report

Name of Directors	Category	Position held	No. of Meetings	
			Held	Attended
Parimal Kumar Chattaraj	Independent Director	Chairman	4	3
Raj Narain Bhardwaj	Independent Director	Member	4	4
Deba Prasad Roy	Independent Director	Member	4	4
Ravi Kant Sharma	Non-Executive Director	Member	4	4

Statutory Auditors, Internal Auditors and Chief Financial Officer are regularly invited to attend the Audit Committee meeting. The Company Secretary is the Secretary to the Committee. Minutes of each Audit Committee meeting are placed and discussed in the next meeting of the Board.

All the members of the Audit Committee possess strong accounting and financial management expertise.

### (B) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Directors. The Committee comprises of:-

- i) Mr. Parimal Kumar Chattaraj, Independent Director (Chairman)
- ii) Mr. Raj Narain Bhardwaj, Independent Director
- iii) Mr. Deba Prasad Roy, Independent Director

The Nomination and Remuneration Committee shall act in accordance with the prescribed provisions of section 178 of the Companies Act, 2013 and shall be responsible for :-

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

During the Financial Year ended 31st March, 2015 the nomination and remuneration committee met four times on 19th May, 2014, 13th August, 2014, 11th November, 2014 and 29th January, 2015. The details of the Composition of the Committee, Number of meetings held and the attendance of the Directors thereat is given herein below: -

Name of Directors	Category	Position held	No. of Meetings	
			Held	Attended
Parimal Kumar Chattaraj	Independent Director	Chairman	4	3
Raj Narain Bhardwaj	Independent Director	Member	4	4
Deba Prasad Roy	Independent Director	Member	4	4
Ravi Kant Sharma	Non-Executive Director	Member	4	4

Mr. P. K. Chattaraj, the Chairman of the Committee was present at the previous Annual General Meeting of the Company.

### Remuneration paid to Directors

The Board of Directors at their meeting held on 13th August, 2014, has revised the sitting fees paid to the Independent Directors of the Company for attending the meetings of the Board or committees thereof. The sitting fees paid for attending the Board meeting has been revised to Rs. 40,000 for every meeting and Rs. 30,000 for every meeting of the Audit Committee and Rs. 10,000 for every meeting of the Nomination and Remuneration Committee and Stakeholders





## Corporate Governance Report

Relationship and Shareholders Grievance Committee meeting. The independent Director shall be paid Rs. 30,000 for attending the Independent Director Meeting. A sitting fees of Rs. 60,000 per meeting for attending the Banking Committee Meeting. No sitting fee is paid to Mr. Banwari Lal Mittal; Mr. Ravi Kant Sharma and Mrs. Abha Mittal, the Non-Independent Directors of the Company.

Details of the sitting fees paid to Independent Directors during the year ended 31st March, 2015 are as follows: -

Name of Directors	Category	Sitting Fees (Rs.)*
Parimal Kumar Chattaraj	Independent Director	2,70,000
Raj Narain Bhardwaj	Independent Director	6,00,000
Deba Prasad Roy	Independent Director	5,90,000

\*excluding service tax

No commission was paid to the Directors during the year ended 31st March, 2015.

### POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

- Criteria of selection of Non Executive Directors**

In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Executives for the better management of the Company. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The role of the N&R Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

- Remuneration Policy**

*Policy for the Executive Directors and CEO :-*

The remuneration/ Compensation to Directors will be determined by the Nomination and Remuneration Committee ('N&R Committee') and recommend to the Board for approval. At the time of appointment or re-appointment, the

## Corporate Governance Report

CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013 and the rules made thereunder. Increment to the existing remuneration structure may be recommended by the N&R Committee to the Board which should be within the limits approved by the shareholders in the case of Managing Director.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO & Managing Director shall be arrived after taking into account the Company's overall performance, their contribution for the same and trend in the industry.

The remuneration determined for MD/WTs are approved by the Board of Directors and members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

*Policy for KMP and Senior Management Employees :-*

The N&R Committee shall frame a policy for determining the criteria of remuneration payable to KMP and SMP.

While determining the criteria the N&R Committee shall consider the following:

- i. the relationship of remuneration and performance benchmark is clear;
- ii. the remuneration including annual increment and performance bonus is decided based on the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual performance vis-a-vis industry benchmark and current compensation trends in the market.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

Their remuneration are also governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

### **Remuneration to Non-Executive Independent Directors:**

The Non-executive Independent Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-executive Independent Directors for the Board Meetings and Committee meetings are fixed by the Board and reviewed from time to time in accordance with applicable law.

### • **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committee. A structured questionnaire prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.



## Corporate Governance Report

### Remuneration to the Managing Director for FY 2014-15

During the year under review, the detail of remuneration paid to Executive Director is appended below:

Name of Director	Salary and Allowances per annum (Rs.)	Performance linked incentives (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Banwari Lal Mittal	35,39,160	—	—	35,39,160

No remuneration was paid to Mr. Ravi Kant Sharma and Mrs. Abha Mittal, Non Executive Director during the financial year 31st March, 2015.

Mr. Ravi Kant Sharma is designated as the Managing Director of Microsec Capital Limited (MCap), a wholly owned Subsidiary of the Company and draws remuneration from MCap.

### Shares held by the Non-Executive Directors

The table below gives details of the Equity Shares of the Company held by the Non-Executive Directors as on 31st March, 2015.

Name of Directors	Category	Number of Equity shares held
Parimal Kumar Chattaraj	Independent Director	NIL
Raj Narain Bhardwaj	Independent Director	NIL
Deba Prasad Roy	Independent Director	NIL
Ravi Kant Sharma	Promoter / Non-executive	9,23,893
Abha Mittal	Promoter / Non-executive	15,700

### (C) STAKEHOLDERS RELATIONSHIP AND SHAREHOLDERS GRIEVANCE COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders/ Investors Grievance Committee" as the "Stakeholders Relationship and Shareholders Grievance Committee".

The terms of reference of the Committee includes the following:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend / interest, change of

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address for correspondence etc. and to monitor action taken;

- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

The Stakeholders Relationship and Shareholders Grievance Committee constituted by the Board comprises of four Directors. The Committee meets at regular intervals and specifically looks into the aspect of redressal of Shareholders/Investors Grievance. During the year under review, the Committee met four times on 19th May, 2014, 13th August, 2014, 11th November, 2014 and 29th January, 2015. The Composition of the Stakeholders Relationship and Shareholders Grievance Committee and Meeting held and attended thereof are as below:

Name of Directors	Category	Position Held	No. of Meetings	
			Held	Attended
Raj Narain Bhardwaj	Independent Director	Chairman	4	4
Banwari Lal Mittal	Managing Director	Member	4	4
Parimal Kumar Chattaraj	Independent Director	Member	4	3
Deba Prasad Roy	Independent Director	Member	4	*2

\* inducted as member of the Committee at Board Meeting held on 13th August, 2014.

Mr. Biplab Kumar Mani, Company Secretary is designated as the Compliance Officer of the Company.

Mr. R. N. Bhardwaj, the Chairman of the Committee was present at the previous Annual General Meeting of the Company.

Investors' complaint(s) which cannot be settled at the level of Company Secretary & Compliance Officer is/are referred to the Stakeholders Relationship and Shareholders Grievance Committee of the Board for final settlement. The Company confirms that no shareholder's complaint was lying pending as on March 31, 2015.

The Company confirms that there were no share transfers lying pending and affirms that all the requests for share transfers/ transmissions, issue of new certificates, etc., received up to March 31, 2015 have since been processed. All the requests for dematerialisation and rematerialisation of shares as on that date have been confirmed / rejected through the NSDL / CDSL system.

Details of queries and grievances received and attended to by the Company during the year 2014-15 are given herein below:

Sl. No.	Nature of Complaint	Pending as on 31.03.2014	Received during the year	Redressed during the year	Pending as on 31.03.2015
1.	Letters from Investors - Non allotment of shares and refund of application money	—	—	—	—
2.	Letter from Investor in respect of Correction in Refund order	—	—	—	—
3.	Letter from SEBI - Non allotment of shares and refund of application money	—	—	—	—
4.	Letter from BSE - Refund of application money	—	—	—	—

The Name, designation and address of Compliance Officer of the Company is as under:

**Name and Designation** : Mr. Biplab Kumar Mani, Company Secretary & Compliance Officer

**Address** : Shivam Chambers, 1st Floor, 53, Syed Amir Ali Avenue, Kolkata - 700 019

**Contacts** : Phone : +91 33 3051 2100/2282 9330, Fax : +91 33 3051 2020/2282 9335

**E-mail** : investors@microsec.in

### (D) RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of five members - Mr. Banwari Lal Mittal, Mr. Ravi Kant Sharma, Mr. Giridhar



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Dhelia, Mr. Bajrang Lal Agarwal and Mr. Vinit Pagaria.

The Committee was constituted in accordance with the Clause 49 of the listing agreement and Corporate Governance guidelines promulgated by the Reserve Bank of India and the terms of reference of the Risk Management Committee, inter-alia, include:

- to devise policies and guidelines for identification, measurement, monitoring and control for all major risk categories.
- to ensure that resources allocated for risk management are adequate given the size, nature and volume of the business.
- to ensure that the managers and staff, who implement, monitor and control, risk, possess sufficient knowledge and expertise.
- to review and approve market risk limits.
- to ensure robustness of financial models and the effectiveness of all systems used to calculate market risk.
- to ensure robust Management information system relating to risk reporting.

### (E) NOMINATION COMMITTEE

The Nomination Committee comprises of two members - Mr. Banwari Lal Mittal and Mr. Ravi Kant Sharma.

The Committee was constituted in accordance with the Corporate Governance guidelines promulgated by the Reserve Bank of India and is primarily responsible to assist the Board of Directors in fulfilling its responsibilities by recommending to the Board the composition and structure of the Board, criteria for Board membership, evaluation of the corporate policies relating to the recruitment of Board.

### (F) ASSET LIABILITY MANAGEMENT COMMITTEE

The Asset Liability Management Committee comprises of three members namely Mr. Ravi Kant Sharma, Mr. Banwari Lal Mittal and Mr. Giridhar Dhelia.

The Committee was constituted in accordance with the Corporate Governance guidelines promulgated by the Reserve Bank of India. The Committee is primarily responsible to review and monitor the structure /composition of the company's assets and liabilities, short term borrowings, assessment of opportunity costs, maintenance of liquidity, funding and capital planning, evaluation of market risks, liquidity risk, interest rate risk, investment risk and business risk, forecasting and analysing future business environment and preparation of contingency plans.

### (G) INDEPENDENT DIRECTORS COMMITTEE

During the year under review, the Independent Directors met on 11th November, 2014 and 29th January, 2015, inter alia, to discuss:

- Evaluation of the performance of Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Committee shall comprise of all the Independent Directors of the Company as on the date of the meeting of the said committee. All the Independent Directors were present at all the Meeting.

### (H) BANKING COMMITTEE

During the year the Board had formed a Committee Known as Banking committee . The Reserve Bank of India (hereinafter referred to as 'the RBI') had notified Guidelines for Licensing of "Small Finance Banks" in the Private Sector (hereinafter referred to as 'the Guidelines') vide its Press Release dated November 27, 2014. The Board after considering the experience and expertise of the promoters of the Company in financial sector and present financial business activities undertaken by the Company through Microsec Resources Private Limited (MRPL), being a wholly owned subsidiary of the Company; it was proposed to apply for the Small Finance Bank license through MRPL. The Company has withdrawn its consent to act as corporate promoter of the Small Finance Bank for which the application was filed by MRPL, the wholly owned subsidiary,



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with Reserve Bank of India.

The Banking Committee consists of four members viz. Mr. Raj Narain Bhardwaj, Mr. D P Roy, Mr. Pankaj Harlalka and Mr. Anurag Goyal. During the year under review, the Committee met five times on 27.10.2014, 11.11.2014, 29.01.2015, 09.03.2015 and 25.03.2015.

### (I) INVESTMENT COMMITTEE

The Investment Committee comprises of three members namely Mr. Banwari Lal Mittal, Mr. Ravi Kant Sharma and Mr. Giridhar Dhelia. The responsibility of the Committee are as under:

- Review the investment policies, strategies and programs of the Company
- Determine that investment constraints are consistently followed and that procedures are in place to ensure that the investment portfolio is managed in compliance with the investment policy and applicable investment constraints
- Review the performance of the investment portfolios of the Company
- Make periodic reports to the Board

The Committee met 10 times during the financial 2014-15.

### 4. SUBSIDIARY COMPANIES

Clause 49 defines a "Material Non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company has 15 (Fifteen) wholly owned subsidiaries. The Company has two material non-listed subsidiary i.e. Microsec Capital Limited and Microsec Resources Pvt. Ltd within the meaning of the Explanation 1 of Clause 49(V)(A) of the Listing Agreement with the Stock Exchanges. Mr. Parimal Kumar Chattaraj is also a Director on the Board of Microsec Capital Limited and Microsec Resources Private Limited.

The financial statements including particulars of investments made by all the unlisted subsidiary companies are reviewed by the Audit Committee.

Your Company has a system of placing the minutes and statements of all the significant transactions of all the unlisted subsidiary companies in the Meeting of Board of Directors.

The Company has already formulated a policy for determining 'material' subsidiaries and such policy has been disclosed on the company's website and can be accessed through the weblink [http://www.microsec.in/static/Pdf/Policy\\_of\\_Material\\_Subsiary\\_Microsec.pdf](http://www.microsec.in/static/Pdf/Policy_of_Material_Subsiary_Microsec.pdf).

### 5. SHAREHOLDERS

#### *Re-appointment of Directors*

Pursuant to the Articles of Association of the Company, at every Annual General Meeting of the Company, 1/3rd of the rotational directors retire by rotation.

Accordingly Mr. Ravi Kant Sharma retires by rotation and being eligible, has offered himself for reappointment at the forthcoming Annual General Meeting.

The details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are as under:

Name	Mr. Ravi Kant Sharma	Mrs. Abha Mittal	Mr. Banwari Lal Mittal
Date of Birth	10th November , 1974	23rd November, 1974	1st July, 1968
Date of appointment	30th May, 2005	26th March, 2015	1st July, 2015
Qualification	B.Com, FCA	B Com, Diploma In Fashion Designing	FCA, FCS, FCMA



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Name	Mr. Ravi Kant Sharma	Mrs. Abha Mittal	Mr. Banwari Lal Mittal
Expertise in specific functional area	Ravi Kant Sharma is the co-founder of the Microsec Group and is associated with it since 1999. He has an experience of more than 16 years in wealth management and capital market operations.	Mrs. Abha Mittal is a Commerce Graduate from Bhawanipur Gujarati Education Society under Calcutta University. She has done the diploma in Fashion designing from J. D. Birla Institute, Kolkata. She is actively involved in various social welfare activities and also member of various NGOs. Mrs. Mittal is involved in the promotion and advancement of Organic farming activities.	Mr. Mittal is the founder of Microsec Group. He has more than 20 years of experience in different fields including investment banking, wealth management and corporate advisory.
Directorship in other limited Companies	1. Microsec Capital Limited 2. Microsec Technologies Limited 3. Microsec Commerce Limited 4. Microsec Insurance Brokers Limited 5. PRP Technologies Limited	1. Luv Kush Projects Limited 2. Mihit Consultancy Services Limited 3. Padmakar Advisors Limited	1. Microsec Capital Limited 2. Microsec Commerce Limited 3. Microsec Insurance Brokers Limited 4. Microsec Technologies Limited 5. Luv Kush Projects Limited
Membership/Chairmanship of *Committees of the Board of Directors of the Company	Member of the Audit Committee	NIL	Member of Stakeholders Relationship and Shareholders Grievance Committee
Chairman/Member of the *Committee of the Board of Directors of other companies in which he/she is a Director	NIL	NIL	NIL
Number of shares held in the Company	9,23,893	15,700	1,08,16,000
Inter-se relations with any director of the Company	No	Spouse of Mr. B. L. Mittal	Mrs. Abha Mittal is wife of Mr. B. L. Mittal

\* Includes only Audit Committee and Stakeholders Relationship and Shareholders'/Investors' Grievance Committee.

It is proposed to re-appoint Mr. Ravi Kant Sharma as Director who retires from office by rotation at the forthcoming Annual General Meeting of the Company and appoint Mrs. Abha Mittal, as Director. It is also proposed to re-appoint Mr. B. L. Mittal as Managing Director.

### GENERAL BODY MEETING:

The following table gives the details of the last three Annual General Meetings of the Company:

Year	AGM date and time	Venue	No. of special resolutions passed
2013-14	13th August, 2014 at 10.30 a.m.	"Rotary Sadan", 94/2 Chowringhee Road, Kolkata - 700 020	One
2012-13	14th August, 2013 at 10.30 a.m.	"Gyan Manch", 11 Pretoria Street, Kolkata - 700 071	Nil
2011-12	3rd August, 2012 at 10.30 a.m.	"Rotary Sadan", 94/2 Chowringhee Road, Kolkata - 700020	Nil

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- No Extra-Ordinary General Meeting of the shareholders was held during the year.
- None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through postal ballot.

### 6. DISCLOSURES:

#### i) **Related Party Transaction:**

Your Company places the statement of the related party transaction at every Audit Committee meetings. The Register of Contracts containing the transactions in which the Directors are interested are placed at the Board meetings. The disclosure of the related party transaction as per the Accounting Standard (AS-18) are set out in Note No. 27 of the Notes to the Accounts. However these transactions are not likely to have any conflict with the Company's Interest.

#### ii) **Details of non-compliance by the Company:**

The Company has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market since the listing of the Company's equity shares.

#### iii) **Compliance with Clause 49 of the Listing Agreement:**

The Company has complied with the mandatory requirements of the Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this report. The status on compliance with the Non-mandatory requirements is given at the end of the Report.

#### iv) **Reconciliation of Share Capital audit:**

A qualified practicing company secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and the listed equity share capital. The Audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical forms and the total number of dematerialized shares held with NSDL and CDSL.

#### v) **Accounting treatment in preparation of financial statement:**

The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

#### vi) **Risk Management:**

The Company carries a risk management process and the weaknesses if found are communicated to the Audit Committee from time to time. Periodic reviews are made on extent of risk minimization measures adopted to minimize the potential risks.

#### vii) **Vigil Mechanism /Whistle Blower Policy:**

The Company has already established a vigil mechanism for their directors and employees to report their genuine concerns or grievances. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. Such a vigil mechanism provides for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The whistle blower policy has been adopted by the Company and placed on the website of the Company and can be accessed through the weblink [http://www.microsec.in/static/Pdf/Whistle\\_Blower\\_Policy\\_Microsec.pdf](http://www.microsec.in/static/Pdf/Whistle_Blower_Policy_Microsec.pdf).

### 7. ADDITIONAL INFORMATION:

#### i) **Prevention of Insider Trading:**

##### a. **Code of Conduct for Prevention of Insider Trading:**

In compliance with SEBI regulations on prevention of insider trading, the Company has formulated a



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comprehensive Code of Conduct for Prevention of Insider Trading in the securities of the Company. This Code of Conduct is applicable to Promoters, Directors, Chiefs, Group Heads, Heads, and such other employees of the Company and others who are expected to have access to unpublished price sensitive information. The code is effective from 15th May, 2015.

The Code of Conduct lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them of consequences of violations. The code has been posted on the Company's website at the weblink [http://www.microsec.in/static/Pdf/Code\\_of\\_Conduct\\_to\\_regulate\\_monitor\\_and\\_report\\_trading\\_by\\_Insiders.pdf](http://www.microsec.in/static/Pdf/Code_of_Conduct_to_regulate_monitor_and_report_trading_by_Insiders.pdf). The Company Secretary of the Company is the Compliance Officer.

### b. Code of Practices and Procedures for Fair Disclosure:

The Board has approved the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, in terms with the SEBI (Prohibition of Insider Trading) Regulations, 2015, effective from 15th May, 2015.

The code lays down broad standards of compliance and ethics, as required by the listing agreement(s) and other applicable SEBI regulations. The code is required to be complied in respect of all corporate disclosures in respect of the Company and /or its subsidiary companies. The code has been posted on the Company's website at the weblink [http://www.microsec.in/static/Pdf/Code\\_of\\_Fair\\_Disclosure.pdf](http://www.microsec.in/static/Pdf/Code_of_Fair_Disclosure.pdf). The Company Secretary of the Company is the Compliance Officer.

