

A **Asit C. Mehta** Group Company

Asit C. Mehta Financial Services Ltd
30th Annual Report
2013-2014

FINANCIAL HIGHLIGHTS

(₹ In Lakh)

	2013 - 14	2012 -13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Net worth*	880	1,033	1,097	1,151	1,201	1,128	1,129	1,153	1,075	762
Borrowings	1508	1,543	1,216	327	289	240	181	173	63	9
Net Fixed Assets (including revaluation)	5,729	4,539	4,621	4,704	1,148	1,107	1,120	1,042	869	488
Investments	1,547	1,547	1,547	605	605	605	306	331	306	311
Book value per share -Rs	17.77	20.86	22.15	23.24	24.24	22.75	22.80	23.27	21.71	22.14
Gross Income	256	197	165	89	177	263	482	702	694	290
Operating and Other expenses	416	267	226	118	90	228	444	490	424	140
Profit Before Tax	(160)	(70)	(61)	(29)	87	35	38	212	270	150
Profit After Tax	(153)	(64)	(54)	(50)	101	35	31	210	252	150
Equity Dividend per share - Rs		-	-	-	0.50	0.75	1.00	2.50	2.00	-

*excluding revaluation reserve

Green Initiative

The Ministry of Corporate Affairs (MCA) has initiated 'Green Initiative' in Corporate Governance by allowing paperless compliances by companies. In accordance with circulars issued by MCA, companies can send notices, annual reports and other documents to their members by e-mail. Your Company requests its Members, to support the 'Green Initiative' as responsible citizens.

The Company proposes to send future communication (including annual reports) to the Members to their e-mail addresses registered with the Depository Participants (DP) / the Company.

Members, holding shares in demat form, are requested to register / update their e-mail id with their DPs.

Members, holding shares in physical form, are requested to register their e-mail id with the Company by sending an e-mail addressed to 'investorservices@nucleusservices.com' giving their details of shareholding with name, address and folio number.

BOARD OF DIRECTORS : **ASIT C. MEHTA** – Chairman
DEENA A. MEHTA
KIRIT H. VORA
VIJAY G. LADHA – (Chairman – Audit Committee)
DR. R. KRISHNAMURTHY
D. SUNDERAJAN (upto 31st July, 2014)
PUNDARIK SANYAL (from 31st July, 2014)

Registered Office : 'Nucleus House', Saki-Vihar Road,
Andheri (East), Mumbai – 400072

Auditors : M/s Manek & Associates
Chartered Accountants

Bankers : Bank of India

Share Transfer Agent : Link Intime India Private Limited
C 13 Pannalal Mills Compound, LBS Marg,
Bhandup W, Mumbai 400 078

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30th Annual General Meeting
on Friday, 26th September, 2014, at 4.00 p.m. at the Registered Office of the Company at Nucleus House,
Opp. L & T Gate No 7, Saki-Vihar Road, Andheri (East), Mumbai - 400072

ASIT C MEHTA FINANCIAL SERVICES LIMITED

CIN: L65900MH1984PLC091326

Registered Office: 'Nucleus House', Saki Vihar Road, Andheri (E), Mumbai 400 072

Notice

Notice is hereby given that the THIRTIETH ANNUAL GENERAL MEETING (AGM) of the Members of Asit C. Mehta Financial Services Limited will be held at the registered office of the Company at Nucleus House, Opp. L & T Gate No 7, Saki-Vihar Road, Andheri (East), Mumbai – 400072 at 4.00 p.m. on Friday, 26th September, 2014 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. Asit C Mehta who retires by rotation and being eligible, offers himself for re-election.
3. To pass with or without modification the following resolution as an Ordinary resolution:
"RESOLVED that pursuant to the provisions of section 149 read with Schedule IV, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules thereunder and clause 49 of the Listing Agreement, Mr. Vijay G Ladha (holding DIN 00168663), Director, who retires by rotation at this Annual General Meeting be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a term of one year i.e. from the date of this Annual General Meeting(2014) till the date of 31st Annual General Meeting of the Company (2015) (both dates inclusive)"
4. To re-appoint Auditors to hold office from the conclusion of this Annual General meeting until the conclusion of the third consecutive Annual General Meeting and to fix their remuneration and to pass the following resolution thereof.
"Resolved that pursuant to the provisions of section 139 of the Companies Act, 2013 and Rules made thereunder and pursuant to the recommendation by the Audit Committee, M/s Manek and Associates, Chartered Accountants (Firm Registration No 0126679W) be and are hereby reappointed as the auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the third consecutive Annual General meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) and the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the auditors"