### ii) Code of Conduct for Directors and Senior Management:

The Board has laid down the Code of Conduct for its Members and designated Senior Management Personnel of the Company. The Code has been posted on the Company's website at the weblink [http://www.microsec.in/static/Pdf/Microsec\\_Code\\_of\\_Conduct.pdf](http://www.microsec.in/static/Pdf/Microsec_Code_of_Conduct.pdf). All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

## 8. MEANS OF COMMUNICATION WITH SHAREHOLDERS:

- i) *Quarterly Results and its publication:* The unaudited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The financial results are also uploaded on the Company's website [www.microsec.in](http://www.microsec.in). The Company publishes quarterly, half-yearly and annual results in widely circulated national newspapers and local dailies such as "Business Standard" in English and one of the prominent business dailies in Bengali.
- ii) *News Release, etc:* The Company has its own website [www.microsec.in](http://www.microsec.in) and all vital information relating to the Company and its performance including financial results and corporate presentations, etc. are regularly posted on the website.
- iii) *Investors' Relation:* The Company's website contains a separate dedicated section "Investor Relation" where Shareholders' information is available. The website also provides lists of unclaimed dividend which have not yet been transferred to the Investor Education and Protection Fund of the Central Government. The Company has an exclusive email ID for shareholders/investors and they may write to the Company at [investors@microsec.in](mailto:investors@microsec.in).
- iv) No presentations were made to institutional investors and analysts during the year.
- v) The Management Discussion and Analysis Report forms part of this Annual Report.

## 9. GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting

Date	: 28th September, 2015
Time	: 10.30 a.m.
Venue	: "Gyan Manch", 11, Pretoria Street, Kolkata - 700071

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### ii. Financial calendar: (tentative)

Financial Year 1st April, 2015 to 31st March, 2016

26th Annual General Meeting : 28th September, 2015

Particulars	Quarter/ Half year/ Year ending	Tentative schedule
Unaudited Financial Result (1st Quarter)	Quarter ended 30.06.2015	On or before August 14, 2015
Unaudited Financial Result (2nd Quarter)	Quarter ended 30.09.2015	On or before November 15, 2015
Unaudited Financial Result (3rd Quarter)	Quarter ended 31.12.2015	On or before February 15, 2016
Audited Financial Result (Annual)	Year ended 31.03.2016	On or before May 30, 2016

### iii. Book closure date

Information about the Book Closure dates have been provided in the Notice convening the AGM.

### iv. Dividend Payment date

With a view to strengthening the financial position of the Company, your Directors have not recommended any dividend for the financial year 2014-15.

### v. Company Registration Details

The Company is registered in the State of West Bengal, India. The Corporate Identification No. (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65993WB1989PLC047002.

### vi. Listing of equity shares on stock exchanges at

The Company's Shares are listed on BSE Limited and National Stock Exchange of India Limited (NSE). The requisite listing fees for 2015-16 has been paid in full to BSE and NSE.

### vii. Stock Code & ISIN No.

BSE : 533259

NSE : MICROSEC

The International Securities Identification Number (ISIN) allotted to our shares under the depository system is INE019J01013.

### viii. Market Price Data

High, Low during each month in the last financial year at BSE and NSE :-

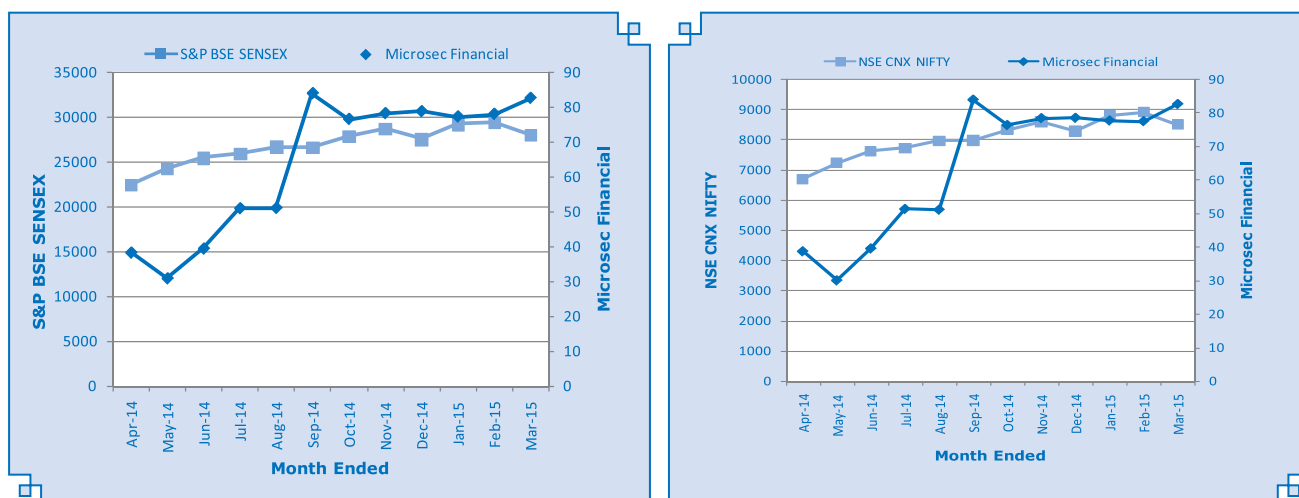
Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2014	38.35	24.10	38.70	25.00
May, 2014	40.25	30.10	40.60	30.00
June, 2014	40.35	30.55	40.25	30.00
July, 2014	58.05	40.00	57.80	40.00
August, 2014	59.10	46.10	58.40	45.00
September, 2014	94.00	51.15	94.00	51.10
October, 2014	88.80	76.15	88.50	76.05
November, 2014	99.95	72.15	97.60	71.00
December, 2014	87.75	73.15	86.80	71.20
January, 2015	90.00	71.25	86.70	71.00
February, 2015	81.95	70.15	81.95	71.00
March, 2015	95.00	75.10	95.00	72.50





## Corporate Governance Report

### ix. Performance in comparison to broad-based indices such as BSE Sensex, etc. :



### x. Registrar & Transfer Agent:

Link Intime India Private Limited  
 59C, Chowringhee Road, 3rd Floor, Kolkata - 700020  
 Phone: +91 33 2289 0539/40 • Fax : +91 33 2289 0539  
 Email: kolkata@linkintime.co.in

### xi. Share Transfer System:

Trading in Equity Shares of the Company is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expediting the process of share transfers Mr. Biplab Kumar Mani, Company Secretary and Authorised Representative of Link Intime India Private Limited have been severally authorised to approve transfer of equity shares and the same is ratified in the next meeting of the Stakeholders Relationship and Shareholders Grievance Committee. The Stakeholders Relationship and Shareholders Grievance Committee meets as and when required to consider the other transfer, transmission of shares, etc. and attend to shareholder grievances.

### xii. Distribution of shareholding and shareholding pattern as on 31st March, 2015:

#### a) Distribution of Shareholding :

No. of equity shares held (range)	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1 - 500	16032	95.29	1392339	4.38
501 – 1000	341	2.03	270636	0.85
1001 – 2000	177	1.05	278106	0.87
2001 – 3000	64	0.38	164507	0.52
3001 – 4000	34	0.20	121905	0.38
4001 – 5000	37	0.22	176803	0.56
5001 – 10000	60	0.36	446915	1.41
10001 and more	79	0.47	28959289	91.03
<b>TOTAL</b>	<b>16824</b>	<b>100.00</b>	<b>31810500</b>	<b>100.00</b>

## Corporate Governance Report

### b) Shareholding Pattern as on 31st March, 2015 :

Sl. No.	Description	Number of shares	Percentage of Capital
I	Promoter and Promoter Group	2,27,89,537	71.64
II	Financial Institutions/ Banks	16,515	0.05
III	Foreign Institutional Investors/ Foreign Companies/ Foreign Venture Capital	—	—
IV	Bodies Corporate	17,75,734	5.58
V	NRIs / OCBs/ NRNs	18,829	0.06
VI	Trust	17,83,795	5.61
VII	Resident Individuals	53,46,396	16.81
VIII	Clearing Member	79,694	0.25
	<b>TOTAL</b>	<b>3,18,10,500</b>	<b>100.00</b>

### xiii Dematerialisation of shares and liquidity:

As on 31st March, 2015, 94.39% of the total equity share capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share as the trading in equity shares of the Company is permitted only in dematerialised form.

### xiv. Outstanding convertible instruments, conversion date and likely impact on equity

As on March 31, 2015, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible instruments.

### xv. Plant Locations:

Not Applicable

### xvi. Address for Correspondence:

For any assistance, queries, regarding transfer or transmission of shares, dematerialization, non receipt of dividend on shares, non receipt of share application money, non credit of shares in demat account and any other queries relating to the shares of the Company and Annual Report, the investors may please write to the following:

#### i) The Company Secretary

Microsec Financial Services Limited  
Shivam Chambers, 1st Floor, 53 Syed Amir Ali Avenue, Kolkata - 700 019  
Tel : +91 33 3051 2100/2282 9330, Fax : +91 33 3051 2020/2282 9335  
E-mail : investors@microsec.in

#### ii) Link Intime India Private Limited

59C, Chowringhee Road, 3rd Floor, Kolkata - 700 020  
Phone : +91 33 2289 0539/40 Fax : +91 33 2289 0539  
Email : kolkata@linkintime.co.in

## 10. NON-MANDATORY REQUIREMENTS

### (A) Non-Executive Chairman

The requirement of maintenance of an office for the non-executive Chairman and the reimbursement of expenses to him are not applicable to the Company presently as the Company has an executive Chairman.

### (B) Shareholders Rights

The Company is getting its quarterly/half yearly and Annual financial results published in leading newspapers with wide distribution across the country and regularly updates and other important information on its public domain website.

### (C) Separate Posts of Chairman and MD/CEO

The post of Chairman and MD/CEO are same.

### (D) Reporting of Internal Auditor:

The internal Auditors of the Company report to the Audit Committee.



## Corporate Governance Report

### Auditors' Certification

To

**The Members of Microsec Financial Services Limited**

We have examined the compliance of conditions of corporate governance by Microsec Financial Services Limited, for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

**For S. R. BATLIBOI & CO. LLP**

*Chartered Accountants*

ICAI Firm Registration Number : 301003E

per **Bhaswar Sarkar**

*Partner*

Membership No. : 55596

Place : Kolkata

Date : May 30, 2015

## Corporate Governance Report

### Compliance with Code of Conduct for Directors and Senior Management

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of financial year 2014-15.

For **Microsec Financial Services Limited**

Kolkata, May 30, 2015

**Banwari Lal Mittal**  
Managing Director

### Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We hereby certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2015 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the 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 internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that there are no :
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) 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 over financial reporting.

For **Microsec Financial Services Limited**

Kolkata, May 30, 2015

**Banwari Lal Mittal**  
Managing Director

**Giridhar Dhelia**  
Chief Financial Officer



## FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries/ Step down Subsidiaries

(Rs. in Lacs)

Particulars	Microsec Resources Private Limited	Microsec Capital Limited	Microsec Commerce Limited	Microsec Insurance Brokers Limited	Microsec Technologies Limited	PRP Technologies Limited	Microsec Health Buddy Limited	Joybuddy Fun Products Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	INR	INR	INR	INR	INR	INR
Share Capital	32.10	226.36	160.30	51.61	28.03	10.00	1,081.55	1.00
Reserves & surplus	450.70	4,112.61	799.39	82.96	2,731.59	2,074.52	5,466.04	-18.96
Total Assets	3,708.50	4,214.90	304.57	136.40	2,719.16	32.53	4,392.46	9.59
Total Liabilities	3,225.70	1,528.25	51.42	1.83	59.55	1,506.13	469.88	31.55
Investments	-	1,652.32	706.54	-	100.01	3,558.12	2,625.01	4.00
Turnover	562.79	1,765.57	89.72	15.20	40.88	0.19	2,018.96	-
Profit / (Loss) before taxation	39.62	222.62	59.87	-9.46	-1,024.59	438.15	-1,124.78	-18.63
Provision for taxation	12.25	43.37	-0.51	-	-	-	-	-
Profit / (Loss) after taxation	27.37	179.25	60.38	-9.46	-1,024.59	438.15	-1,124.78	-18.63
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%

Particulars	Myjoy Hospitality Private Limited	Myjoy Pharmaceuticals Private Limited	Myjoy Tasty Food Private Limited	Myjoy Technologies Private Limited	Bharatiya Sanskriti Village Private Limited	Sasta Sundar Shop Private Limited	Microsec Tech Solutions Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	INR	INR	INR	INR	INR
Share Capital	5.00	251.00	5.00	63.04	11.50	11.00	10.00
Reserves & surplus	-25.92	-202.78	8.53	268.60	-5.95	35.38	-0.31
Total Assets	398.04	165.24	1.36	272.05	586.71	12.13	544.90
Total Liabilities	419.06	127.33	425.14	0.41	1,626.12	5.75	535.21
Investments	0.10	10.31	437.31	60.00	1,044.96	40.00	-
Turnover	-	1,466.69	-	-	-	-	-
Profit / (Loss) before taxation	-0.50	-201.84	3.69	-8.68	-24.34	-1.26	-0.31
Provision for taxation	-	-	-	-	-	-	-
Profit / (Loss) after taxation	-0.50	-201.84	3.69	-8.68	-24.34	-1.26	-0.31
Proposed Dividend	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%

- Note :**
1. Name of subsidiaries which are yet to commence operations : NIL
  2. Name of subsidiaries which have been liquidated or sold during the year : NIL



**FORM AOC - 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part “B”: Associates and Joint Ventures**

(Rs. in Lacs)

Sl. No.	Name of Associate / Joint Venture	Amount
1	Latest audited Balance Sheet Date	NIL
2	Shares of Associate/Joint Venture held by the company on the year end	
	No. of shares	
	Amount of Investment in Associate/Joint Venture	
	Extend of Holding %	
3	Description of how there is significant influence	
4	Reason why the associate/joint venture is not consolidated	
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	
6	Profit / Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

**Note :** 1. Name of associates or joint ventures which are yet to commence operations : NIL  
2. Name of associates or joint ventures which have been liquidated or sold during the year : NIL

For and on behalf of the Board

Place : Kolkata  
Date : 30th May, 2015

**B. L. Mittal**  
*Chairman & Managing Director*

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## **STANDALONE FINANCIAL STATEMENTS**

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## Independent Auditor's Report

To the Members of **Microsec Financial Services Limited**

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Microsec Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

### EMPHASIS OF MATTER

Without qualifying our audit opinion, we draw attention to note no.29 of the financial statements regarding the Company's credits/investments during the period April 1, 2014 to November 09, 2014 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 surrender of original Certificate of Registration to operate as a Non-Banking Financial Institution by the Company to Reserve Bank India. Subsequent to the



## Independent Auditor's Report

year end, the Company has received intimation from the Reserve Bank of India that its application for deregistration is under process.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 22 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There are no amounts which are required to be transferred, during the year to the Investor Education and Protection Fund by the Company.

For **S. R. Batliboi & Co. LLP**

*Chartered Accountants*

Firm Registration Number : 301003E

per **Bhaswar Sarkar**

*Partner*

Membership Number : 55596

Place : Kolkata

Date : May 30, 2015

## Annexure to the Auditor's Report

### ANNEXURE - 1

To the Members of **Microsec Financial Services Limited**

[REFERRED TO IN OUR REPORT OF EVEN DATE]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (ii) The Company is engaged in the business of providing financial services and is not required to maintain inventory. Consequently, the requirements of paragraph 3 (ii) (a) to (c) of the Companies (Auditor's report) Order, 2015 ("the Order") are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) 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, for the purchase of fixed assets and for the sale of services. The Company has neither purchased inventory nor sold goods during the year. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the services rendered by the Company. Further, the Company is not in the business of sale of any goods.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, service tax, cess and other material statutory dues applicable to it. During the year, the Company did not have any dues towards sales tax, wealth tax, customs duty, excise duty and value added tax.
- (b) During the year, the Company did not have any dues towards sales tax, wealth tax, customs duty, excise duty and value added tax. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax and service tax, on account of any dispute, are as follows :

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowances of certain expenses	12,55,440	Assessment Year 2010-11 and 2012-13	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	60,76,073	Financial Year 2007-08, 2008-09, 2009-10, 2010-11, 2011-2012	Customs, Central Excise and Service Tax Appellate Tribunal





## Annexure to the Auditor's Report

According to the information and explanation given to us, there are no dues towards sales tax, wealth tax, customs duty, excise duty and value added tax which have not been deposited on account of any dispute.

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues to a financial institution or banks. There were no outstanding debentures during the year. Accordingly, the provisions of paragraph 3 (ix) are not applicable to the Company and hence not commented upon.
- (x) According to the information and explanations given to us, the Company has given a corporate guarantee for loans taken by a wholly owned subsidiary company from banks. Accordingly, such guarantees are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S. R. Batliboi & Co. LLP**

*Chartered Accountants*

Firm Registration Number : 301003E

per **Bhaswar Sarkar**

*Partner*

Membership Number : 55596

Place : Kolkata

Date : May 30, 2015

**Balance Sheet** as at 31st March, 2015

(Amount in Rs.)

	Notes	As at 31.03.2015	As at 31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	31,81,05,000	31,81,05,000
(b) Reserves and Surplus	4	1,94,14,97,941	1,93,31,66,775
<b>2. Current Liabilities</b>			
(a) Trade Payables	5	8,72,790	7,90,413
(b) Other Current Liabilities	6	4,60,039	4,75,124
(c) Short Term Provisions	7	50,81,786	1,68,19,446
		<b>2,26,60,17,556</b>	<b>2,26,93,56,758</b>
<b>II. ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		3,79,28,694	4,40,34,127
(ii) Intangible Assets		4,03,259	—
(b) Non Current Investments	9	2,19,65,73,528	2,15,59,47,355
(c) Long Term Loans and Advances	10	1,53,23,701	1,30,37,358
<b>2. Current Assets</b>			
(a) Trade Receivables	11	4,29,912	—
(b) Cash and Bank Balances	12	1,35,45,148	5,17,77,597
(c) Short Term Loans and Advances	13	16,48,689	38,68,546
(d) Other Current Assets	14	1,64,625	6,91,775
		<b>2,26,60,17,556</b>	<b>2,26,93,56,758</b>
<b>Summary of significant accounting policies</b>	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For S. R. Batliboi & CO. LLP**  
Firm Registration No: 301003E  
Chartered Accountants

per **Bhaswar Sarkar**  
Partner  
Membership No. 55596

Place : Kolkata  
Date : 30th May, 2015

**For and on behalf of the Board of Directors**

**B. L. Mittal**  
Chairman & Managing Director  
DIN : 00365809

**Giridhar Dhelia**  
Chief Financial Officer

**Ravi Kant Sharma**  
Director  
DIN : 00364066

**Biplab Kumar Mani**  
Company Secretary



## Statement of Profit and Loss for the year ended 31st March, 2015

(Amount in Rs.)

	Notes	2014-15	2013-14
<b>I. Revenue From Operations</b>	15	2,04,20,182	2,32,34,943
<b>II. Other Income</b>	16	40,62,841	43,47,092
<b>III. Total Revenue</b>		<b>2,44,83,023</b>	<b>2,75,82,035</b>
<b>IV. Expenses :</b>			
Employee Benefits Expense	17	1,25,63,605	1,28,93,273
Finance Costs	18	—	13,728
Depreciation and Amortisation Expense	19	40,97,502	35,65,322
Other Expenses	20	76,61,114	86,64,943
		<b>2,43,22,221</b>	<b>2,51,37,266</b>
<b>V. Profit Before Tax</b>		1,60,802	24,44,769
<b>VI. Tax Expenses :</b>			
(a) Current Tax		—	2,64,722
(b) Excess provision for taxation no longer required written back		(1,03,60,208)	(67,96,583)
(c) Deferred Tax Charge		—	30,83,051
		<b>(1,03,60,208)</b>	<b>(34,48,810)</b>
<b>VII. Profit for the year</b>		<b>1,05,21,010</b>	<b>58,93,579</b>
<b>VIII. Earnings Per Equity Share :</b>			
Basic and Diluted (Nominal Value per Share Rs. 10)	21	0.33	0.19
<b>Summary of significant accounting policies</b>	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S. R. Batliboi & CO. LLP**  
Firm Registration No: 301003E  
Chartered Accountants

per **Bhaswar Sarkar**  
Partner  
Membership No. 55596

Place : Kolkata  
Date : 30th May, 2015

For and on behalf of the Board of Directors

**B. L. Mittal**  
Chairman & Managing Director  
DIN : 00365809

**Giridhar Dhelia**  
Chief Financial Officer

**Ravi Kant Sharma**  
Director  
DIN : 00364066

**Biplab Kumar Mani**  
Company Secretary

## Cash Flow Statement for the year ended 31st March, 2015

(Amount in Rs.)

Particulars	2014-15	2013-14
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,60,802	24,44,769
Adjustments for :		
Interest on Fixed Deposits and Others	(24,62,841)	(34,47,092)
Provision for standard assets written back	(16,00,000)	(9,00,000)
Interest Paid	–	13,728
Depreciation and amortization expense	40,97,502	35,65,322
<b>Operating profit before working capital changes</b>	<b>1,95,463</b>	<b>16,76,727</b>
Increase / (Decrease) in trade payables	82,377	(29,27,799)
(Decrease) in other current liabilities	(14,284)	(53,437)
Increase / (Decrease) in short term provisions	2,22,547	(2,90,479)
(Decrease) in other long term liabilities	–	(11,94,53,510)
(Increase) / Decrease in trade receivables	(4,29,912)	4,24,721
(Increase) / Decrease in other current assets	50,323	(50,323)
Decrease in short-term loans and advances	22,19,857	1,12,26,138
(Increase) / Decrease in non-current investments	(4,06,26,173)	5,87,69,902
(Increase) / Decrease in current investments	–	8,00,00,000
<b>Cash generated from / (used in) operations</b>	<b>(3,82,99,802)</b>	<b>2,93,21,940</b>
Direct tax paid (Net)	(22,86,342)	63,39,903
<b>Net cash flow from / (used in) operating activities</b>	<b>(4,05,86,144)</b>	<b>3,56,61,843</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including capital advances)	(5,85,172)	(20,36,384)
Investment in Fixed Deposits (having original maturity of more than three months)	(7,59,21,370)	(13,60,00,000)
Encashment of Fixed Deposits (having original maturity of more than three months)	11,29,21,370	9,85,01,620
Interest on Fixed Deposits and others	29,39,668	23,64,820
<b>Net cash flow (used in) investing activities</b>	<b>3,93,54,496</b>	<b>(3,71,69,944)</b>



## Cash Flow Statement for the year ended 31st March, 2015

(Amount in Rs.)

Particulars	2014-15	2013-14
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(801)	(652)
Interest Paid	–	(14,331)
Repayment of Short Term Borrowings	–	(5,00,000)
<b>Net cash flow from / (used in) financing activities</b>	<b>(801)</b>	<b>(5,14,983)</b>
<b>D. Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(12,32,449)</b>	<b>(20,23,084)</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>57,40,781</b>	<b>77,63,865</b>
<b>F. Cash and Cash equivalents at the end of the year</b>	<b>45,08,332</b>	<b>57,40,781</b>
Components of Cash and Cash Equivalents as indicated in Note 12 comprises of :		
Cash on hand	20,775	11,261
Balances with Scheduled Banks *	44,87,557	57,29,520
<b>Total</b>	<b>45,08,332</b>	<b>57,40,781</b>

\* Excludes balance of Rs. 36,816 (2013-14: Rs. 36,816) with a bank for which refund instruments have been issued to the investors but are yet to be encashed and Rs. 90,00,000 (2013-14: Rs. 4,60,00,000) of Fixed Deposits with maturity for more than three months.

As per our report of even date

For **S. R. Batliboi & CO. LLP**  
Firm Registration No: 301003E  
Chartered Accountants

per **Bhaswar Sarkar**  
Partner  
Membership No. 55596

Place : Kolkata  
Date : 30th May, 2015

For and on behalf of the Board of Directors

**B. L. Mittal**  
Chairman & Managing Director  
DIN : 00365809

**Giridhar Dhelia**  
Chief Financial Officer

**Ravi Kant Sharma**  
Director  
DIN : 00364066

**Biplab Kumar Mani**  
Company Secretary



## Notes to the Financial Statements as at and for the year ended 31st March, 2015

### 1. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the directives as prescribed by the Reserve Bank of India for Non Banking Financial Companies. The financial statements have been prepared under the historical cost convention on an accrual basis. However, income is not recognized and also provision is made in respect of non-performing assets as per the prudential norms prescribed by the Reserve Bank of India. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### i. Change in Accounting Policy

##### Depreciation on fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

##### (a) Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, these rates are same with the lives prescribed under Schedule II. Hence, this change in accounting policy did not have any material impact on financial statements of the company.

##### (b) Depreciation on assets costing less than Rs. 5,000/-

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than Rs. 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000/- did not have any material impact on financial statements of the company for the current year.

#### ii. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues,



## Notes to the Financial Statements as at and for the year ended 31st March, 2015

expenses, assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

### iii. Revenue Recognition

- a. Fees from Investment Banking activities which include Mergers & Acquisitions, Investment and other advisory services are recognized as revenue when the relevant services are rendered to the customers and there are reasonable certainties as regards ultimate collectability of such revenue. The Company collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.
- b. Dividend income is recognized when the shareholder's right to receive dividend is established by the balance sheet date.
- c. Income from Royalty is recognised on an accrual basis in accordance with the terms of the relevant agreement.
- d. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- e. Profit / (loss) on sale of investments is determined based on the weighted average cost of the investments sold.

### iv. Tangible Fixed Assets

Tangible Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognised.

### v. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

### vi. Depreciation and Amortization on Tangible and Intangible Assets

- a. Depreciation on fixed assets is calculated on a WDV basis the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II to the Companies Act, 2013.
- b. Depreciation on fixed assets added / disposed off during the year is provided on prorata basis with reference to the date of addition / disposal.
- c. Copyrights are amortized on straight-line basis over a period of three years from the date the assets become available for use.
- d. Computer softwares are amortized on straight line basis over a period of three years from the date the assets become available for use.

### vii. Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of

## Notes to the Financial Statements as at and for the year ended 31st March, 2015

money and risks specific to the asset.

After impairment, depreciation / amortization is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortization if there was no impairment.

### viii. Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### xi. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as Current Investments. All other Investments are classified as Long term Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Long term investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

### x. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### xi. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

### xii. Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.



## Notes to the Financial Statements as at and for the year ended 31st March, 2015

The carrying amount of deferred tax asset is reviewed at each Balance Sheet date. The company writes down the carrying amount of a Deferred Tax Asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each Balance Sheet date, the company recognizes the unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

### xiii. Provisioning on Standard Assets

The Reserve Bank of India (RBI) vide Notification No. DNBS 223/CGM (US) – 2011 dated January 17, 2011 has issued direction to all NBFCs to make provision of 0.25% on standard assets. Accordingly, the Company has made provision @0.25% on standard assets in accordance with RBI directions.

### xiv. Segment Reporting

#### a) Identification of Segments

The Company has identified that its business segments are the primary segments. The Company's operating businesses are organized and managed separately according to the nature of products/services provided, with each segment representing a strategic business unit that offers different products/services and serves different markets. The analysis of geographical segments is based on the areas in which the operating divisions of the company operates.

#### b) Allocation of Common Costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common cost. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis are included under the head "Unallocated – Common".

The accounting policies adopted for segment reporting are in line with those of the Company.

### xv. Retirement and other employees benefits

- a. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to a reduction in future payment or a cash refund.
- b. Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains / losses are recognized in full

## Notes to the Financial Statements as at and for the year ended 31st March, 2015

in the period in which they occur in the Statement of Profit and Loss. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities

- c. Short term compensated absences are provided for based on estimates.

### xvi. Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### xvii. Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise of Cash at Bank and Cash/Cheque on hand and fixed deposits with an original maturity of three months or less.



## Notes to the Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

	As at 31.03.2015	As at 31.03.2014
<b>3 SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
3,50,00,000 (2013-14: 3,50,00,000) Equity Shares of Rs. 10 each	35,00,00,000	35,00,00,000
<b>Issued, Subscribed and Fully Paid-up Shares</b>		
3,18,10,500 (2013-14: 3,18,10,500) Equity Shares of Rs. 10 each	31,81,05,000	31,81,05,000

### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31.03.2015		As at 31.03.2014	
	Nos.	Rs.	Nos.	Rs.
Outstanding at the beginning and at the end of the year	3,18,10,500	31,81,05,000	3,18,10,500	31,81,05,000

### (b) Terms / Rights attached to the equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs. 10 each full paid up				
Banwari Lal Mittal	1,08,16,000	34.00	1,08,16,000	34.00
Top View Enclaves LLP	74,24,069	23.34	66,21,451	20.82
Microsec Vision Employee Trust	17,83,400	5.61	17,83,400	5.61

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### (d) Aggregate number of bonus shares issued and shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at 31.03.2015	As at 31.03.2014
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium, capital redemption reserve and surplus in the statement of profit and loss	—	—
Equity shares bought back by the Company	10,00,000	10,00,000



## Notes to the Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

	As at 31.03.2015	As at 31.03.2014
<b>4 RESERVES AND SURPLUS</b>		
Capital Redemption Reserve (Balance as per last financial statements)	1,00,00,000	1,00,00,000
Securities Premium Account (Balance as per last financial statements)	1,38,98,71,136	1,38,98,71,136
<b>Reserve under Section 45-IC of the Reserve Bank of India Act, 1934</b>		
Balance as per last financial statements	14,08,78,800	13,97,00,000
Add: Amount transferred from the Statement of Profit and Loss during the year	21,04,200	11,78,800
	14,29,83,000	14,08,78,800
According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of its Net Profit every year as disclosed in the statement of profit and loss and before declaration of dividend.		
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial statements	39,24,16,839	38,77,02,060
Add: Profit for the year	1,05,21,010	58,93,579
	<b>40,29,37,849</b>	<b>39,35,95,639</b>
Less : Appropriations		
Transferred to Reserve under Section 45-IC of the RBI Act, 1934	21,04,200	11,78,800
Transitional provision for depreciation under the Companies Act, 2013 [Refer Note 31]	21,89,844	—
	<b>39,86,43,805</b>	<b>39,24,16,839</b>
	<b>1,94,14,97,941</b>	<b>1,93,31,66,775</b>
<b>5 TRADE PAYABLES</b>		
Due to Micro and Small Enterprises *	—	—
Due to Others	8,72,790	7,90,413
	<b>8,72,790</b>	<b>7,90,413</b>

\*Based on the information / documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provisions / payments have been made by the company to such creditors, if any, and no disclosures thereof are made in these financial statements.

<b>6 OTHER CURRENT LIABILITIES</b>		
Unclaimed Dividend *	1,63,736	1,64,537
Share Application Money pending refund**	36,816	36,816
Other Payables		
Statutory Dues	2,59,487	2,73,771
	<b>4,60,039</b>	<b>4,75,124</b>

\* to be paid as and when due to Investor Education and Protection Fund.

\*\* Represents refund instruments issued to the investors which are yet to be encashed since 1st October, 2010. This, however, does not include any amount, due and outstanding to be credited to Investors Education and Protection Fund.



## Notes to the Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

	As at 31.03.2015	As at 31.03.2014
<b>7 SHORT TERM PROVISIONS</b>		
For taxation [Net of Advances Rs. 2,66,77,831 (2013-14: Rs. 7,77,26,195)]	38,59,239	1,42,19,446
For Standard Assets (Refer Note 30)	10,00,000	26,00,000
For Gratuity (Refer Note 24)	2,22,547	-
	<b>50,81,786</b>	<b>1,68,19,446</b>

## 8 FIXED ASSETS

### A. Tangible Assets

Particulars	Office Premises	Residential Flat	Computers	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Gross Block</b>							
<b>At April 1, 2013</b>	4,63,99,370	55,52,350	57,93,034	1,23,61,620	74,28,892	14,12,643	<b>7,89,47,909</b>
Additions	-	-	1,66,472	1,09,955	3,08,287	4,86,400	<b>10,71,114</b>
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2014</b>	<b>4,63,99,370</b>	<b>55,52,350</b>	<b>59,59,506</b>	<b>1,24,71,575</b>	<b>77,37,179</b>	<b>18,99,043</b>	<b>8,00,19,023</b>
Additions	-	-	45,375	-	-	-	<b>45,375</b>
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2015</b>	<b>4,63,99,370</b>	<b>55,52,350</b>	<b>60,04,881</b>	<b>1,24,71,575</b>	<b>77,37,179</b>	<b>18,99,043</b>	<b>8,00,64,398</b>
<b>Depreciation</b>							
<b>At April 1, 2013</b>	1,30,36,551	5,08,858	53,55,440	87,84,882	43,04,837	4,29,006	<b>3,24,19,574</b>
Charge For the Year	16,68,141	2,52,175	2,03,202	6,51,916	4,74,502	3,15,386	<b>35,65,322</b>
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2014</b>	<b>1,47,04,692</b>	<b>7,61,033</b>	<b>55,58,642</b>	<b>94,36,798</b>	<b>47,79,339</b>	<b>7,44,392</b>	<b>3,59,84,896</b>
Charge For the Year	15,40,678	2,32,858	1,36,061	12,85,805	3,88,297	3,77,265	<b>39,60,964</b>
Impact of Transitional Provision for depreciation under the Companies Act, 2013 [Refer Note 31]	-	-	2,15,447	-	19,74,397	-	<b>21,89,844</b>
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2015</b>	<b>1,62,45,370</b>	<b>9,93,891</b>	<b>59,10,150</b>	<b>1,07,22,603</b>	<b>71,42,033</b>	<b>11,21,657</b>	<b>4,21,35,704</b>
<b>Net Block</b>							
<b>At March 31, 2014</b>	<b>3,16,94,678</b>	<b>47,91,317</b>	<b>4,00,864</b>	<b>30,34,777</b>	<b>29,57,840</b>	<b>11,54,651</b>	<b>4,40,34,127</b>
<b>At March 31, 2015</b>	<b>3,01,54,000</b>	<b>45,58,459</b>	<b>94,731</b>	<b>17,48,972</b>	<b>5,95,146</b>	<b>7,77,386</b>	<b>3,79,28,694</b>

## Notes to the Financial Statements as at and for the year ended 31st March, 2015

### B. Intangible Assets

(Amount in Rs.)

Particulars	Copyrights - Right on Web Application Portal - Personal Resource Planning	Software	Total
<b>Gross Block</b>			
<b>At April 1, 2013</b>	5,00,01,000	34,37,630	<b>5,34,38,630</b>
Purchase	—	—	—
<b>At March 31, 2014</b>	<b>5,00,01,000</b>	<b>34,37,630</b>	<b>5,34,38,630</b>
Purchase	—	5,39,797	<b>5,39,797</b>
<b>At March 31, 2015</b>	<b>5,00,01,000</b>	<b>39,77,427</b>	<b>5,39,78,427</b>
<b>Amortization</b>			
<b>At April 1, 2013</b>	5,00,01,000	34,37,630	<b>5,34,38,630</b>
Charge For the Year	—	—	—
<b>At March 31, 2014</b>	<b>5,00,01,000</b>	<b>34,37,630</b>	<b>5,34,38,630</b>
Charge For the Year	—	1,36,538	<b>1,36,538</b>
<b>At March 31, 2015</b>	<b>5,00,01,000</b>	<b>35,74,168</b>	<b>5,35,75,168</b>
<b>Net Block</b>			
<b>At March 31, 2014</b>	—	—	—
<b>At March 31, 2015</b>	—	<b>4,03,259</b>	<b>4,03,259</b>



## Notes to the Financial Statements as at and for the year ended 31st March, 2015

	No. of Shares/Units	Face value Per Share/Unit (Rs.)	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
<b>9 NON CURRENT INVESTMENTS</b>				
Trade Investments (Valued at Cost)				
Unquoted Equity Shares (fully paid up)				
In Wholly Owned Subsidiary Companies				
Microsec Capital Limited	22,63,561	10	27,36,53,867	27,36,53,867
	(22,63,561)			
Microsec Resources Private Limited	3,20,000	10	1,31,00,000	1,31,00,000
	(3,20,000)			
Microsec Health Buddy Limited	1,08,15,543	10	1,09,81,28,553	51,12,75,000
	(25,50,000)			
Bhartiya Sanskriti Village Private Limited	1,15,000	10	8,02,00,000	8,02,00,000
	(1,15,000)			
Myjoy Tasty Food Private Limited	50,000	10	5,01,250	5,01,250
	(50,000)			
PRP Technologies Limited	1,00,000	10	2,41,60,250	2,41,60,250
	(1,00,000)			
Microsec Technologies Limited	2,80,257	10	35,13,29,608	27,13,23,388
	(2,21,037)			
<b>Total (a)</b>			<b>1,84,10,73,528</b>	<b>1,17,42,13,755</b>
Unquoted Compulsorily Convertible Unsecured Debentures (fully paid up)				
In Wholly Owned Subsidiary Companies				
Microsec Health Buddy Limited	–	10	–	30,66,33,600
	(36,50,400)			
PRP Technologies Limited	1,60,000	940	15,04,00,000	47,00,00,000
	(5,00,000)			
Bharatiya Sanskriti Village Private Limited	20,32,500	80	16,26,00,000	16,26,00,000
	(20,32,500)			
Myjoy Tasty Food Private Limited	42,50,000	10	4,25,00,000	4,25,00,000
	(42,50,000)			
<b>Total (b)</b>			<b>35,55,00,000</b>	<b>98,17,33,600</b>
<b>Total Investments (a+b)</b>			<b>2,19,65,73,528</b>	<b>2,15,59,47,355</b>
Aggregate Value of Investments				
Unquoted			<b>2,19,65,73,528</b>	<b>2,15,59,47,355</b>

## Notes to the Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

	As at 31.03.2015	As at 31.03.2014
<b>10 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured considered good)		
Capital Advances (Refer Note 26)	92,72,770	92,72,770
Advance Tax [Net of Provisions Rs. 2,64,722 (2013-14: Rs. 2,64,722)]	58,60,174	35,73,831
Security Deposits	1,90,757	1,90,757
	<b>1,53,23,701</b>	<b>1,30,37,358</b>
<b>11 TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months from the date they are due for payment	—	—
Other Receivables	4,29,912	—
	<b>4,29,912</b>	<b>—</b>
<b>12 CASH AND BANK BALANCES</b>		
(i) Cash and Cash Equivalents		
Cash on Hand	20,775	11,261
Balances with Scheduled Banks		
On Current Accounts	43,23,821	55,64,983
Unclaimed Dividend Account	1,63,736	1,64,537
	<b>45,08,332</b>	<b>57,40,781</b>
(ii) Other Bank Balances		
IPO Refund Account *	36,816	36,816
Deposits with original maturity for more than 3 months but not more than 12 months	90,00,000	4,60,00,000
	<b>90,36,816</b>	<b>4,60,36,816</b>
	<b>1,35,45,148</b>	<b>5,17,77,597</b>
<b>13 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured considered good, unless otherwise stated)		
Advances recoverable in cash or in kind	315	1,500
Prepaid Expenses	1,87,445	1,68,188
Deposits with Government Authorities	14,60,929	36,98,858
	<b>16,48,689</b>	<b>38,68,546</b>
<b>14 OTHER CURRENT ASSETS</b>		
Accrued Interest on Fixed Deposits	1,64,625	6,41,452
Gratuity (Refer Note 24)	—	50,323
	<b>1,64,625</b>	<b>6,91,775</b>

\* Represents balance with a bank for which refund instruments have been issued to the investors which are yet to be encashed by the investors.



## Notes to the Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

	2014-15	2013-14
<b>15 REVENUE FROM OPERATIONS</b>		
Profit on Sale of Non-Trade Investments (Net)		
- Current	—	26,49,905
Dividend from Long Term Non-Trade Investments	—	1,55,515
Income from Royalty	182	9,523
Professional Services [TDS Rs. 20,42,000 (2013-14: Rs. 22,94,391)]	2,04,20,000	2,04,20,000
	<b>2,04,20,182</b>	<b>2,32,34,943</b>
<b>16 OTHER INCOME</b>		
(a) Interest Income		
On Fixed Deposits [TDS Rs. 2,44,343 (2013-14: Rs. 2,87,546)]	24,62,841	28,75,464
On Income Tax Refund	—	5,71,628
(b) Other Non Operating Income		
Provision for standard assets written back	16,00,000	9,00,000
	<b>40,62,841</b>	<b>43,47,092</b>
<b>17 EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Bonus etc.	1,20,94,743	1,24,97,689
Contribution to Provident and other funds	2,87,484	2,73,584
Contribution to Employees' State Insurance	12,034	25,146
Gratuity expense	86,733	3,177
Staff Welfare Expenses	82,611	93,677
	<b>1,25,63,605</b>	<b>1,28,93,273</b>
<b>18 FINANCE COSTS</b>		
Interest Expense	—	13,728
	<b>—</b>	<b>13,728</b>
<b>19 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of Tangible Assets	39,60,964	35,65,322
Amortization of Intangible Assets	1,36,538	—
	<b>40,97,502</b>	<b>35,65,322</b>



## Notes to the Financial Statements

as at and for the year ended 31st March, 2015

(Amount in Rs.)