AS SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED that pursuant to the provisions of section 149 read with Schedule IV, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules thereunder and clause 49 of the Listing Agreement, Dr R Krishnamurthy (holding DIN 00221583), Director, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years i.e. from the date of this Annual General Meeting(2014) till the date of the 35th Annual General Meeting (2019) of the Company (both dates inclusive)"
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED that pursuant to the provisions of section 149 read with Schedule IV, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules thereunder and clause 49 of the Listing Agreement, Mr. Pundarik Sanyal (holding 01773295), Director, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years i.e. from the date of this Annual General Meeting(2014) till the date of the 35th Annual General Meeting (2019) of the Company (both dates inclusive)"
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
"Resolved that in supersession of the resolution passed at the Extra-ordinary General meeting of the Company held on 21.3.1994, and pursuant to section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company, which together with the monies already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount so borrowed and outstanding at any point of time shall not be in excess of Rs 50 crores (Rupees Fifty crores only) over and above the aggregate of paid-up share capital and reserves of the Company"
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
"Resolved that in supersession of the resolution passed at the Extra-ordinary General meeting of the Company held on 19.12.1994, and pursuant to section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and /or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the moveable and / or immoveable assets and properties of the Company, wherever situate, present and future, in favour of any person including but not limited to, Financial Institution(s), bank(s), Insurance Company(ies), Mutual Fund(s), corporate body(ies), trustees to secure the loans, borrowings, debentures, hire purchase and / or working capital facilities and other credit facilities for an amount not exceeding Rs 50 crores (Rupees Fifty Crores only) over and above the aggregate of paid-up share capital and reserves of the Company"
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, if any, consent of the Company be and is hereby accorded for entering into related party transactions by the Company with effect from 1st October, 2014 up to the maximum amounts as appended below for a period from 1.10.2014 to 30.9.2016:

MAXIMUM VALUE OF CONTRACT / TRANSACTIONS W E F 1.10.2014				
	Transactions as defined under section 188 of the Companies Act, 2013			
	Sale / purchase of any securities	Selling or otherwise disposing of, or buying property	Leasing of any property	Availing of any Services
Name of Related Parties				
Asit C Mehta Commodity Services Ltd	On actual basis.	6.00	1.00	
Asit C Mehta Investment Intermediates Ltd	Exempted, being in the ordinary course of business and on arm's length basis		4.00	0.02
Nucleus IT Enabled Services Ltd			1.25	

RESOLVED FURTHER THAT to give effect to this Resolution the Board of Directors and/ or any Committee thereof be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper desirable and to finalise any documents and writings related thereto."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to section 42 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification and re-enactment for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to issue and offer Non-convertible Debentures for an amount not exceeding Rs 25 crores whether secured or unsecured on private placement basis from banks / Indian Private banks/ Financial Institution/ NBFCs / Corporates / other eligible investors in one or more tranches during a period of one year from the date of passing this resolution"

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Special Resolution No 6 passed at the 25th Annual General Meeting of the Company held on 23.9.2009, and pursuant to the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') approval be and is hereby accorded to keep the Register and Index of Members and copies of annual returns prepared together with the copies of the certificates and documents required to be annexed thereto under section 92 of the Act, with the Company's Share Transfer Agent – M/s Link Intime India P Ltd at their office at C 13 Pannalal Silk Mills Compound, L B S Marg, Bhandup West, Mumbai 400 078 or at such other place where the administrative Office of the said Share Transfer Agent may be situated within the local limits of the city of Mumbai."

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modifications and reenactments thereof for the time being in force) the Articles of Association of the Company be amended as follows:-

- i. Article 1: the definition of "The Act" be amended by replacing the words "The Companies Act, 1956" with "The Companies Act, 2013 and Rules thereunder"

- ii. Deleting the 'Article 2' and substituting with the following new 'Article 2'

"Article 2: The regulations contained in Table F of Schedule I of the Act shall apply to the Company except in so far as they are already embodied in the following Articles, which shall be the regulations for the management of the Company, so however that the Articles shall to the extent to which they are repugnant to and/or variance with the provisions of the Companies Act, 2013, various schedules thereto and the Rules made there under (collectively referred to as "Act") be deemed to have been replaced by the relevant provisions / rules in the Act so as to be in consonance and harmony therewith"