	2014-15	2013-14
<b>20 OTHER EXPENSES</b>		
Advertisement and Publicity	2,34,338	2,68,945
Brand Promotion Expenses	–	15,39,875
Communication Expenses	1,65,759	2,88,155
Repairs and Maintenance - Others	3,05,083	3,14,552
Rates and Taxes	4,12,028	2,80,352
Filing Fees	8,438	1,500
Directors Sitting Fee	15,50,228	2,97,304
Insurance Premium	2,77,172	2,18,676
Printing and Stationery	5,66,353	11,27,530
Postage and Telegram	5,00,286	2,19,601
Bank and Demat charges	1,87,297	2,03,177
Business Promotion Expenses	–	1,63,241
Travelling and Conveyance	13,14,121	9,14,238
Legal and Professional fees	9,75,201	10,93,921
Listing Fee	2,54,832	1,83,161
Auditors' Remuneration		
As Auditors		
Audit Fees	1,00,000	2,00,000
Limited Reviews	1,50,000	2,25,000
In other capacity for certificates and other services	1,50,000	2,25,000
Reimbursement of expenses (including service tax)	38,386	61,778
Security Service Charges	–	3,57,082
Miscellaneous Expenses	4,71,592	4,81,855
	<b>76,61,114</b>	<b>86,64,943</b>
<b>21 EARNINGS PER SHARE</b>		
Basis for calculation of Basic and Diluted Earnings Per Share is as under:		
Profit after tax (Rs.)	1,05,21,010	58,93,579
Weighted Average Number of Equity Shares (Nos)	3,18,10,500	3,18,10,500
Nominal Value of each Equity Share (Rs.)	10.00	10.00
Basic and Diluted Earnings Per Share (Rs.)	0.33	0.19



## Notes to the Financial Statements as at and for the year ended 31st March, 2015

### 22 CONTINGENT LIABILITIES

- (a) The Company has provided Corporate Guarantee of Rs. 35,00,00,000 (2013-14: Rs. 18,63,75,000) against bank guarantee and has created equitable mortgage of Rs. 7,47,55,370 (2013-14: Rs. 6,92,70,000) over its property at Kolkata as security for credit facility extended by a scheduled bank to Microsec Capital Limited (a wholly owned subsidiary company). The amount of facility/guarantee actually availed by the subsidiary as on the balance sheet date amounts to Rs. 85,267 (2013-14: Rs. Nil) and Rs. 22,94,14,495 (2013-14: Rs. 6,79,85,061) (net of fixed deposits of Rs. 16,75,00,000 (2013-14: Rs. 12,00,00,000) pledged by the subsidiary with the scheduled banks) respectively.
- (b) Income tax demand under appeal – Rs. 4,69,520 (2013-14: Rs. 4,69,520). The management believes that the Company has a good case for success in this matter and therefore no provision thereagainst is considered necessary.
- (c) Service tax demand – Rs. 65,91,073 (2013-14: Rs. 65,91,073). The management believes that the Company has a good case for success in this matter and therefore no provision thereagainst is considered necessary.

(Amount in Rs.)

	2014-15	2013-14
<b>23 DIRECTOR'S REMUNERATION</b>		
Salary, Bonus, etc.	33,21,887	33,21,887
Contribution to Provident Fund	2,17,273	2,17,273
	<b>35,39,160</b>	<b>35,39,160</b>

Note : The remuneration to Chairman and Managing Director does not include the provision made for gratuity as it is determined on an actuarial basis for the Company as a whole.

24. The Company has a defined employee benefit plan in the form of gratuity. Every employee, who has completed five years or more of services, gets a gratuity on departure @ 15 days of last drawn salary for each completed years of service. The gratuity scheme is entrusted with Life Insurance Corporation of India.

The following tables summarise the components of gratuity expenses recognised in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

(Amount in Rs.)

Particulars	2014-15	2013-14
<b>(i) Net Employee Expense /(benefit)</b>		
Current service cost	1,81,823	1,88,167
Interest cost on benefit obligation	83,562	56,204
Expected return on plan assets	1,06,912	67,903
Obligation transferred to current employer	-	4,42,018
Net Actuarial (gain) / loss recognised in the year	(71,740)	2,68,727
Total employer expense recognised in Statement of Profit and Loss	86,733	3,177
<b>(ii) Actual Return on Plan Assets</b>	1,06,508	67,903
<b>(iii) Benefit Asset/(Liability)</b>		
Defined benefit obligation	13,32,973	11,37,588
Fair value of Plan Assets	11,10,426	11,87,911
Benefit Asset / (Liability)	(2,22,547)	50,323
<b>(iv) Movement in benefit liability</b>		
Opening defined benefit obligation	11,37,588	10,66,508
Interest cost	83,562	56,204

## Notes to the Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

Particulars	2014-15	2013-14
Current service cost	1,81,823	1,88,167
Benefits paid	-	-
Obligation transferred to current employer	-	4,42,018
Actuarial (gains) / losses on obligation	(70,000)	2,68,727
Closing benefit obligation	13,32,973	11,37,588
<b>(v) Movement in fair value of plan assets</b>		
Opening fair value of plan assets	11,87,911	7,76,029
Expected Return on plan assets	1,06,912	67,903
Contributions by employer	-	3,43,979
Benefits paid	1,86,137	-
Actuarial gains on plan assets	1,740	-
Closing fair value of plan assets	11,10,426	11,87,911
<b>(vi) Major categories of plan assets as a percentage of the fair value of total plan assets</b>		
Investments in insurance managed fund	100%	100%
<b>(vii) The principal actuarial assumptions are as follows</b>		
Discount Rate	8.00%	9.00%
Expected rate of return on plan assets	9.00%	8.75%
Salary increase	6.00%	6.00%
Withdrawal rates	1.00%	1.00%
<b>(viii) Amount incurred as expense for defined contribution plans</b>		
Contribution to Provident / Pension fund	2,87,484	2,73,584

- (ix) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (x) The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.
- (xi) The Company expects to contribute Rs. 1,00,000 (2013-14: Rs. 3,00,000) to Gratuity Fund during April, 2015 to March, 2016.

(xii) Amounts for the current year and previous years are as follows :	Year Ended March 31, 2015 (Rs.)	Year Ended March 31, 2014 (Rs.)	Year Ended March 31, 2013 (Rs.)	Year Ended March 31, 2012 (Rs.)	Year Ended March 31, 2011 (Rs.)
Defined Benefit Obligation	13,32,973	11,37,588	10,66,508	6,12,519	4,14,234
Plan Assets	11,10,426	11,87,911	7,76,029	8,19,960	7,46,448
Surplus/(Deficit)	(2,22,547)	50,323	(2,90,479)	2,07,441	3,32,214
Experience adjustments on plan liabilities	(2,28,745)	3,18,232	29,409	16,890	(35,007)
Experience adjustments on plan assets	(1,230)	5,179	8,135	8,596	7,053



## Notes to the Financial Statements as at and for the year ended 31st March, 2015

25. Minimum Alternate Tax (MAT) credit entitlement of Rs. 30,55,715 although available as tax credit for set off in future years as per Income Tax Act, 1961, has not been accounted for in view of accounting policy specified in Note 2(xii) herein.

### 26. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) – Rs. 14,05,138 (2013-14: Rs. 12,72,222).

### 27. Related Party in terms of Accounting Standard 18 and as per the Companies Act, 2013 are given below:

#### Name of related parties and description of relationship

#### i) Related parties where control exists

##### a) Subsidiaries

Microsec Capital Limited  
 Microsec Resources Private Limited  
 Microsec Technologies Limited  
 Microsec Insurance Brokers Limited  
 Microsec Commerce Limited  
 PRP Technologies Limited  
 Microsec Health Buddy Limited  
 Bharatiya Sanskriti Village Private Limited  
 Myjoy Tasty Food Private Limited  
 Myjoy Hospitality Private Limited  
 Myjoy Technologies Private Limited  
 Sasta Sundar Shop Private Limited  
 Myjoy Pharmaceuticals Private Limited  
 Joybuddy Fun Products Private Limited (w.e.f. 7th March, 2014)  
 Microsec Tech Solutions Private Limited (w.e.f. 19th February, 2015)

##### b) Limited Liability Partnership (Entities over which control is exercised)

Microsec Invictus Advisors LLP  
 Ruchika Advisory Services LLP  
 Alokik Advisory Services LLP  
 Dreamscape Advisors LLP  
 Kailashwar Advisory Services LLP  
 Stuti Advisory Services LLP  
 Bhavya Advisory Services LLP

#### ii) Name of other related parties with whom transactions have taken place during the year

##### Key Management Personnel

Mr. Banwari Lal Mittal (Chairman and Managing Director)  
 Mr. Ravi Kant Sharma (Managing Director)  
 Mr. Giridhar Dhelia (Chief Financial Officer)  
 Mr. Biplab Kumar Mani (Company Secretary)

# Notes to the Financial Statements

as at and for the year ended 31st March, 2015

(Amount in Rs.)

	Subsidiary Companies / Entities (Enterprise over which control exists)			Key Management Personnel			
	Microsec Technologies Limited	PRP Technologies Limited	Microsec Capital Limited	Microsec Health Buddy Limited	Mr. Banwari Lal Mittal	Mr. Giridhar Dhelia	Mr. Biplab Kumar Mani
Refund of advance taken	— (—)	— (—)	— (—)	— (11,94,53,510)	— (—)	— (—)	— (—)
Director's Remuneration	— (—)	— (—)	— (—)	— (—)	35,39,160 (35,39,160)	— (—)	— (—)
Remuneration	— (—)	— (—)	— (—)	— (—)	— (—)	13,33,234 (12,26,468)	12,83,265 (10,57,869)
Management Consultancy Fees	— (—)	— (—)	2,00,00,000 (2,00,00,000)	— (—)	— (—)	— (—)	— (—)
Dividend Income	— (83,515)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Income from Royalty	— (—)	182 (9,523)	— (—)	— (—)	— (—)	— (—)	— (—)
Service Charges	— (—)	— (—)	2,550 (1,695)	— (—)	— (—)	— (—)	— (—)
Investments during the year	8,00,06,220 (12,99,98,638)	— (—)	— (—)	28,02,19,953 (—)	— (—)	— (—)	— (—)
Redemption of Compulsorily Convertible Debentures	— (—)	31,96,00,000 (23,99,99,860)	— (—)	— (—)	— (—)	— (—)	— (—)
Conversion of Compulsorily Convertible Debentures into Equity Shares	— (—)	— (—)	— (—)	30,66,33,600 (—)	— (—)	— (—)	— (—)
Redemption of Optionally Convertible Preference Shares	— (—)	— (2,37,55,680)	— (—)	— (—)	— (—)	— (—)	— (—)
Conversion of Preference Shares into Equity Shares	— (12,80,93,000)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Purchase of Investments of PRP Technologies Limited	— (2,41,00,000)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Purchase of Investments of Microsec Technologies Limited	— (—)	— (—)	— (5,07,00,000)	— (—)	— (—)	— (—)	— (—)
Corporate Guarantee Given	— (—)	— (—)	35,00,00,000 (18,63,75,000)	— (—)	— (—)	— (—)	— (—)



## Notes to the Financial Statements as at and for the year ended 31st March, 2015

### 28. Segment Reporting

In terms of Accounting Standard 17 – “Segment Reporting” notified by Companies Act, 2013, the Company is engaged in the business of Financing and has only a single reportable segment.

The Company operates in only one geographical segment i.e. ‘Within India’ and no separate information for geographical segment has been given.

29. The Statutory Auditors has in their audit report for the year ended 31st March, 2014 and review report of 30th June, 2014, 30th September, 2014 and 31st December, 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. Pursuant to the Revised Regulatory Framework for NBFC issued by the Reserve Bank of India (RBI) on 10th November, 2014, the Company having asset size of less than Rs. 500 crores is not required to comply with credit concentration norms on and from that date. During the year, the Company has surrendered its Certificate of Registration and has applied to the RBI for voluntary deregistration as Systematically Important – Non Deposit - Non-Banking Financial Company (NBFC-ND-SI) to the Reserve Bank of India (RBI). Subsequent to the year end, the Company has received intimation from the RBI that its application for deregistration is under process.

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.

30. The creation of provision for standard assets though not required for a Core Investment Company in terms of the RBI guidelines, however as a matter of abundant precaution the Company has not written back the amount of Rs 10,00,000 lying as on 31st March 2015, pending necessary registration / clarification from the RBI as stated in note 29 above.
31. Effective from 1st April, 2014, the Company has charged depreciation based on the revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the year ended 31st March, 2015, is higher by Rs. 7,12,659. Further, based on transitional provision provided in Note 7(b) of Schedule II, an amount of Rs. 21,89,844 being depreciation on fixed assets whose useful lives as per Schedule II of the Companies Act, 2013 had expired before commencement of the year has been adjusted with retained earnings as at 1st April, 2014.
32. Net Deferred Tax Assets of Rs. 8,54,587 (2013-14: Rs. 13,55,981) has not been recognized in view of accounting policy specified in Note 2(xii) herein.
33. Previous year’s figures including those in brackets have been regrouped and / or reclassified to confirm to this year’s classification.

As per our report of even date

For **S. R. Batliboi & CO. LLP**  
Firm Registration No: 301003E  
*Chartered Accountants*

per **Bhaswar Sarkar**  
*Partner*  
Membership No. 55596

Place : Kolkata  
Date : 30th May, 2015

**For and on behalf of the Board of Directors**

**B. L. Mittal**  
*Chairman & Managing Director*  
DIN : 00365809

**Giridhar Dhelia**  
*Chief Financial Officer*

**Ravi Kant Sharma**  
*Director*  
DIN : 00364066

**Biplab Kumar Mani**  
*Company Secretary*



## Notes to the Financial Statements as at and for the year ended 31st March, 2015

Schedule to the Balance Sheet of a Non-Banking Financial Company as required in terms of paragraph 13 of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

(Amount in Rs.)

Particulars	Amount Outstanding As at 31st March, 2015	Amount Overdue As at 31st March, 2015
<b>Liabilities Side :</b>		
<b>1 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :</b>		
(a) Debentures : Secured	—	—
Unsecured	—	—
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	—	—
(c) Term Loans	—	—
(d) Inter-corporate loans and borrowing	—	—
(e) Commercial paper	—	—
(f) Cash Credit from Banks	—	—

Particulars	Amount Outstanding As at 31st March, 2015
<b>Assets Side :</b>	
<b>2 Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>	
(a) Secured	—
(b) Unsecured	1,75,66,927
<b>3 Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	—
(b) Operating lease	—
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	—
(b) Repossessed Assets	—
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	—
(b) Loans other than (a) above	—



## Notes to the Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

Particulars	Amount Outstanding As at 31st March, 2015
<b>4 Break-up of Investments :</b>	
<b>Current Investments :</b>	
1. Quoted :	
(i) Shares :	
(a) Equity	—
(b) Preference	—
(ii) Debentures and Bonds	—
(iii) Units of mutual funds	—
(iv) Government Securities	—
(v) Others (please specify)	—
2. Unquoted :	
(i) Shares :	
(a) Equity	—
(b) Preference	—
(ii) Debentures and Bonds	—
(iii) Units of mutual funds	—
(iv) Government Securities	—
(v) Others (please specify)	—
<b>Long Term investments :</b>	
1. Quoted :	
(i) Shares :	
(a) Equity	—
(b) Preference	—
(ii) Debentures and Bonds	—
(iii) Units of mutual funds	—
(iv) Government Securities	—
(v) Others (please specify)	—
2. Unquoted :	
(i) Shares :	
(a) Equity	1,84,10,73,528
(b) Preference	—
(ii) Debentures and Bonds	35,55,00,000
(iii) Units of mutual funds	—
(iv) Government Securities	—
(v) Others (please specify)	—
<b>Sub-Total</b>	<b>2,19,65,73,528</b>
<b>Grand Total (2+3+4)</b>	<b>2,21,41,40,455</b>

## Notes to the Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

5 Borrower group-wise classification of assets financed as in (2) and (3) above :	Amount net of provisions		
	Secured	Unsecured	Total as at 31st March, 2015
<b>Category</b>			
1. Related Parties			
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	—	—
(c) Other related parties	—	—	—
2. Other than related parties	—	1,75,66,927	1,75,66,927
<b>Total</b>	—	<b>1,75,66,927</b>	<b>1,75,66,927</b>

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	Market Value/ Break up or fair value or NAV as at 31st March, 2015	Book Value (Net of Provisions) as at 31st March, 2015
<b>Category</b>		
1. Related Parties		
(a) Subsidiaries	2,19,65,73,528	1,97,87,56,263
(b) Companies in the same group	—	—
(c) Other related parties	—	—
2. Other than related parties	—	—
<b>Total</b>	<b>2,19,65,73,528</b>	<b>1,97,87,56,263</b>

7 Other information	Total as at 31st March, 2015
<b>Particulars</b>	
(i) Gross Non- Performing Assets	
(a) Related parties	—
(b) Other than related parties	—
(ii) Net Non-Performing Assets	
(a) Related parties	—
(b) Other than related parties	—
(iii) Assets acquired in satisfaction of debt	—

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## **CONSOLIDATED FINANCIAL STATEMENTS**

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## Independent Auditor's Report

To the Members of **Microsec Financial Services Limited**

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Microsec Financial Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### BASIS FOR QUALIFIED OPINION

We report that the procedures of physical verification of inventory followed by the management in a subsidiary company, are not reasonable and adequate due to which inventories were not physically verified at the year end also. Accordingly, in the absence of sufficient appropriate audit evidence, we are unable to form an opinion on the carrying value of inventory aggregating to Rs.11,47,31,840 as at the Balance Sheet date and any other consequential impact which may arise in this regard, on this consolidated financial statements.



## Independent Auditor's Report

### 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 above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of consolidated state of affairs of the Group as at March 31, 2015, of their consolidated loss and their consolidated cash flows for the year ended on that date.

### EMPHASIS ON MATTER

Without qualifying our audit opinion, we draw attention to note no.41 to the consolidated financial statements regarding the Company's credits/investments during the period April 1, 2014 to November 09, 2014 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 surrender of original Certificate of Registration to operate as a Non-Banking Financial Institution by the Company to Reserve Bank of India. Subsequent to the year end, the Company has received intimation from the Reserve Bank of India that its application for deregistration is under process. Our opinion is not qualified in respect of this matter.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company and its subsidiaries, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, to the extent applicable, we report that:
  - (a) Except for the matter described in the Basis for Qualified Opinion paragraph, we / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
  - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
  - (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;



## Independent Auditor's Report

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group,— Refer Note 29 to the consolidated financial statements;
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries.

### OTHER MATTER

The accompanying consolidated financial statements include total assets of Rs 57,30,04,312 as at March 31, 2015, and total revenues and net cash inflows of Rs 18,46,39,032 and Rs 12,13,292 respectively for the year ended on that date, in respect of 18 subsidiaries, which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For **S. R. Batliboi & Co. LLP**

*Chartered Accountants*

Firm Registration Number : 301003E

per **Bhaswar Sarkar**

*Partner*

Membership Number : 55596

Place : Kolkata

Date : May 30, 2015



## Annexure to the Auditor's Report

[The Group, comprising of Microsec Financial Services Limited ('Holding Company') and its subsidiaries to whom the provisions of the Order apply (together referred to as "the Covered entities" in this report)]

- (i) (a) The Holding Company and the Covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management of the Holding Company and the covered entities of the Group during the year and no material discrepancies were identified on such verification.
- (ii) (a) The business of the Holding Company and the Covered entities of the Group, except in case of two of its subsidiaries, does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Holding Company and those Covered entities of the Group. Out of the above two covered entities, in one of its subsidiary, the management has not conducted physical verification of inventory during the year (Refer Basis for Qualified Opinion paragraph). Accordingly, we are unable to comment on the provisions of paragraph 4 clause (ii)(b) and (c) of the Order in case of that subsidiary. In case of the other subsidiary, as reported by the other auditor, physical verification of inventory was conducted at reasonable intervals during the year.
- (b) In one of the covered entity to which this clause is applicable, as reported by the other auditor, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of that subsidiary and the nature of its business.
- (c) The Covered entity of the Group, to which the clause is applicable, as reported by the other auditors, is maintaining proper records of inventory, and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of certain covered entities of the Group, the Holding Company and those Covered entities of the Group, except in case of one subsidiary, have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Holding Company and such Covered entities of the Group and hence not commented upon. One of the Covered entities of the Group, to which the clause is applicable, have granted loans to two companies covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted were re-payable on demand and repaid during the year. The payment of interest has been regular.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of certain covered entities of the Group there is an adequate internal control system commensurate with the size of the Holding Company and the covered entities of the Group and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the covered entities of the Group. During the course of our audit and as reported by the other auditors who audited the financial statements of certain covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.
- (v) The Holding Company and the Covered entities of the Group have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements of certain covered entities of the Group, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Holding Company and the Covered entities of the Group.
- (vii) (a) The Holding Company and the Covered entities of the Group are regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, value added tax, cess and other material statutory dues as applicable to the respective covered entities. During the year, the Holding Company and the Covered entities of the Group did not have any dues towards wealth tax and excise duty.

## Annexure to the Auditor's Report

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The Holding Company and the Covered entities of the Group did not have any dues towards wealth tax and excise duty.
- (c) According to the records of the Holding Company and the Covered entities of the Group and as reported by other auditors who audited the financial statements of certain covered entities in the Group, income-tax and service tax dues outstanding at the year end, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of certain expenses	68,64,960	Assessment Year 2010-11 and 2012-13	Commissioner of Income Tax (Appeals)
	Disallowance of certain expenses	63,20,300	Assessment Year 2003-04, 2005-06 and 2006-07	Hon'ble High Court at Calcutta
Finance Act, 1994	Service Tax	60,76,073	Financial Year 2007-08 to 2011-12	Customs, Central Excise and Service Tax Appellate Tribunal
	Service Tax	9,29,972	Financial Year 2005-06 to 2007-08	Commissioner of Central Excise (Appeals )

Based on the information and explanations given by the management and as reported by the other auditors who audited the financial statements of certain covered entities of the Group, there are no dues towards sales-tax, customs duty, value added tax, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and the Covered entities of the Group in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Holding Company and the Covered entities of the Group, that have been registered for a period of more than five years, except in case of two of its subsidiaries, have no accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial year. In one of the aforesaid two subsidiaries, the accumulated losses at the end of the financial year are less than fifty percent of its networth and it has incurred cash losses in the current and immediately preceding financial year. The other subsidiary has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current year, however, it had incurred cash losses in the immediately preceding financial year. Some of the Covered entities of the Group, have been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditors who audited the financial statements of certain Covered entities of the Group, except in case of two subsidiaries, the Holding Company and the Covered entities of the Group did not have any outstanding dues in respect of a bank or debentures during the year. The above two covered entities, has not defaulted in their repayment of dues to a bank and debenture holders during the year respectively. Further, the Holding Company and Covered entities of the Group did not have any outstanding dues in respect of a financial institution.
- (x) According to the information and explanations given to us the Holding Company has given a corporate guarantee for loans taken by one of its wholly owned subsidiary company from banks. Accordingly, such guarantees are not prima-facie prejudicial to the interest of the Holding Company. According to the information and explanations given to us,



## Annexure to the Auditor's Report

the Holding Company has not given any guarantee for loans taken by others from financial institutions. As per the information and explanations given by the management and reports of the other auditors who audited the financial statements of other Covered entities of the Group, the Covered entities of the Group have not given any guarantee for loans taken by others from bank and financial institution.

- (xi) The Holding Company and the Covered entities of the Group did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements of other covered entities of the group, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities of the Group have been noticed or reported during the year.

For **S. R. Batliboi & Co. LLP**

*Chartered Accountants*

Firm Registration Number : 301003E

per **Bhaswar Sarkar**

*Partner*

Membership Number : 55596

Place : Kolkata

Date : May 30, 2015

## Consolidated Balance Sheet as at 31st March, 2015

(Amount in Rs.)

	Notes	As at 31.03.2015	As at 31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	31,81,05,000	31,81,05,000
(b) Reserves and Surplus	4	2,22,82,80,354	2,38,17,59,569
<b>2. Minority Interest</b>		32,78,394	24,79,895
<b>3. Non-current Liabilities</b>			
(a) Long Term Provisions	5	44,66,790	6,11,674
(b) Deferred Tax Liabilities (Net)	6	3,69,18,648	3,10,90,811
<b>4. Current Liabilities</b>			
(a) Short-term borrowings	7	4,74,18,845	18,34,048
(b) Trade Payables	8	8,62,36,364	17,43,77,475
(c) Other Current Liabilities	9	7,80,37,974	15,89,56,183
(d) Short Term Provisions	5	78,83,605	1,90,75,767
		<b>2,81,06,25,974</b>	<b>3,08,82,90,422</b>
<b>II. ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	77,50,03,864	58,88,29,869
(ii) Intangible Assets	10	2,58,48,696	59,58,844
(iii) Capital Work in Progress		3,10,74,363	-
(iv) Intangible assets under development		1,51,686	-
(b) Goodwill on Consolidation		57,38,51,763	57,38,51,763
(c) Non Current Investments	11	18,01,88,188	17,99,43,734
(d) Deferred Tax Assets (net)	12	2,79,964	2,51,026
(e) Long Term Loans and Advances	13	14,37,79,803	26,95,28,205
(f) Other Non Current Assets	14	19,82,52,235	9,03,68,964
<b>2. Current Assets</b>			
(a) Current Investments	15	3,94,00,000	23,17,52,982
(b) Inventories	16	17,02,43,941	7,15,82,671
(c) Trade Receivables	17	12,41,31,673	14,03,96,485
(d) Cash and Bank Balances	18	13,10,98,737	42,74,16,012
(e) Short Term Loans and Advances	13	41,08,78,296	49,12,05,170
(f) Other Current Assets	14	64,42,765	1,72,04,697
		<b>2,81,06,25,974</b>	<b>3,08,82,90,422</b>
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S. R. Batliboi & CO. LLP**  
Firm Registration No: 301003E  
Chartered Accountants

per **Bhaswar Sarkar**  
Partner  
Membership No. 55596

Place : Kolkata  
Date : 30th May, 2015

For and on behalf of the Board of Directors

**B. L. Mittal**  
Chairman & Managing Director  
DIN : 00365809

**Giridhar Dhelia**  
Chief Financial Officer

**Ravi Kant Sharma**  
Director  
DIN : 00364066

**Biplab Kumar Mani**  
Company Secretary



## Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

(Amount in Rs.)

	Notes	2014-15	2013-14
<b>I. Revenue from Operations</b>	19	48,34,40,554	26,74,06,364
<b>II. Other Income</b>	20	3,98,58,438	3,86,55,480
<b>III. Total Revenue (I + II)</b>		<b>52,32,98,992</b>	<b>30,60,61,844</b>
<b>IV. Expenses :</b>			
Cost of materials consumed	21	65,78,896	—
Purchase of traded goods	22	28,13,97,082	2,02,37,609
(Increase) / Decrease in Inventory	23	(9,70,14,273)	(1,41,83,026)
Employee Benefits Expense	24	22,49,64,025	17,15,43,261
Finance Costs	25	93,14,836	65,15,193
Depreciation and Amortisation expense	26	5,69,89,772	1,87,66,406
Other Expenses	27	20,68,65,539	17,01,75,607
		<b>68,90,95,877</b>	<b>37,30,55,050</b>
<b>V. (Loss) Before Exceptional Item and Tax (III - IV)</b>		(16,57,96,885)	(6,69,93,206)
<b>VI. Profit on sale of Property [Refer Note 45]</b>		1,72,87,582	—
<b>VII. (Loss) Before Tax (V + VI)</b>		(14,85,09,303)	(6,69,93,206)
<b>VIII. Tax Expenses :</b>			
(a) Current Tax		33,66,229	8,93,104
(b) Excess provision for taxation no longer required written back		(1,03,60,380)	(1,04,47,106)
(c) Deferred Tax Charge		67,22,290	59,65,616
		<b>(2,71,861)</b>	<b>(35,88,386)</b>
<b>IX. (Loss) for the year before minority interest</b>		<b>(14,82,37,442)</b>	<b>(6,34,04,820)</b>
Less : Minority Interest (Share of profit of a subsidiary)		<b>7,98,499</b>	<b>13,39,873</b>
<b>X. (Loss) for the year</b>		<b>(14,90,35,941)</b>	<b>(6,47,44,693)</b>
<b>XI. Earnings / (Loss) Per Equity Share:</b>			
Basic and Diluted (Nominal Value per Share Rs. 10)	28	(4.69)	(2.04)
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S. R. Batliboi & CO. LLP**  
Firm Registration No: 301003E  
Chartered Accountants

per **Bhaswar Sarkar**  
Partner  
Membership No. 55596

Place : Kolkata  
Date : 30th May, 2015

For and on behalf of the Board of Directors

**B. L. Mittal**  
Chairman & Managing Director  
DIN : 00365809

**Giridhar Dhelia**  
Chief Financial Officer

**Ravi Kant Sharma**  
Director  
DIN : 00364066

**Biplab Kumar Mani**  
Company Secretary

## Consolidated Cash Flow Statement for the year ended 31st March, 2015

(Amount in Rs.)

Particulars	2014-15	2013-14
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before tax	(14,85,09,303)	(6,69,93,206)
Adjustments for :		
Loss on sale/discard of Fixed Assets	15,64,666	81,264
Exceptional Item - Profit on Sale of Fixed Assets	(1,72,87,582)	—
Provision for Standard Assets	(15,99,000)	—
Excess provision for standard assets written back	—	(13,52,463)
Gratuity Provision no longer required written back	—	(2,06,174)
Gratuity Expense	47,30,302	24,50,334
Depreciation and amortization expense	5,69,89,772	1,87,66,406
Interest Expenses	62,45,806	65,15,193
Provision for doubtful debts	3,74,552	74,56,874
Interest on Fixed Deposits and Others	(3,85,89,432)	(2,63,82,500)
Irrecoverable debts/advances written off	47,86,027	2,67,572
Unspent liabilities no longer required written back	(9,96,651)	(59,594)
<b>Operating profit before working capital changes</b>	<b>(13,22,90,843)</b>	<b>(5,94,56,294)</b>
<b>Movements in working capital :</b>		
Increase / (Decrease) in trade payables	(8,71,44,460)	9,06,34,109
(Decrease) in other current liabilities	(8,09,17,408)	(6,02,50,211)
(Increase) / Decrease in Non-Current Investments	(2,44,454)	3,45,19,561
Decrease in Current Investments	19,23,52,982	19,58,26,839
(Increase) in Inventories	(9,86,61,270)	(6,43,82,671)
Decrease in long-term Loans & Advances	61,61,721	40,72,743
Decrease in short-term Loans and Advances	8,37,44,435	30,40,54,773
(Increase) / Decrease in trade receivables	1,11,04,233	(7,07,83,529)
<b>Cash generated / (used in) from operations</b>	<b>(10,58,95,064)</b>	<b>37,42,35,320</b>
Income tax paid (net)	(1,26,62,539)	(1,72,09,263)
<b>Net cash generated / (used in) from operating activities</b>	<b>(11,85,57,603)</b>	<b>35,70,26,057</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of fixed assets	2,44,77,359	27,54,677
Purchase of fixed assets (including intangible assets, Capital Work in Progress and capital advances)	(18,29,34,320)	(20,49,52,127)
Encashment of Fixed Deposits (having original maturity of more than three months)	72,46,21,370	69,95,81,698
Investment in Fixed Deposits (having original maturity of more than three months)	(53,44,98,632)	(93,38,08,989)
Interest on Fixed Deposits and Others	3,85,86,118	1,48,47,348
<b>Net cash from / (used in) from investing activities</b>	<b>7,02,51,895</b>	<b>(42,15,77,393)</b>





## Consolidated Cash Flow Statement for the year ended 31st March, 2015

(Amount in Rs.)

Particulars	2014-15	2013-14
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term Borrowings	4,55,84,797	(2,73,00,330)
Dividend Paid	(801)	(652)
Interest Paid	(62,45,806)	(65,15,796)
<b>Net cash from / (used in) from financing activities</b>	<b>3,93,38,190</b>	<b>(3,38,16,778)</b>
<b>D. Net change in cash and cash equivalents (A+B+C)</b>	<b>(89,67,518)</b>	<b>(9,83,68,114)</b>
<b>E. Cash and Cash equivalents - Opening Balance</b>	<b>7,56,15,329</b>	<b>17,39,83,443</b>
<b>F. Cash and Cash equivalents - Closing Balance</b>	<b>6,66,47,811</b>	<b>7,56,15,329</b>
Cash and Cash Equivalents as indicated in Note 18 comprises of		
Cash in hand	23,87,614	4,33,720
Balances with Scheduled Banks *	6,42,60,197	7,51,81,609
<b>Total</b>	<b>6,66,47,811</b>	<b>7,56,15,329</b>

\* Excludes balance of Rs. 36,816 (2013-14 Rs. 36,816) with a bank for which refund instruments have been issued to the investors but are yet to be encashed and Rs. 6,44,14,110 (2013-14: Rs. 35,17,63,867) of Fixed Deposits with restricted use or maturity for more than three months.

As per our report of even date

For **S. R. Batliboi & CO. LLP**  
Firm Registration No: 301003E  
Chartered Accountants

per **Bhaswar Sarkar**  
Partner  
Membership No. 55596

Place : Kolkata  
Date : 30th May, 2015

For and on behalf of the Board of Directors

**B. L. Mittal**  
Chairman & Managing Director  
DIN : 00365809

**Giridhar Dhelia**  
Chief Financial Officer

**Ravi Kant Sharma**  
Director  
DIN : 00364066

**Biplab Kumar Mani**  
Company Secretary

## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

### 1. BASIS OF CONSOLIDATION :

The Consolidated Financial Statements which relate to Microsec Financial Services Limited (the Company) and its subsidiaries have been prepared on the following basis:

- The financial Statements of the Company and its subsidiaries have been consolidated in terms of Accounting Standard – 21, “Consolidated Financial Statements” and Companies Act, 2013 on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure after fully eliminating intra group balances, intra group transactions and any unrealized profit/loss included therein.
- The excess/shortfall of cost to the Company's investment over equity in the subsidiary companies as on the date of investment is recognized in the financial statements as goodwill / capital reserve as the case may be.
- The consolidated financial statements have been prepared using uniform accounting policies, for like transactions and are presented to the extent possible, in the same manner as the Company's standalone financial statements.
- The Subsidiaries considered in these consolidated financial statements are as under:

Name	Country of Incorporation	% of Voting Power/Ownership interest	
		As at 31.03.2015	As at 31.03.2014
Microsec Capital Limited	India	100	100
Microsec Commerze Limited	India	100	100
Microsec Insurance Brokers Limited	India	100	100
Microsec Technologies Limited	India	100	100
Microsec Resources Private Limited	India	100	100
PRP Technologies Limited	India	100	100
Microsec Invictus Advisors LLP	India	100	100
Microsec Health Buddy Limited	India	100	100
Bharatiya Sanskriti Village Private Limited	India	100	100
Myjoy Tasty Food Private Limited	India	100	100
Myjoy Hospitality Private Limited	India	100	100
Sasta Sundar Shop Private Limited	India	100	100
Myjoy Technologies Private Limited	India	100	100
Myjoy Pharmaceuticals Private Limited	India	100	100
Alokik Advisory Services LLP	India	100	100
Dreamscape Advisory Services LLP	India	100	100
Kailashwar Advisory Services LLP	India	100	100
Stuti Advisory Services LLP	India	100	100
Ruchika Advisory Services LLP	India	100	100
Bhavya Advisory Services LLP	India	98	98
Joybuddy Fun Products Private Limited*	India	100	100
Microsec Tech Solutions Private Limited **	India	100	-

\* Joybuddy Fun Products Private Limited was incorporated in the previous year on 7th March, 2014.

\*\* Microsec Tech Solutions Private Limited has been incorporated in the current year on 19th February, 2015

Note :- All the above Limited Liability Partnership (LLPs) have been consolidated due to the Company's control over composition of their governing bodies by PRP Technologies Limited, Microsec Commerze Limited, Microsec Capital Limited, Microsec Health Buddy Limited, Bharatiya Sanskriti Village Private Limited, Myjoy Hospitality Private Limited, Myjoy Tasty Food Private Limited and Myjoy Pharmaceuticals Private Limited.



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

### 2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the directives as prescribed by the Reserve Bank of India to Non Deposit Accepting Core Investment Companies. The financial statements have been prepared under the historical cost convention on an accrual basis. However, income is not recognized and also provision is made in respect of non-performing assets as per the prudential norms prescribed by the Reserve Bank of India. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

#### 2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

##### i) Change in Accounting Policy

###### Depreciation on fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

###### (a) Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, these rates are same with the lives prescribed under Schedule II. Hence, this change in accounting policy did not have any material impact on financial statements of the company.

###### (b) Depreciation on assets costing less than Rs. 5,000/-

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than Rs. 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000/- did not have any material impact on financial statements of the company for the current year.

##### ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires

## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

### iii) Revenue Recognition

- a) Revenue from share brokerage activities is accounted for on trade date basis and excludes service tax and Securities Transaction Tax. Annual Maintenance Charges in respect of depository services are collected from the customers at the time of account opening and every quarter thereafter and accounted for as income under the head Brokerage and related income, on a proportionate basis.
- b) Fees from Investment Banking activities which include Mergers & Acquisitions, Investment and other advisory services are recognized as revenue when the relevant services are rendered to the customers and there are reasonable certainties as regards ultimate collectability of such revenue. The Company collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.
- c) Commission on insurance policies sold is recognized, when an insurance policy sold by the Company is accepted by the principal insurance company.
- d) Commission and Incentive income on primary market activities, included in Investment Banking revenue is recognized on receipt of confirmation from the concerned party after completion of the public issue.
- e) Dividend income is recognized when the shareholder's right to receive payment is established by the balance sheet date.
- f) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- g) Penal Charges for delayed receipt of dues from the clients are credited on accrual basis, as per management's judgement, as to the reasonable certainty in realisation thereof.
- h) Service charge is recognised as and when services are rendered to the customers and when there is reasonable certainty for its ultimate realisation/collection.
- i) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.
- j) Revenue from Consumer Engagement Activity is recognized when the related activities that generates revenue for the Company has been completed.
- k) Fees from professional / consultancy service is recognised as and when the services are rendered to the customers and there is reasonable certainty for its ultimate realisation/collection.
- l) Profit / (Loss) on sale of investments is determined based on the weighted average cost of the investments sold.
- m) Transactions in respect of Investment / dealing in securities are recognized on trade date.

### iv) Tangible Fixed Assets

Tangible Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price.



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognised.

### v) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

### vi) Depreciation and Amortization of tangible and intangible assets

- a) Leasehold land is amortised on a straight line basis over the period of lease, i.e. 90 / 99 years.
- b) Depreciation on fixed assets is calculated on a WDV basis using the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II to the Companies Act, 2013.
- c) Depreciation on Fixed Assets added/disposed off during the year is provided on prorata basis with reference to the date of addition/disposal.
- d) Goodwill on consolidation is not amortized but tested for impairment.
- e) Copyrights are amortized on straight-line basis over a period of three years from the date the assets become available for use.
- f) Computer softwares are amortized on straight line basis over a period of three / five years as the case may be from the date the assets become available for use.
- g) Web Application Portal are amortized on straight-line basis over a period of ten years from the date the assets become available for use.

### vii) Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation / amortization is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortization if there was no impairment.

### viii) Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### ix) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as Current Investments. All other Investments are classified as Non – Current / Long term Investments. Current Investments are stated at lower of cost and market rate on

## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

an individual investment basis. Non - Current / Long term investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

### x) Fixed Assets Acquired under lease

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leasehold assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss.

### xi) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### xii) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company and its subsidiaries does not recognize a contingent liability but discloses its existence in the financial statements.