Resolved Further That the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- iii. A new Article 126A be added after existing Article 126

Article 126A: The Board may decide that the Managing Director or Chief Executive Officer of the Company shall also hold office of the Chairman of the Company

REGISTERED OFFICE

Nucleus House,
Saki- Vihar Road, Andheri (East),
Mumbai – 400 072

Mumbai, July 31st, 2014

FOR AND ON BEHALF OF THE BOARD

ASIT C. MEHTA

CHAIRMAN
DIN: 00169048

NOTES :

The Company being a listed company and having more than 1000 shareholders is compulsorily required to provide e-voting facility / postal ballot to the members in terms of Clause 35B of the Listing Agreement and also under the relevant provisions of the Companies Act, 2013 read with the relevant rules thereunder.

Printed copies of the Notice of the 30th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith Attendance slip, Ballot Form and Proxy Form is being sent to all the Members in the physical mode. In addition, the Notice of the 30th Annual General Meeting of the Company in electronic mode inter alia indicating the process and manner of e-voting is also being sent to all members whose email IDs are registered with the Depository Participant(s).

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing a proxy in order to be effective should be duly filled, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. A proxy appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights shall not act as proxy for any other member.
3. Explanatory Statement as required under section 102 of the Companies Act, 2013 is annexed hereto.
4. The details under clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd, in respect of a Director seeking re-election at the Annual General Meeting are given in the Corporate Governance Report.
5. The Register of Members and Share Transfer Books will remain closed from 20.9.2014 to 26.9.2014 (both days inclusive).
6. Section 109A of the Companies Act, 1956 provides for Nomination by the shareholders of the Company in prescribed Form 2B. Shareholders are requested to avail this facility.
7. Since the Company's shares are in compulsory demat trading, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares in demat form.
8. Any member(s) seeking further information on the Accounts / Operations of the Company are requested to send their queries in writing to the Company at its Registered Office (and marked to the attention of Company Secretary) at least one week in advance of the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
9. Members who have not encashed their dividend warrant(s) pertaining to the Financial year 2007-08 and onwards are requested to make their claims without any delay to the Company. Pursuant to section 205A and 205C of the Companies Act, 1956 (corresponding to section 125 of the Companies Act, 2013) all unclaimed dividends remaining unclaimed/unpaid for a period of 7 years from the date they become due for payment have been transferred to the Investor Education and Protection Fund established by the Central Government.
10. Members / proxies should bring their Attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of the Company's Annual Report.
11. Members are requested to notify immediately any change in their addresses to the Registered Office.
12. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and had issued circulars stating that the service of notice/documents including Annual Report can be sent by e-mail. Pursuant to these circulars, members are requested to provide their E-Mail IDs to the Company or their Depository participant (for the shares held in demat mode), as the case may be, for serving of documents/correspondences by e-mode.
13. The Register of Directors and key managerial personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
14. The Register of Contracts or Arrangements in which directors are interested, maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
15. All documents referred to in this Notice will be available for inspection at the Company's registered Office during business hours 11.00 am to 3.00 pm upto to date of AGM.
16. Mr. V V Chakradeo, Practicing Company Secretary has been appointed as the "Scrutinizer" to scrutinize the e voting and postal ballot process in a fair and transparent manner. The Scrutinizer will submit his final report to the Chairman of the Company on or before 26th September, 2014.
17. The scrutinizer's decision on the validity of votes will be final.
18. The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the report of the Scrutinizer's Report shall be displayed on the Notice Board of the Company at the Registered Office within 2 working days of passing the resolutions and shall also be communicated to BSE Ltd where the shares of the Company are listed.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any

company, then your existing password is to be used.

- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN 140816011 of the company.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) The voting period begins on 18th September, 2014 (9.00 a.m.) and ends on 20th September, 2014 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 15th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.*

REGISTERED OFFICE

Nucleus House,
Saki- Vihar Road, Andheri (East),
Mumbai – 400 072

Mumbai, July 31st, 2014

FOR AND ON BEHALF OF THE BOARD

ASIT C. MEHTA
CHAIRMAN
DIN: 00169048

Explanatory Statement in respect of Special Business pursuant to section 102 of the Companies Act, 2013**Item No 3**