### xiii) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax asset is reviewed at each Balance Sheet date. The company writes down the carrying amount of a Deferred Tax Asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each Balance Sheet date, the Company and its subsidiaries recognizes the unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

### xiv) Provisioning on Standard Assets

The Reserve Bank of India (RBI) vide Notification No. DNBS 223/CGM (US) – 2011 dated January 17, 2011 has issued direction to all NBFCs to make provision of 0.25% on standard assets. Accordingly, the Company has made provision @0.25% on standard assets in accordance with RBI directions.

### xv) Segment Reporting:

#### (a) Identification of Segments :

The Company has identified that its business segments are the primary segments. The Company's operating businesses are organized and managed separately according to the nature of products/services provided, with each segment representing a strategic business unit that offers different products/services and serves different markets. The analysis of geographical segments is based on the areas in which the operating division of the company operates.

#### (b) Allocation of Common Costs :

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common cost. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis are included under the head "Unallocated –Common".

The accounting policies adopted for segment reporting are in line with those of the Company.

### xvi) Retirement and other employees benefits

- a) Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to a reduction in future payment or a cash refund.
- b) Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method at the end of each financial year. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.
- c) Short term compensated absences are provided for based on estimates.

### xvii) Inventories

Closing Stock of shares and mutual funds is valued at "lower of cost and fair value" on individual basis.

Traded Goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventory to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

### xviii) Earnings per Share

Basic Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### xix) Loan Assets

Loan asset includes loans given by the Company, repayable on demand and are secured by collateral offered by the customers.

### xx) Debenture Redemption Reserve

As a matter of prudence, the Company, as per the management's discretion, creates debenture redemption reserve for redemption of privately placed debentures on a straight line basis over the tenure of the respective debentures subject to availability of profits.

### xxi) Cash and Cash equivalents

Cash and cash equivalents in the cash flow statement comprise of Cash at Bank and Cash/Cheque on hand and fixed deposits with an original maturity of three months or less.



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

	As at 31.03.2015	As at 31.03.2014
<b>3 SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
3,50,00,000 (2013-14: 3,50,00,000) Equity Shares of Rs. 10 each	35,00,00,000	35,00,00,000
<b>Issued, Subscribed and Fully Paid-up Shares</b>		
3,18,10,500 (2013-14: 3,18,10,500) Equity Shares of Rs. 10 each	31,81,05,000	31,81,05,000

### (a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31.03.2015		As at 31.03.2014	
	Nos.	Rs.	Nos.	Rs.
Outstanding at the beginning and at the end of the year	3,18,10,500	31,81,05,000	3,18,10,500	31,81,05,000

### (b) Terms / Rights attached to the equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of shares	% of holding	No. of shares	% of holding
(Equity shares of Rs. 10 each full paid up)				
Banwari Lal Mittal	1,08,16,000	34.00	1,08,16,000	34.00
Top View Enclaves LLP	74,24,069	23.34	66,21,451	20.82
Microsec Vision Employees Trust	17,83,400	5.61	17,83,400	5.61

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### (d) Aggregate number of bonus shares issued and shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at 31.03.2015	As at 31.03.2014
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium, capital redemption reserve and surplus in the statement of profit and loss	—	—
Equity shares bought back by the Company	10,00,000	10,00,000

## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

	As at 31.03.2015	As at 31.03.2014
<b>4 RESERVES AND SURPLUS</b>		
<b>Capital Reserve (arisen on Consolidation)</b>	36,43,980	36,43,980
<b>Capital Redemption Reserve (Balance as per the last financial statements)</b>	1,02,00,000	1,02,00,000
<b>Securities Premium Account (Balance as per the last financial statements)</b>	1,38,98,44,136	1,38,98,44,136
<b>Debenture Redemption Reserve</b>		
Balance as per the last financial statements	1,48,13,456	1,35,63,456
Add : Transferred from the Statement of Profit and Loss	12,50,000	12,50,000
	<b>1,60,63,456</b>	<b>1,48,13,456</b>
<b>Reserve under Section 45-IC of the Reserve Bank of India Act, 1934</b>		
Balance as per the last financial statements	14,74,27,700	14,59,35,500
Add : Amount transferred from the Statement of Profit and Loss	26,51,680	14,92,200
	<b>15,00,79,380</b>	<b>14,74,27,700</b>
According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of its Net Profit every year as disclosed in the Statement of Profit and Loss and before declaration of dividend.		
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	81,58,30,297	88,33,17,190
Less : Loss for the year	14,90,35,941	6,47,44,693
	66,67,94,356	81,85,72,497
Less : Appropriations		
Transitional provision for depreciation under the Companies Act, 2013 [Refer Note 43]	44,43,274	–
Transferred to Reserve under Section 45-IC of the RBI Act, 1934	26,51,680	14,92,200
Transferred to Debenture Redemption Reserve	12,50,000	12,50,000
	<b>65,84,49,402</b>	<b>81,58,30,297</b>
	<b>2,22,82,80,354</b>	<b>2,38,17,59,569</b>

	Long-term		Short-term	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>5 PROVISIONS</b>				
<b>Provision for Employee Benefits</b>				
Provision for Gratuity [Refer Note 31]	44,66,790	6,11,674	21,87,366	13,81,096
<b>Other Provisions</b>				
For Taxation [Net of Advances Rs. 2,66,77,831 (2013-14: Rs. 8,01,67,374)]	–	–	38,59,239	1,42,58,671
For Standard Assets	–	–	18,37,000	34,36,000
	<b>44,66,790</b>	<b>6,11,674</b>	<b>78,83,605</b>	<b>1,90,75,767</b>



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

	As at 31.03.2015	As at 31.03.2014
<b>6 DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liability</b>		
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting (adjusted through Statement of Profit and Loss)	29,26,280	7,12,648
Timing difference of accrued interest on bonds	38,70,984	30,89,542
Discount on Deep Discount Debentures	3,24,45,322	2,78,67,111
<b>Gross Deferred Tax Liability (A)</b>	<b>3,92,42,586</b>	<b>3,16,69,301</b>
<b>Deferred Tax Asset</b>		
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting. (adjusted through General Reserve)	9,12,334	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis. Expenses Allowable against taxable income in future years	14,11,604	5,78,490
<b>Gross Deferred Tax Asset (B)</b>	<b>23,23,938</b>	<b>5,78,490</b>
<b>Net Deferred Tax Liabilities (A-B)</b>	<b>3,69,18,648</b>	<b>3,10,90,811</b>

<b>7 SHORT-TERM BORROWINGS</b>		
Working Capital Facility (secured) *	4,74,18,845	18,34,048
	<b>4,74,18,845</b>	<b>18,34,048</b>

* Nature of Securities	Loan (Rs.)	Repayment term	Rate of Interest
Fixed Deposit amounting Rs. 14,75,00,000 (2013-14: Rs. 7,25,00,00) pledged with the bank	4,73,33,578	On demand	Fixed Deposit + 1%, presently 9.75% per annum to 10% per annum
Mortgage of Property	85,267	On demand	12.75% per annum
<b>Total</b>	<b>4,74,18,845</b>		

<b>8 TRADE PAYABLES</b>		
Due to Micro and Small Enterprises *	-	-
Amount Payable to Clients	5,19,55,740	14,81,18,956
Amount Payable to Stock / Commodity Exchanges	4,98,298	15,23,231
Due to Others	3,37,82,326	2,47,35,288
	<b>8,62,36,364</b>	<b>17,43,77,475</b>

\* Based on the information / documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provisions / payments have been made by the company to such creditors, if any, and no disclosures thereof are made in the financial statements.

## Notes to the Consolidated Financial Statements

as at and for the year ended 31st March, 2015  
(Amount in Rs.)

	As at 31.03.2015	As at 31.03.2014
<b>9 OTHER CURRENT LIABILITIES</b>		
Margin from Clients	3,32,96,082	12,78,64,927
Security Deposits	1,61,21,557	1,13,62,779
Unclaimed Dividend *	1,63,736	1,64,537
Share Application Money pending refund**	36,816	36,816
Temporary Book overdraft from Scheduled Banks	1,477	—
Other Payables		
For Fixed Assets	1,91,40,104	1,06,52,176
Advance from Customers	1,85,013	—
Statutory Dues	90,93,189	88,72,948
Others	—	2,000
	<b>7,80,37,974</b>	<b>15,89,56,183</b>

\* to be paid as and when due to Investor Education and Protection Fund

\*\* Represents refund instruments issued to the investors which are yet to be encashed since 1st October, 2010. This, however, does not include any amount, due and outstanding to be credited to Investors Education and Protection Fund.



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

### 10 FIXED ASSETS

#### A. Tangible Assets

Particulars	Freehold Land	Leasehold Land	Residential Flat	Building / Office Premises	Computer and Allied Equipments	Furniture and Fixtures	Plant and Machinery	Electrical Equipments	Office Equipments	Vehicles	Total
<b>Gross Block</b>											
<b>At April 1, 2013</b>	2,37,39,239	22,89,01,823	55,52,350	9,69,03,030	4,13,63,816	3,88,62,879	-	5,408	2,50,80,245	91,16,682	46,95,25,472
Additions	-	-	-	17,09,93,857	1,82,93,510	2,31,27,162	-	57,33,871	2,23,03,801	24,05,472	24,28,57,673
Disposals	-	-	-	-	3,99,472	2,12,625	-	-	1,63,965	5,91,000	13,67,062
<b>At March 31, 2014</b>	<b>2,37,39,239</b>	<b>22,89,01,823</b>	<b>55,52,350</b>	<b>26,78,96,887</b>	<b>5,92,57,854</b>	<b>6,17,77,416</b>	<b>-</b>	<b>57,39,279</b>	<b>4,72,20,081</b>	<b>1,09,31,154</b>	<b>71,10,16,083</b>
Additions	-	14,77,35,438	-	4,20,44,750	1,02,20,413	1,34,09,865	75,96,505	1,72,93,839	1,27,39,978	28,15,089	25,38,55,876
Disposals	-	-	-	91,32,479	17,10,980	51,78,476	-	52,519	44,41,684	25,29,554	2,30,45,692
<b>At March 31, 2015</b>	<b>2,37,39,239</b>	<b>37,66,37,261</b>	<b>55,52,350</b>	<b>30,08,09,158</b>	<b>6,77,67,287</b>	<b>7,00,08,805</b>	<b>75,96,505</b>	<b>2,29,80,599</b>	<b>5,55,18,375</b>	<b>1,12,16,689</b>	<b>94,18,26,267</b>
<b>Depreciation</b>											
<b>At April 1, 2013</b>	-	31,54,183	5,08,858	2,63,08,781	3,36,78,655	2,58,42,355	-	1,406	1,31,77,649	37,99,329	10,64,71,216
Charge For the Year	-	23,24,139	2,52,175	35,98,233	42,30,936	24,57,731	-	2,742	19,57,528	16,48,235	1,64,71,719
Disposals	-	-	-	-	3,53,151	84,093	-	-	57,556	2,61,921	7,56,721
<b>At March 31, 2014</b>	<b>-</b>	<b>54,78,322</b>	<b>7,61,033</b>	<b>2,99,07,014</b>	<b>3,75,56,440</b>	<b>2,82,15,993</b>	<b>-</b>	<b>4,148</b>	<b>1,50,77,621</b>	<b>51,85,643</b>	<b>12,21,86,214</b>
Charge For the Year	-	23,34,581	2,32,860	1,15,25,070	1,18,63,555	1,02,52,786	1,63,085	39,87,049	1,10,80,667	21,21,121	5,35,60,774
Impact of Transitional Provision for depreciation under the Companies Act, 2013 [Refer Note 43]	-	-	-	-	10,49,141	1,72,560	-	-	41,43,085	1,878	53,66,664
Disposals	-	-	-	34,27,320	16,58,209	41,61,836	-	9,545	40,02,326	10,32,013	1,42,91,249
<b>At March 31, 2015</b>	<b>-</b>	<b>78,12,903</b>	<b>9,93,893</b>	<b>3,80,04,764</b>	<b>4,88,10,927</b>	<b>3,44,79,503</b>	<b>1,63,085</b>	<b>39,81,652</b>	<b>2,62,99,047</b>	<b>62,76,629</b>	<b>16,68,22,403</b>
<b>Net Block</b>											
<b>At March 31, 2014</b>	<b>2,37,39,239</b>	<b>22,34,23,501</b>	<b>47,91,317</b>	<b>23,79,89,873</b>	<b>2,17,01,414</b>	<b>3,35,61,423</b>	<b>-</b>	<b>57,35,131</b>	<b>3,21,42,460</b>	<b>57,45,511</b>	<b>58,88,29,869</b>
<b>At March 31, 2015</b>	<b>2,37,39,239</b>	<b>36,88,24,358</b>	<b>45,58,457</b>	<b>26,28,04,394</b>	<b>1,89,56,360</b>	<b>3,55,29,302</b>	<b>74,33,420</b>	<b>1,89,98,947</b>	<b>2,92,19,328</b>	<b>49,40,060</b>	<b>77,50,03,864</b>

## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

### B. Intangible Assets

(Amount in Rs.)

Particulars	Computer Software	Web Application Portal	Copyrights - Right on Web Application Portal - Personal Resource Planning	Business and Membership Rights	Total
<b>Gross Block</b>					
<b>At April 1, 2013</b>	2,59,53,610	43,26,574	5,00,01,000	45,15,579	<b>8,47,96,763</b>
Additions	21,91,800	8,65,173	-	-	<b>30,56,973</b>
Additions on acquisition of subsidiaries during the year	-	-	-	-	-
Disposals	69,30,000	-	-	-	69,30,000
<b>At March 31, 2014</b>	<b>2,12,15,410</b>	<b>51,91,747</b>	<b>5,00,01,000</b>	<b>45,15,579</b>	<b>8,09,23,736</b>
Purchase	1,02,59,329	1,30,59,521	-	-	2,33,18,850
Disposals	-	-	-	-	-
<b>At March 31, 2015</b>	<b>3,14,74,739</b>	<b>1,82,51,268</b>	<b>5,00,01,000</b>	<b>45,15,579</b>	<b>10,42,42,586</b>
<b>Amortization</b>					
<b>At April 1, 2013</b>	<b>2,10,13,056</b>	<b>40,70,570</b>	<b>5,00,01,000</b>	<b>45,15,579</b>	<b>7,96,00,205</b>
Charge For the Year	22,44,054	50,633	-	-	<b>22,94,687</b>
Disposals	69,30,000	-	-	-	69,30,000
<b>At March 31, 2014</b>	<b>1,63,27,110</b>	<b>41,21,203</b>	<b>5,00,01,000</b>	<b>45,15,579</b>	<b>7,49,64,892</b>
Charge For the Year	33,35,325	93,673	-	-	34,28,998
Disposals	-	-	-	-	-
<b>At March 31, 2015</b>	<b>1,96,62,435</b>	<b>42,14,876</b>	<b>5,00,01,000</b>	<b>45,15,579</b>	<b>7,83,93,890</b>
<b>Net Block</b>					
<b>At March 31, 2014</b>	<b>48,88,300</b>	<b>10,70,544</b>	-	-	<b>59,58,844</b>
<b>At March 31, 2015</b>	<b>1,18,12,304</b>	<b>1,40,36,392</b>	-	-	<b>2,58,48,696</b>





## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

	Face value Per share/unit (Rs.)	No. of Shares/ units	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
<b>11 NON-CURRENT INVESTMENTS</b>				
Trade Investments (valued at cost)				
Quoted Bonds (fully paid up)				
National Bank for Agriculture and Rural Development *	20,000	9,771	9,03,81,750	10,00,01,750**
		(10,811)		
		(A)	<b>9,03,81,750</b>	<b>10,00,01,750</b>
Non Trade (valued at cost unless stated otherwise)				
Quoted Equity Shares (fully paid up)				
ABB Limited	2	6,004	49,75,523	–
		(–)		
ACC Limited	10	3,850	49,84,200	–
		(–)		
Bharat Electronics Limited	10	5,724	73,70,812	–
		(–)		
Bharat Heavy Electricals Limited	2	–	–	35,88,166
		(20,000)		
Blue Star Limited	2	15,771	25,37,021	36,99,923
		(23,000)		
Coal India Limited	10	–	–	45,29,348
		(15,200)		
Emami Limited	1	30,000	1,17,62,147	1,17,62,147
		(30,000)		
Engineers India Limited	5	20,000	31,21,101	31,21,101
		(20,000)		
Himadri Chemicals and Industries Limited	1	89,447	13,07,596	11,33,976
		(80,742)		
IL&FS Transportation Networks Limited	10	33,020	53,04,959	46,31,039
		(26,000)		
IDFC Limited	10	18,500	24,68,076	–
		(–)		
Indraprasta Gas Limited	10	7,500	23,99,665	–
		(–)		
Larsen and Toubro Limited	2	8,372	91,47,938	42,08,076
		(4,500)		
MOIL Limited	10	–	–	54,49,382
		(24,261)		
NMDC Limited	1	56,256	69,80,220	1,80,92,291
		(1,45,812)		
Power Grid Corporation of India Limited	10	11,549	10,39,410	10,39,410
		(11,549)		
Ramkrishna Forgings Limited	10	6,500	25,05,786	–
		(–)		
Sesa Sterlite Limited	1	47,800	99,00,523	–
		(–)		
Tata Motors Limited (DVR)	2	30,000	46,85,664	93,71,328
		(60,000)		

## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

	Face value Per share/unit (Rs.)	No. of Shares/ units	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Thermax Limited	2	9,000	51,49,093	51,49,093
		(9,000)		
WABCO – TVS (India) Limited	5	3,121	41,66,704	41,66,704
		(3,121)		
		(B)	8,98,06,438	7,99,41,984
		(A + B)	18,01,88,188	17,99,43,734
<b>Aggregate Value of Investments</b>				
Quoted			18,01,88,188	17,99,43,734
Market value of Quoted Investments			28,05,64,473	19,37,65,262
* Includes Rs. 9,03,81,750 (2013-14: Rs. 6,48,51,750 ) pledged with the following Scheduled banks as security against bank guarantees and working capital facility.				
			As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
HDFC Bank Limited			4,64,62,750	3,14,59,250
Indusind Bank Limited			2,66,86,250	1,66,96,250
Axis Bank Limited			1,72,32,750	1,66,96,250
			9,03,81,750	6,48,51,750

\*\* In the previous year all bonds were held by the Company, thus the market value was not available.



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

	As at 31.03.2015	As at 31.03.2014
<b>12 DEFERRED TAX ASSETS (NET)</b>		
<b>Deferred Tax Liability</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting.	11,609	11,919
<b>Gross Deferred Tax Liability (A)</b>	11,609	11,919
<b>Deferred Tax Asset</b>		
Impact of expenditure charged to the statement of Profit and Loss in the Current Year but allowed for tax purposes on payment basis. Expenses Allowable against taxable income in future years	32,940	4621
Provision for standard assets	2,58,633	2,58,324
<b>Gross Deferred Tax Asset (B)</b>	2,91,573	2,62,945
<b>Net Deferred Tax Assets (B-A)</b>	<b>2,79,964</b>	<b>2,51,026</b>

	Non Current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>13 LOANS AND ADVANCES</b>				
<b>A. Loans</b>				
(Considered Good, unless otherwise stated)				
- Secured	—	—	33,11,64,304	31,27,47,261
- Unsecured	—	6,88,897	34,34,473	2,08,12,722
<b>(A)</b>	<b>—</b>	<b>6,88,897</b>	<b>33,45,98,777</b>	<b>33,35,59,983</b>
<b>B. Advances</b>				
(Unsecured Considered good, unless otherwise stated)				
Capital Advances [Refer Note 34]	8,20,96,623	20,82,06,111	—	—
Advance against Investment Property [Refer Note 34]	1,21,82,713	1,15,39,680	—	—
Advance Recoverable in cash or kind	—	—	96,73,837	93,78,631
Prepaid Expenses	6,68,974	2,56,610	52,67,492	67,65,191
Deposits with Government Authorities and others	23,29,162	31,35,081	1,39,85,108	1,17,47,192
Deposits with Exchanges	3,17,06,331	3,67,85,600	70,00,000	9,28,18,652
Advance Income tax and Tax Deducted at Source [Net of Provsion Rs. 8,56,45,514 (2013-14: Rs. 8,22,79,285)]	1,47,96,000	89,16,226	4,03,53,082	3,69,35,521
<b>(B)</b>	<b>14,37,79,803</b>	<b>26,88,39,308</b>	<b>7,62,79,519</b>	<b>15,76,45,187</b>

## Notes to the Consolidated Financial Statements

as at and for the year ended 31st March, 2015  
(Amount in Rs.)

	Non Current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>14 OTHER ASSETS</b>				
(Unsecured, Considered Good)				
Non Current Bank Balances [Refer Note 18]	15,39,27,019	5,67,00,000	—	—
Accrued Interest on Fixed Deposits	92,01,509	51,14,973	64,42,765	1,72,04,697
Accrued Interest on Bonds	3,51,23,707	2,85,53,991	—	—
	<b>19,82,52,235</b>	<b>9,03,68,964</b>	<b>64,42,765</b>	<b>1,72,04,697</b>

	No. of Shares/ units	Face value Per share/unit (Rs.)	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
<b>15 CURRENT INVESTMENTS</b>				
(Valued at lower of cost and fair value, unless stated otherwise)				
<b>Unquoted Mutual Funds</b> (Fully Paid)				
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	11,580.57*	1,000	3,94,00,000	14,76,92,568
	(47,295.22)			
SBI Premier Liquid Fund - Regular Plan - Growth	—	1,000	—	1,65,00,000
	(8,199.55)			
ICICI Prudential Liquid - Regular Plan - Growth	—	100	—	6,75,60,414
	(3,56,305.26)			
			<b>3,94,00,000</b>	<b>23,17,52,982</b>
<b>Aggregate Value of Investments</b>				
Unquoted			3,94,00,000	23,17,52,982
Aggregate Net Asset Value of Mutual Fund Units			3,94,54,486	23,19,06,227
* including 3,519.04 units which has been allotted on 5th April, 2015.				



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

	No. of units	Face value Per share/unit (Rs.)	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
<b>16 INVENTORIES</b>				
(Valued at lower of cost and net realisable value)				
<b>Unquoted Mutual Funds (fully paid)</b>				
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	15,395.78*		5,25,00,000	30,00,000
	(961.86)			
HDFC Liquid Fund - Growth	–		–	1,00,00,000
	(3,95,926.71)			
ICICI Prudential Liquid - Regular Plan - Growth	–		–	1,00,00,000
	(52,785.96)			
SBI Premier Liquid Fund - Regular Plan - Growth	–		–	65,00,000
	(3,230.13)			
			<b>5,25,00,000</b>	<b>2,95,00,000</b>
<b>Quoted Equity Shares (fully paid)</b>				
Emami Limited	–		–	2,78,99,645
	(60,000)			
Hindustan Unilever Limited	285		2,19,791	–
	(–)			
Ranbaxy Laboratories Limited	325		2,21,298	–
	(–)			
Indian Oil Corporation	5,000		17,56,487	–
	(–)			
			<b>21,97,576</b>	<b>2,78,99,645</b>
<b>Raw Materials, Traded Goods and Packaging Materials</b>				
<b>Raw Materials</b>			14,56,809	–
<b>Traded Goods</b>				
Medicines		5,86,45,867		1,14,68,825
FMCG Goods		5,24,44,218		25,67,630
Others		1,07,214	11,11,97,299	1,46,571
<b>Packaging Materials</b>			28,92,257	–
			<b>11,55,46,365</b>	<b>1,41,83,026</b>
			<b>17,02,43,941</b>	<b>7,15,82,671</b>

\* Including purchase made on 31st March, 2015 of 15,395.78 units which has been allotted on 5th April, 2015.

## Notes to the Consolidated Financial Statements

as at and for the year ended 31st March, 2015  
(Amount in Rs.)

	As at 31.03.2015	As at 31.03.2014
<b>17 TRADE RECEIVABLES</b>		
(Considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured	3,80,024	44,65,855
Unsecured	45,98,896	61,77,525
Doubtful	3,74,552	74,56,874
	53,53,472	1,81,00,254
Provision for doubtful receivables	(3,74,552)	(74,56,874)
	<b>49,78,920</b>	<b>1,06,43,380</b>
Other receivables		
Secured	10,03,30,937	11,77,57,170
Unsecured	1,88,21,816	1,19,95,935
	<b>11,91,52,753</b>	<b>12,97,53,105</b>
	<b>12,41,31,673</b>	<b>14,03,96,485</b>

	Non Current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>18 CASH AND BANK BALANCES</b>				
(i) Cash and Cash Equivalents				
Cash on Hand	–	–	23,87,614	4,33,720
Balances with Scheduled Banks				
On Current Accounts	–	–	6,40,96,461	7,50,17,072
Unclaimed Dividend Account	–	–	1,63,736	1,64,537
			<b>6,66,47,811</b>	<b>7,56,15,329</b>
(ii) Other Bank Balances				
IPO Refund Account *	–	–	36,816	36,816
Deposits with original maturity for more than 12 months [Refer Note 30]	15,39,27,019	5,67,00,000	4,05,14,110	5,57,63,867
Deposits with original maturity for more than 3 months but not more than 12 months [Refer Note 30]	–	–	2,39,00,000	29,60,00,000
Amount disclosed under "other non current assets" [Refer Note 14]	(15,39,27,019)	(5,67,00,000)	–	–
	<b>–</b>	<b>–</b>	<b>13,10,98,737</b>	<b>42,74,16,012</b>

\*Represents balance with a bank for which refund instruments have been issued to the investors which are yet to be encashed by the investors.



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

	2014-15	2013-14
<b>19 REVENUE FROM OPERATIONS</b>		
<b>(i) Interest Income</b>		
On Loans	4,89,10,944	5,09,29,105
On Fixed Deposits	34,89,222	97,61,888
On Fixed Deposits pledged with Stock / Commodity Exchange	54,47,456	79,34,895
<b>(A)</b>	<b>5,78,47,622</b>	<b>6,86,25,888</b>
<b>(ii) Other Financial Services</b>		
- Stock/Commodity Broking		
Brokerage and Related Income	15,83,71,158	12,48,98,343
Penal Charges Collected from clients	1,68,10,449	75,07,846
<b>(B)</b>	<b>17,51,81,607</b>	<b>13,24,06,189</b>
<b>- Investments</b>		
Profit on Sale of Non-Trade Investments (Net)		
-Long Term	1,46,22,290	1,19,87,467
-Current	77,73,487	1,29,34,533
-Trading in Mutual Fund / Quoted Shares	42,48,641	1,60,34,130
Dividend from Long Term Non-Trade Investments	16,19,926	37,93,733
<b>(C)</b>	<b>2,82,64,344</b>	<b>4,47,49,863</b>
<b>- Wealth Management, Financial Planning and Distribution</b>		
Insurance Brokerage and Related Income	15,20,321	24,12,083
Service Charges	18,647	9,52,298
<b>(D)</b>	<b>15,38,968</b>	<b>33,64,381</b>
<b>- Others</b>		
Investment Banking Revenue	49,00,100	1,00,80,857
Professional Fees	4,20,000	4,20,000
Miscellaneous	8,250	22,500
<b>(E)</b>	<b>53,28,350</b>	<b>1,05,23,357</b>
<b>(iii) Consumer Engagement Activity</b>	40,88,015	10,73,589
<b>(F)</b>	<b>40,88,015</b>	<b>10,73,589</b>
<b>(iv) Sale of Traded Goods</b>		
Medicines	17,23,24,389	47,53,644
FMCG Products	3,88,50,117	16,79,453
Others	17,142	2,30,000
<b>(G)</b>	<b>21,11,91,648</b>	<b>66,63,097</b>
<b>Total (A + B + C + D + E + F + G)</b>	<b>48,34,40,554</b>	<b>26,74,06,364</b>



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

	2014-15	2013-14
<b>20 OTHER INCOME</b>		
Interest Income on		
Fixed Deposits	1,95,62,221	1,62,30,572
Long-Term Bonds (Non Trade)	99,81,539	95,40,481
Income Tax Refund	1,08,994	6,11,447
Other Non Operating Income		
Liabilities no longer required written back	9,96,651	59,594
Dividend from Long Term Non-Trade Investments	—	33,660
Profit on sale of Non Trade Investments - Current	91,05,486	90,56,943
Gratuity Provision no longer required written back	—	2,06,174
Excess provision for standard assets no longer written back	—	13,52,463
Profit on sale of Fixed Assets	—	1,87,877
Miscellaneous Income	1,03,547	13,76,269
	<b>3,98,58,438</b>	<b>3,86,55,480</b>
<b>21 COST OF MATERIALS CONSUMED</b>		
<b>Raw Materials</b>		
Inventory at the beginning of the year	—	—
Add : Purchases	15,39,982	—
Less : Inventory at the end of the year	14,56,809	—
	<b>83,173</b>	—
<b>Packing Materials</b>		
Inventory at the beginning of the year	—	—
Add : Purchases	93,87,980	—
Less : Inventory at the end of the year	28,92,257	—
	<b>64,95,723</b>	—
	<b>65,78,896</b>	—
<b>22 PURCHASES OF TRADED GOODS</b>		
Medicines	19,79,70,592	1,58,34,015
FMCG Products	8,34,26,490	40,27,135
Others	—	3,76,459
	<b>28,13,97,082</b>	<b>2,02,37,609</b>



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

	2014-15	2013-14
<b>23 (INCREASE) / DECREASE IN INVENTORY</b>		
Opening Stock	1,41,83,026	—
Less : Closing Stock	11,11,97,299	1,41,83,026
	<b>(9,70,14,273)</b>	<b>(1,41,83,026)</b>
<b>24 EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Bonus etc.	21,20,36,424	16,40,55,295
Contribution to Provident and other funds	31,98,478	10,44,166
Contribution to Employees' State Insurance	14,30,353	11,31,111
Gratuity expense [Refer Note 31]	47,30,302	24,50,334
Employees' Welfare Expenses	35,68,468	28,62,355
	<b>22,49,64,025</b>	<b>17,15,43,261</b>
<b>25 FINANCE COSTS</b>		
Interest Expense		
On Loans	—	13,728
On Working Capital Facilities	24,57,241	16,54,552
Margin from Clients	37,88,565	34,64,701
Other Borrowing Costs		
Bank Guarantee Charges	30,69,030	13,82,212
	<b>93,14,836</b>	<b>65,15,193</b>
<b>26 DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation of Tangible Assets	5,35,60,774	1,64,71,719
Amortisation of Intangible Assets	34,28,998	22,94,687
	<b>5,69,89,772</b>	<b>1,87,66,406</b>

## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

		2014-15	2013-14
<b>27</b>	<b>OTHER EXPENSES</b>		
	Membership Fees and Subscription	9,70,168	7,27,561
	Software Maintenance charges	50,83,213	44,35,352
	Stock / Commodity Exchange charges	56,36,492	40,76,883
	SEBI Turnover Fees	4,14,408	1,55,520
	Depository Transaction charges	15,24,538	10,99,717
	Advertisement and Publicity	2,11,10,603	2,35,52,462
	Brand Promotion Expenses	—	15,39,875
	Consumer Engagement Expenses	1,77,56,430	2,13,67,295
	Communication Expenses	94,67,997	89,11,796
	Electricity Expenses	1,07,59,796	66,08,388
	Repairs and Maintenance - Others	69,10,441	62,64,854
	Rent	42,87,020	92,19,031
	Rates and Taxes [including Rs. Nil (2013-14: Rs. 9,84,363) for earlier year]	29,21,037	33,56,933
	Filing Fees	9,28,565	42,213
	Directors Sitting Fee	15,50,228	2,97,304
	Insurance Premium	6,50,580	4,41,299
	Printing and Stationery	62,83,551	41,22,258
	Bank and Demat charges	6,60,523	2,36,483
	Business Promotion Expenses	30,08,215	46,00,794
	Travelling and Conveyance	97,32,700	75,89,053
	Postage and Courier Expenses	18,26,920	9,25,708
	Damaged Goods	18,87,831	—
	Legal and Professional Fees	1,06,08,382	95,60,195
	Listing Fees	2,54,832	1,83,161
	Irrecoverable debts/advances written off	1,22,42,901	
	Less: Provision of Doubtful Debts	74,56,874	47,86,027
	Provision for doubtful debts	3,74,552	74,56,874
	Loss on sale of Current Investments	—	1,33,758
	Loss on Fixed Assets sold/discarded (Net)	15,64,666	2,69,141
	Logistic Expenses	22,16,729	1,10,052
	Server hosting, bandwidth and other data service charges	89,61,260	53,09,495
	License and Statutory Fees	26,000	25,000
	Service Charges		
	- Market research and Analysis services	6,30,651	1,86,923
	- Facility Services, etc. [Refer Note 36]	1,78,40,532	97,36,939



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

	2014-15	2013-14
Commission to Authorised Person and Others	3,81,72,102	2,13,34,614
Auditor's Remuneration		
As Auditors		
Audit Fees	14,36,016	14,02,137
Tax Audit Fee	8,989	5,618
Limited Reviews	1,50,000	2,25,000
In other capacities for certificates and other services	3,67,979	4,92,979
Reimbursement of expenses (including service tax)	85,007	71,128
Security Service Charges	54,45,528	18,83,161
Provision for Standard Assets	(15,99,000)	–
Miscellaneous expenses	21,64,031	19,51,081
	<b>20,68,65,539</b>	<b>17,01,75,607</b>

	2014-15	2013-14
<b>28 EARNINGS / (LOSS) PER SHARE</b>		
Basis for calculation of Basic and Diluted Earnings Per Share is as under:		
(Loss) after tax (Rs.)	(14,90,35,941)	(6,47,44,693)
Weighted Average Number of Equity Shares (Nos.)	3,18,10,500	3,18,10,500
Nominal Value of each Equity Share (Rs.)	10.00	10.00
Basic and Diluted Earnings Per Share (Rs.)	(4.69)	(2.04)

## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

### 29 CONTINGENT LIABILITIES

- (a) The Company has provided Corporate Guarantee of Rs. 35,00,00,000 (2013-14: Rs. 18,63,75,000) against bank guarantee and has created equitable mortgage of Rs. 7,47,55,370 (2013-14: Rs. 6,92,70,000) over its property at Kolkata as security for credit facility extended by a scheduled bank to Microsec Capital Limited (a wholly owned subsidiary company). The amount of facility/guarantee actually availed by the subsidiary as on the balance sheet date amounts to Rs. 85,267 (2013-14: Rs. Nil) and Rs. 22,94,14,495 (2013-14: Rs. 6,79,85,061) (net of fixed deposits of Rs. 16,75,00,000 (2013-14: 12,00,00,000) pledged by the subsidiary with the scheduled banks) respectively.
- (b) Claims of Rs. 20,05,441 (2013-14: Rs. 20,05,441) against the Company not acknowledged as debts. The management believes that the Company has a good case for success in the above matters and hence no provision thereagainst is considered necessary.
- (c) Income tax demand under appeal – Rs. 2,19,41,150 (2013-14: Rs. 1,74,44,240). The management believe that the Company and its subsidiaries to which the demand relates has a good case for success in this matter and therefore no provision thereagainst is considered necessary.
- (d) Service tax demand under appeal – Rs. 85,19,045 (2013-14: Rs. 85,19,045). The management believe that the Company and its subsidiaries to which the demand relates has a good case for success in this matter and therefore no provision thereagainst is considered necessary.
- (e) Bank Guarantee in favour of Sales Tax Department Rs. 63,867 (2013-14: Rs. 63,867).
- (f) Bank Guarantee outstanding in favour of West Bengal State Electricity Distribution Company Limited - Rs. 66,73,836 (2013-14: Nil).
- (g) Bank Guarantees outstanding in favour of Pension Fund Regulatory and Development Authority Rs. 5,00,000 (2013-14: Rs. 5,00,000)

### 30. Fixed Deposits with Banks aggregating to Rs. 20,82,14,110 (2013-14: Rs. 16,52,63,867) are pledged as follows :

(Amount in Rs.)		
Pledged with	As at 31.03.2015	As at 31.03.2014
National Stock Exchange of India Limited	8,00,000	8,00,000
National Securities Clearing Corporation Limited	1,64,00,000	3,10,00,000
HDFC Bank Limited (As security against credit facilities/Bank Guarantees)	9,15,50,243	8,25,00,000
United Bank of India (As security against bank Guarantee/Lien as per IRDA Regulation 22)	11,00,000	11,00,000
Axis Bank Limited (As security against Overdraft Facilities)	7,50,00,000	2,25,00,000
Indusind Bank Limited (As security against credit facilities/bank Guarantee)	2,00,00,000	2,50,00,000
MCX Stock Exchange Limited	8,00,000	8,00,000
National Commodity Derivative Exchange	15,00,000	15,00,000
Axis Bank Limited (As security against Bank guarantee)	63,867	63,867
Indian Clearing Corporation Limited	10,00,000	-
<b>Total</b>	<b>20,82,14,110</b>	<b>16,52,63,867</b>



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

31. The Company has a defined benefit gratuity plan. Every employee, who has completed five years or more of services, gets a gratuity on departure @ 15 days of last drawn salary for each completed years of service. The scheme is funded with Life Insurance Corporation of India.

The following tables summarise the components of net benefit expenses recognised in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

(Amount in Rs.)

Particulars	2014-15	2013-14
<b>(i) Net Employee Expense /(benefit)</b>		
Current service cost	35,68,431	21,45,563
Interest cost on benefit obligation	6,90,355	5,37,577
Expected return on plan assets	6,02,591	5,42,057
Net Actuarial (gain) /loss recognised in the year	10,74,107	1,03,077
Total employer (income)/expense recognised in Statement of Profit and Loss.	47,30,302	22,44,160
<b>(ii) Actual Return on Plan Assets</b>	6,21,806	5,23,353
<b>(iii) Benefit Asset/(Liability)</b>		
Defined benefit obligation	1,38,93,109	89,15,063
Fair value of Plan Assets	72,38,953	69,22,293
Benefit Asset / (Liability)	(66,54,156)	(19,92,770)
<b>(iv) Movement in benefit liability</b>		
Opening defined benefit obligation	89,15,063	64,67,586
Interest cost	6,90,355	5,37,577
Current service cost	35,68,431	21,45,563
Benefits paid	3,76,206	2,39,320
Actuarial (gains) / losses on obligation	10,95,466	3,657
Closing benefit obligation	1,38,93,109	89,15,063
<b>(v) Movement in fair value of plan assets</b>		
Opening fair value of plan assets	69,22,293	63,41,962
Expected Return on plan assets	6,02,591	5,42,057
Contributions by employer	2,55,053	3,77,014
Benefits paid	5,62,342	3,28,054
Actuarial (gains)/Losses on plan assets	21,358	(10,686)
Closing fair value of plan assets	72,38,953	69,22,293
<b>(vi) Major categories of plan assets as a percentage of the fair value of total plan assets</b>		
Investments in insurance managed fund	100%	100%
<b>(vii) The principal actuarial assumptions are as follows</b>		
Discount Rate	8.00%	9.00%
Expected rate of return on plan assets	9.00%	8.75%
Salary increase	6.00%	6.00%
Withdrawal rates	1.00%	1.00%
<b>(viii) Amount incurred as expense for defined contribution plans</b>		
Contribution to Provident / Pension fund	31,98,478	10,44,166
Contribution to Employees State Insurance	14,30,353	11,31,111
<b>(ix) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.</b>		

## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

- (x) The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.
- (xi) The Company expects to contribute Rs. 25,10,000 (2013-14: Rs. 22,50,000) to Gratuity fund during April 2015 to March 2016.