Mr. Vijay Ladha is a Non-executive Independent Director and the chairman of Audit Committee of the Company. He retires by rotation at the ensuing 30th Annual General Meeting under section 152 of the Companies Act, 2013 ("the Act"). In terms of Section 149 read with Schedule IV and other applicable provisions of the Act and the Rules thereunder, Mr. Vijay Ladha, being eligible and offering himself for appointment, is proposed to be appointed as Independent Director for a term of one year, i.e. from the date of the ensuing 30th Annual General Meeting (2014) till the date of 31st Annual General Meeting (2015). A Notice has been received from a member proposing Mr. Vijay Ladha as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Vijay Ladha fulfills the conditions specified in the Act and Rules made thereunder for his appointment as Independent Director of the Company. Copy of the draft letter for appointment of Mr. Vijay Ladha as Independent Director would be available for inspection without any fee by the Members at the Registered Office during normal business hours on any working day upto the date of the ensuing Annual General Meeting.

The Board considers that Mr. Vijay Ladha's continued association would be of immense benefit to the Company and it is desirable to avail his services as Independent Director. The Board recommends the resolution for approval by the members of the Company. Except Mr. Vijay Ladha, being the appointee, none of the Directors and Key Managerial Personnel of the Company is concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

Item No 4

The Companies Act, 2013 ("the Act") has brought certain changes with regard to the appointment of auditors. Henceforth, the statutory auditors have to be appointed for a term of five years and such appointment is subject to ratification by the members every year in the Annual General Meeting. The Act makes it mandatory to rotate the auditors every 10 years, in case of a firm of auditors. The computation of the number of years is to be considered with retrospective effect.

M/s Manek and Associates, Chartered Accountants are the statutory auditors since 2007. Accordingly, they can hold the office for further 3 years and hence their appointment is made only for a period of 3 years. Being eligible for appointment under the provisions of the Act, they have furnished their consent to act as the statutory auditors in terms of section 139 of the Act and also provided a certificate to the effect that their appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under section 141 of the Act.

Accordingly, the approval of the Members is being sought for the appointment of M/s Manek and Associates, Chartered Accountants, as the Statutory Auditors of the Company for a period from the conclusion of the 30th Annual General Meeting until the conclusion of the 33rd Annual General Meeting on the remuneration as may be determined by the Audit Committee in consultation with the auditors and fixed by the Board of Directors. The Board recommends the resolution for the approval of the shareholders of the Company.

None of the Directors and/or Key Management Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at item no 4.

Item No 5

Dr R Krishnamurthy is a Non-executive Independent Director and a member of the Audit Committee of the Company. In terms of Section 149 read with Schedule IV and other applicable provisions of the Act and the Rules thereunder, Dr. R Krishnamurthy, being eligible and offering himself for appointment, is proposed to be appointed as Independent Director for five consecutive years, i.e. from the date of the ensuing 30th Annual General Meeting (2014) till the date of 35th Annual General Meeting (2019). A Notice has been received from a member proposing Dr R Krishnamurthy as a candidate for the office of Independent Director of the Company.

Dr R Krishna Murthy, is a consultant specializing in the field of Industrial Relations and Human Resources Management and is heading M/s S R Mohan Das & Associates. He did his management post graduation from Jamnalal Bajaj Institute of Management (JBIMS). He had worked with Larsen & Toubro for three years. He quit his job and did his Ph.D in Management from JBIMS, and thereafter his law graduation. He specializes in the field of Labour Laws with over three decades of experience. Dr Krishnamurthy is also a Director on Mega Ace Ltd. He holds 1000 shares in the Company.

In the opinion of the Board, Dr. R Krishnamurthy fulfills the conditions specified in the Act and Rules made thereunder for his appointment as Independent Director of the Company. Copy of the draft letter for appointment of Dr. R Krishnamurthy as Independent Director would be available for inspection without any fee by the Members at the Registered Office during normal business hours on any working day upto the date of the ensuing Annual General Meeting.

The Board considers that Dr. R Krishnamurthy's continued association would be of immense benefit to the Company and it is desirable to avail his services as Independent Director. The Board recommends the resolution for approval by the members of the Company.

Except Dr. R Krishnamurthy, being the appointee, none of the Directors and Key Managerial Personnel of the Company is concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

Item No 6

The Board of Directors at their meeting held on 31st July, 2014 appointed Mr. Pundarik Sanyal as a Non-executive Independent Director of the Company to fill the vacancy due to resignation of Mr. D Sunderajan.