(xii) Amounts for the current year and previous years are as follows :	Year Ended March 31, 2015 (Rs.)	Year Ended March 31, 2014 (Rs.)	Year Ended March 31, 2013 (Rs.)	Year Ended March 31, 2012 (Rs.)	Year Ended March 31, 2011 (Rs.)
Gratuity					
Defined Benefit Obligation	1,38,93,109	89,15,063	64,67,586	67,14,186	54,90,221
Plan Assets	72,38,953	69,22,293	63,41,962	60,53,074	47,99,622
Surplus / (Deficit)	(66,54,156)	(19,92,770)	(1,25,624)	(661,112)	(6,90,599)
Experience adjustments on plan liabilities	(12,07,471)	(46,16,366)	(10,11,990)	(11,51,110)	(2,87,681)
Experience adjustments on plan assets	24,862	96,675	52,818	52,016	42,537

### 32. Expenditure in Foreign Currency (on accrual basis)

	2014-15 (Rs.)	2013-14 (Rs.)
Travelling Expense	1,47,955	1,94,844
Miscellaneous Expenses	-	77,508
<b>Total</b>	<b>1,47,955</b>	<b>2,72,352</b>

### 33. Value of imports calculated on CIF basis

	2014-15 (Rs.)	2013-14 (Rs.)
Traded Goods	3,40,55,461	-
<b>Total</b>	<b>3,40,55,461</b>	<b>-</b>

### 34. Capital and other Commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) – Rs. 2,74,09,561 (2013-14: Rs. 2,88,42,003).
- b) At 31st March 2015, the Company has commitments of Rs. 6,99,590 (2013-14: Rs. 22,01,300) relating to consumer engagement activity started during the year but not completed as on 31st March 2015.
- c) At 31st March 2015, the Company has commitments of Rs. 17,53,246 (2013-14: Rs. Nil) relating to reward points (SS currency) accumulated but not redeemed by customers as at 31st March, 2015.
35. Minimum Alternate Tax (MAT) credit entitlement of Rs. 3,65,47,254 (2013-14: Rs. 3,44,34,077) although available as tax credit for set off in future years as per Income Tax Act, 1961, has not been accounted for in view of accounting policy specified in Note 2.1 (xiii) herein.
36. Facility Service charges of Rs. 1,78,40,532 (2013-14: Rs. 97,36,939) as indicated in Note 27 include payments made by certain subsidiaries to various parties for use of their infrastructure facilities like office space, office equipments, computers, furniture & fixtures, telephones and manpower services etc. in relation to maintenance of their offices/ branches.





## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

### 37. Related Party in terms of Accounting Standard 18 and as per the Companies Act, 2013 are given below:

#### a) Name of related parties and description of relationship

##### Key Management Personnel

Mr. Banwari Lal Mittal (Chairman and Managing Director)

Mr. Ravi Kant Sharma (Managing Director)

Mr. Ajay Jaiswal (Director in PRP Technologies Limited)

Mr. Shamik Bose (Executive Director in Microsec Commerce Limited) (upto 5th August, 2013)

Mr. Shamik Bose (Director in Microsec Commerce Limited) (w.e.f. 6th August, 2013)

Mr. Pankaj Harlalka (Executive Director in Microsec Capital Limited and Company Secretary)

Mr. Sushil Choubey (Whole Time Director in Microsec Health Buddy Limited) (w.e.f. 10th June, 2013 and upto 1st August, 2014)

Mr. Ramesh Kumar Sharma (Whole Time Director in Microsec Health Buddy Limited)

Mr. Rajendra Kumar Chotia (Managing Director in Microsec Health Buddy Limited) (upto 12th January, 2015)

Mr. Mahesh Kumar Singhi (Managing Director in Microsec Health Buddy Limited)

Mr. Giridhar Dhelia (Chief Financial Officer)

Mr. Biplab Kumar Mani (Company Secretary)

Mr. Rajat Khator (Chief Financial Officer in Microsec Technologies Limited) (w.e.f. 1st December, 2014)

Mr. Pratap Singh (Company Secretary in Microsec Technologies Limited) (w.e.f. 1st April, 2014)

Mr. Abhishek Singhi (Chief Financial Officer in Microsec Health Buddy Limited) (w.e.f. 1st December, 2014)

Mr. Avik Saha (Company Secretary in Microsec Health Buddy Limited) (w.e.f. 1st April, 2014)

##### Relatives of Key Management Personnel

Mrs. Abha Mittal (Wife of Mr. Banwari Lal Mittal)

Mr. Narsingh Mittal (Brother of Mr. Banwari Lal Mittal)

Mr. Sajjan Kumar Sharma (Father of Mr. Ravi Kant Sharma)

Mrs. Bharati Sharma (Wife of Mr. Ravi Kant Sharma)

Mrs. Rasmi Harlalka (Wife of Mr. Pankaj Harlalka)

Mrs. Kanta Devi Sharma (Mother of Mr. Ravi Kant Sharma)

Mr. Man Mohan Harlalka (Father of Mr. Pankaj Harlalka)

Mr. Arjun Mittal (Brother of Mr. Banwari Lal Mittal)

Mrs. Sushila Devi Khaitan (Sister of Mr. Banwari Lal Mittal)

Mrs. Gomti Devi Mittal (Mother of Mr. Banwari Lal Mittal)

Master Krishna Mittal (Son of Mr. Banwari Lal Mittal)

Mr. Rajiv Sharma (Brother of Mr. Ravi Kant Sharma)

Mrs. Laxmi Gupta (Sister of Mr. Pankaj Harlalka)

Ms. Saloni Mittal (Daughter of Mr. Banwari Lal Mittal)

Ms. Vidhi Mittal (Daughter of Mr. Banwari Lal Mittal)

##### Enterprises in which Key Management Personnel Exercise Significant Influence

Luv-Kush Projects Limited

Longrange Management Services Private Limited

Micro Resources Private Limited

B.L.Mittal (HUF) (Mr. Banwari Lal Mittal being the Karta)

Top View Enclaves LLP

## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

### b) Related party transactions

(Amount in Rs.)

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Enterprise in which Key Management Personnel Exercise Significant Influence	Total
<b>Director's Remuneration</b>				
Mr. B. L. Mittal	35,39,160			35,39,160
	(35,39,160)			(35,39,160)
Mr. Ravi Kant Sharma	35,06,390			35,06,390
	(31,71,432)			(31,71,432)
Mr. Pankaj Harlalka	26,62,028			26,62,028
	(26,45,957)			(26,45,957)
Mr. Shamik Bhose	–			–
	(6,13,070)			(6,13,070)
Mr. Sushil Choubey	2,00,000			2,00,000
	(4,85,000)			(4,85,000)
Mr. Ramesh Kumar Sharma	11,43,597			11,43,597
	(10,37,450)			(10,37,450)
Mr. Rajendra Kumar Chotia	11,66,757			11,66,757
	(14,69,386)			(14,69,386)
Mr. Mahesh Kumar Singhi	11,29,194			11,29,194
	(10,08,525)			(10,08,525)
<b>Remuneration</b>				
Mr. Giridhar Dhelia	13,33,234			13,33,234
	(12,26,468)			(12,26,468)
Mr. Biplab Kumar Mani	12,83,265			12,83,265
	(10,57,869)			(10,57,869)
Mr. Rajat Khator	2,65,976			2,65,976
	(–)			(–)
Mr. Pratap Singh	4,91,449			4,91,449
	(–)			(–)
Mr. Abhishek Singhi	3,22,300			3,22,300
	(–)			(–)
Mr. Avik Saha	5,10,562			5,10,562
	(–)			(–)
<b>Brokerage and Related Income</b>				
Luv Kush Projects Limited			7,934	7,934
			(29,474)	(29,474)
Topview Enclaves LLP			1,71,933	1,71,933
			(1,49,848)	(1,49,848)



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Enterprise in which Key Management Personnel Exercise Significant Influence	Total
Others	4,287	51,101	21,974	77,362
	(18,166)	(17,365)	(26,831)	(62,362)
<b>Sale of Traded Goods</b>				
Ravi Kant Sharma	56,811			56,811
	(–)			(–)
Ramesh Kumar Sharma	2,963			2,963
	(–)			(–)
Mahesh Kumar Singhi	8,577			8,577
	(–)			(–)
Rajendra Kumar Chotia	4,630			4,630
	(–)			(–)
Avik Saha	288			288
	(–)			(–)
Biplab Kumar Mani	348			348
	(–)			(–)
Giridhar Dhelia	5,917			5,917
	(–)			(–)
Abha Mittal		1,36,986		1,36,986
		(–)		(–)
Narsingh Mittal		1,794		1,794
		(–)		(–)
<b>Advances received</b>				
Others		–		–
		(3,510)		(3,510)
<b>Refund of advances received</b>				
Others		–		–
		(3,510)		(3,510)

38. One of the Company's subsidiary has invested in deep discount bonds redeemable after a period of 20 years issued by another fellow subsidiary company. The investor company has not accounted for income on such deep discount bonds whereas the investee company has accounted for interest expense in its books. As per policy consistently followed, the investor company will account for such interest income at the time of redemption of the bonds in their books. However, at the time of consolidation, to follow uniform accounting policies for like transactions, income accrued on such bonds has been duly considered as a consolidated adjustment and eliminated with the corresponding expenses recognised by another subsidiary. The consequential deferred tax liability of Rs. 3,24,45,322 (2013-14: Rs. 2,78,67,111) on such interest income has also been considered in these consolidated financial statements.

## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

### 39. Segment Reporting

The Company has identified the following as business segments :

- 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.
- Digital Consumer Engagement Platform ([www.foreseegame.com](http://www.foreseegame.com)) - includes activities under [www.foreseegame.com](http://www.foreseegame.com).
- Digital Pharmacy & Healthcare Store ([www.sastasundar.com](http://www.sastasundar.com)) - includes activities for food processing, preservation and marketing of healthcare products through e-commerce portal [www.sastasundar.com](http://www.sastasundar.com).

Geographical Segments :- The Company operates in only one geographical segment i.e. 'Within India' and no separate information for geographical segment has been given.

The Company's segment information as at and for the year ended March 31, 2015 are as below :

(Amount in Rs.)

Particulars	Financial Services	Digital Media of Consumer Engagement ( <a href="http://www.Foreseegame.com">www.Foreseegame.com</a> )	Digital Pharmacy & Healthcare Store ( <a href="http://www.sastasundar.com">www.sastasundar.com</a> )	Total
Segment Revenue	26,81,60,891	40,88,015	21,11,91,648	48,34,40,554
	(25,96,69,678)	(10,73,589)	(66,63,097)	(26,74,06,364)
Segment Results	9,12,51,463	-10,29,94,578	-13,42,20,234	-14,59,63,349
	(5,77,88,561)	(-8,80,66,083)	(-3,32,55,381)	(-6,35,32,903)
Add: Unallocated Income net of unallocated expenses				-25,45,954
				(-34,60,303)
Profit / (Loss) Before Tax				-14,85,09,303
				(-6,69,93,206)
Current Tax				33,66,229
				(8,93,104)
Deferred Tax				67,22,290
				(59,65,616)
Excess Provision of Income Tax for earlier years, written back				-1,03,60,380
				(-1,04,47,106)
Profit / (Loss) after Tax				-14,82,37,442
				(-6,34,04,820)
Segment Assets	1,19,24,40,266	29,82,78,032	99,11,11,297	2,48,18,29,595
	(1,68,85,15,891)	(31,29,65,743)	(76,48,17,816)	(2,76,62,99,450)
Unallocated Corporate Assets				32,87,96,379
				(32,19,90,971)
Total Assets				2,81,06,25,974
				(3,08,82,90,422)
Segment Liabilities	16,06,99,454	59,97,056	5,34,43,570	22,01,40,080
	(31,41,93,565)	(1,05,85,881)	(1,57,78,331)	(34,05,57,777)



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

(Amount in Rs.)

Particulars	Financial Services	Digital Media of Consumer Engagement (www.Foreseegame.com)	Digital Pharmacy & Healthcare Store (www.sastasundar.com)	Total
Unallocated Corporate Liabilities				4,08,22,146
				(4,53,88,181)
Total Liabilities				26,09,62,226
				(38,59,45,958)
Capital Expenditure	43,61,840	2,24,70,371	15,61,02,109	18,29,34,320
	(93,20,800)	(10,63,33,957)	(8,92,97,370)	(20,49,52,127)
Depreciation/Amortization	1,41,47,754	2,51,98,723	1,76,43,295	5,69,89,772
	(1,29,52,060)	(34,41,247)	(23,73,099)	(1,87,66,406)
Non Cash expenses	47,86,027	-	3,74,552	51,60,579
	(77,06,647)	(5,850)	(11,949)	(77,24,446)

### 40. Operating Lease :

Certain office premises are obtained on operating lease. The lease term is for 11 months to 9 years and renewal for further period either mutually or at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no sub-leases. The leases are cancellable.

The details of lease payments are as follows :

(Amount in Rs.)

Particulars	2014-15	2013-14
Lease payments made for the year	36,97,395	89,65,758
Contingent rent recognised in the Statement of Profit and Loss	Nil	Nil

41. The Statutory Auditors has in their audit report for the year ended 31st March, 2014 and review report of 30th June, 2014, 30th September, 2014 and 31st December, 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. Pursuant to the Revised Regulatory Framework for NBFC issued by the Reserve Bank of India (RBI) on 10th November, 2014, the Company having asset size of less than Rs. 500 crores is not required to comply with credit concentration norms on and from that date. During the year, the Company has surrender its Certificate of Registration and has applied to the RBI for voluntary deregistration as Systematically Important – Non Deposit - Non-Banking Financial Company (NBFC-ND-SI). Subsequent to the year end, the Company has received intimation from the RBI that its application for deregistration is under process.

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.

42. The creation of provision for standard assets though not required for a Core Investment Company in terms of the RBI guidelines, however as a matter of abundant precaution the Company has not written back the amount of Rs 10,00,000 lying as on 31st March 2015, pending necessary registration / clarification from the RBI as stated in note 41 above.

## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

43. Effective from 1st April, 2014, the Company has charged depreciation based on the revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the year ended 31st March, 2015, is higher by Rs. 1,47,58,143. Further, based on transitional provision provided in Note 7(b) of Schedule II, an amount of Rs. 44,43,274 (net of deferred tax asset of Rs. 9,23,391) being depreciation on fixed assets whose useful lives as per Schedule II of the Companies Act, 2013 had expired before commencement of the year has been adjusted with retained earnings as at 1st April, 2014.
44. The Board of Directors of one of its subsidiaries being Microsec Health Buddy Limited (MHBL) at their meeting held on 27th May, 2015 has approved the merger of Sasta Sundar Shop Private Limited, a wholly owned subsidiary, with MHBL w.e.f. 1st April, 2015 subject to various requisite approvals.
45. Microsec Capital Limited, a subsidiary of the Company had sold one of its office premises situated at Mumbai along with furniture & fixtures and office equipments located therein at a total consideration of Rs. 2,31,00,000 on 18th December, 2014.

### 46. Deferred Tax Asset / (Liability) (Net)

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Deferred Tax Liability (A)</b>		
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting.	79,56,701	61,33,105
<b>Deferred Tax Assets (B)</b>		
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting.	4,76,820	5,52,581
Provision for Gratuity	7,19,973	1,93,388
Provision for Standard Assets	3,09,000	8,03,400
Business Loss and Unabsorbed Depreciation	10,80,01,692	4,21,07,819
<b>Net Deferred Tax Asset (B – A)</b>	<b>10,15,50,784</b>	<b>3,75,24,083</b>
Less : Deferred Tax Asset not recognized	10,15,50,784	3,75,24,083
Net Deferred Tax asset recognized	Nil	Nil

Deferred Tax Asset as above has not been recognized in these accounts in view of the Accounting Policy specified in Note 2.1(xiii) above.



## Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2015

### 47. Additional information in respect of net assets and profit / loss of each entity within the Group and their proportionate share of the totals

Name of the Entity	As at 31.03.2015		2014-15		As at 31.03.2014		2013-14	
	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Net assets i.e. total assets minus total liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount (Rs.)	As % of consolidated profit or loss	Amount (Rs.)	As % of consolidated net assets	Amount (Rs.)	As % of consolidated profit or loss	Amount (Rs.)
<b>Parent</b>								
Microsec Financial Services Limited	24.98%	63,68,81,176	(6.39%)	(94,79,169)	24.76%	66,91,76,183	(22.39%)	(1,41,99,459)
<b>Indian Subsidiaries</b>								
Microsec Resources Private Limited	13.09%	33,38,57,375	30.73%	4,55,55,598	17.61%	47,57,59,793	84.36%	5,34,88,823
Microsec Capital Limited	14.08%	35,90,45,997	22.72%	3,36,81,511	12.22%	33,02,11,531	(20.81%)	(1,31,91,790)
Microsec Commerce Limited	0.99%	2,53,14,672	(0.36%)	(5,38,546)	0.81%	2,18,77,944	2.78%	17,65,416
Microsec Insurance Brokers Limited	0.53%	1,34,56,761	(0.64%)	(9,46,232)	0.54%	1,44,70,845	(1.44%)	(9,13,985)
Microsec Technologies Limited	10.82%	27,59,60,448	(69.12%)	(10,24,58,847)	10.99%	29,69,18,284	(136.83%)	(8,67,55,109)
PRP Technologies Limited	0.59%	1,50,39,196	(0.49%)	(7,21,200)	0.63%	1,69,14,026	(9.90%)	(62,74,053)
Microsec Health Buddy Limited	15.03%	38,33,40,750	(74.44%)	(11,03,54,262)	9.66%	26,10,31,723	(48.18%)	(3,05,47,942)
Joybuddy Fun Products Private Limited	0.03%	7,03,634	(1.26%)	(18,62,833)	0.00%	66,467	(0.05%)	(33,533)
Myjoy Hospitality Private Limited	1.56%	3,97,93,181	(0.02%)	(32,392)	1.47%	3,98,52,289	(0.19%)	(1,20,587)
Myjoy Pharmaceuticals Private Limited	0.43%	1,09,59,589	(14.37%)	(2,12,97,492)	0.01%	2,60,643	(0.04%)	(22,648)
Myjoy Tasty Food Private Limited	0.00%	1,22,015	(0.02%)	(30,414)	0.01%	1,52,429	0.04%	28,092



# Notes to the Consolidated Financial Statements

as at and for the year ended 31st March, 2015

Name of the Entity	As at 31.03.2015		2014-15		As at 31.03.2014		2013-14	
	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Net assets i.e. total assets minus total liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount (Rs.)	As % of consolidated profit or loss	Amount (Rs.)	As % of consolidated net assets	Amount (Rs.)	As % of consolidated profit or loss	Amount (Rs.)
Mijoy Technologies Private Limited	1.30%	3,31,63,556	(0.36%)	(5,35,732)	0.82%	2,22,31,800	(1.33%)	(8,43,176)
Bharatiya Sanskriti Village Private Limited	2.50%	6,36,58,971	(0.48%)	(7,17,411)	2.41%	6,50,76,382	(2.36%)	(14,94,456)
Sasta Sundar Shop Private Limited	0.18%	46,38,220	(0.09%)	(1,26,338)	0.18%	47,64,558	(3.15%)	(19,96,364)
Microsec Tech Solutions Private Limited	2.14%	5,44,68,646	(0.02%)	(31,354)	-	-	-	-
Microsec Invictus Advisors LLP	3.60%	9,18,79,157	11.22%	1,66,26,409	3.27%	8,82,52,749	24.47%	1,55,12,730
Bhavya Advisory Services LLP	3.23%	8,24,46,784	4.95%	73,44,783	9.95%	26,89,30,132	39.90%	2,52,99,827
Alokik Advisory Services LLP	0.47%	1,19,27,494	(0.02%)	(26,177)	0.44%	1,19,33,506	(0.02%)	(10,803)
Dreamscape Advisors LLP	0.31%	80,27,046	(0.03%)	(43,455)	0.30%	80,70,334	(0.02%)	(10,975)
Kailashwar Advisory Services LLP	0.04%	10,30,644	0.02%	28,644	0.04%	9,83,074	(0.02%)	(11,274)
Ruchika Advisory Services LLP	3.90%	9,94,88,348	(1.17%)	(17,34,212)	3.72%	10,04,95,844	(4.16%)	(26,39,589)
Stuti Advisory Services LLP	0.20%	44,60,088	(0.36%)	(5,38,321)	0.16%	49,13,928	(0.67%)	(4,33,965)
<b>Total</b>	<b>100%</b>	<b>2,54,96,63,748</b>	<b>100%</b>	<b>(14,82,37,442)</b>	<b>100%</b>	<b>2,70,23,44,464</b>	<b>100%</b>	<b>(6,34,04,820)</b>
Minority Interests in a subsidiary		32,78,394		7,98,499		24,79,895		13,39,873

**48.** Previous year's figures including those in brackets have been regrouped and/or reclassified to confirm to this year's classification.

As per our report of even date

**For S. R. Batliboi & CO. LLP**  
Firm Registration No: 301003E  
Chartered Accountants

per **Bhaswar Sarkar**  
Partner  
Membership No. 55596

Place : Kolkata  
Date : 30th May, 2015

**For and on behalf of the Board of Directors**

**B. L. Mittal**  
Chairman & Managing Director  
DIN : 00365809

**Ravi Kant Sharma**  
Director  
DIN : 00364066

**Giridhar Dhelia**  
Chief Financial Officer

**Biplab Kumar Mani**  
Company Secretary



## NOTES

## NOTES

[illegible]

# Core Values

To facilitate financial transactions with commitment and transparency  
by adding value to achieve financial goals



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