Mr. Sanyal is B.Sc Tech from Calcutta University. He has worked in Bank of India from 1973 to 2007 occupying several positions including of Chief Manager. For the period from 2007 to 2013, he was appointed as Managing Director of STCI Finance Ltd. He carries with him rich and varied experience of 34 years in banking and finance.

In terms of Section 149 read with Schedule IV and other applicable provisions of the Act and the Rules thereunder, Mr. Pundarik

Sanyal, being eligible and offering himself for appointment, is proposed to be appointed as Independent Director for five consecutive years, i.e. from the date of the ensuing 30th Annual General Meeting (2014) till the date of 35th Annual General Meeting (2019). A Notice has been received from a member proposing Mr. Sanyal as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Pundarik Sanyal fulfills the conditions specified in the Act and Rules made thereunder for his appointment as Independent Director of the Company. Copy of the draft letter for appointment of Mr. Pundarik Sanyal as Independent Director would be available for inspection without any fee by the Members at the Registered Office during normal business hours on any working day upto the date of the ensuing Annual General Meeting.

The Board considers that Mr. Pundarik Sanyal's continued association would be of immense benefit to the Company and it is desirable to avail his services as Independent Director. Mr. Pundarik Sanyal does not hold any shares in the Company.

The Board recommends the resolution for approval by the members of the Company.

Except Mr. Pundarik Sanyal, being the appointee, none of the Directors and Key Managerial Personnel of the Company is concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

Item No 7

The members of the Company at the Extra-ordinary general meeting of the Company held on 21st March, 1994 approved under section 293 (1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up capital and free reserves of the Company. Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the company by way of a special resolution.

Section 180(1)(c) of the Companies Act, 2013 which is effective from 12.9.2013 inter alia stipulates to obtain the consent of the Company accorded by way of a special resolution. As a consequence, approval of members is being sought to borrow money upto Rs 50 crores (Rupees Fifty crores) in excess of the aggregate of the paid up capital and free reserves of the Company.

None of the Directors and /or Key Management Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at item no 7.

Item No 8

The members of the Company at the Extra-ordinary general meeting of the Company held on 19th December, 1994 approved under section 293 (1)(a) of the Companies Act, 1956, for creating mortgage or charge on its moveable and immoveable properties. Pursuant to section 180(1)(a) of the Companies Act, 2013, the Board of Directors shall not create mortgage and /or charge on the moveable or immoveable properties of the Company except with the consent of the members accorded by way of a special resolution. As a consequence, approval of members is being sought to create mortgage and / or charge on the moveable and immoveable properties of the Company up to Rs 50 crores (Rupees Fifty crores) in excess of the aggregate of the paid up capital and free reserves of the Company.

None of the Directors and /or Key Management Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at item no 8.

Item no. 9

(a) Item No 1 The provisions of Section 188(1) of the 2013 Act that govern certain Related Party Transactions require the Company to obtain prior approval of the of shareholders by way of a Special Resolution where the transaction or the transactions to be entered into exceed the criteria laid down under Rule 15 of Companies (Meetings of Board & its Powers), Rules, 2014.

(b) Further, third proviso to section 188(1) provides that nothing shall apply to any transaction entered into by the company in its ordinary course of business other than transactions which are not on arm's length basis.

The Board of Directors of your Company has approved the proposed transactions along with the maximum limits that your Company may enter into with its Related Parties (as defined under the 2013 Act) for the period from 1.10.2014 to 30.9.2016.

The prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are given herein below for kind perusal of the members

- a. Name of the related party and nature of relationship: As provided in the resolution
- b. Nature, duration of the contract and the particulars of the contract or arrangement:
 1. The Company intends to offer certain Office premise(s) on rental basis which are situated at 'Nucleus House', Saki Vihar Road, Andheri East, Mumbai 400 072 to the related parties stated in the resolution above. The contract will be in the nature of Leave and Licence. The contract can be for a period from 3 months to 2 years.
 2. The Company may purchase / sale Office premises situated Nucleus House', Saki Vihar Road, Andheri East, Mumbai 400 072 from Asit C Mehta Commodity Services Ltd at the price determined in the relevant Ready Reckoner of the Stamp duty. The value of the transaction will not exceed an aggregate amount of Rs 6 crores and will be at arm's length basis.
- (c) Material terms of the contract or arrangement including the value, if any:

As referred in point (b) above.

- (d) Any advance paid or received for the contract or arrangement, if any: Nil
- (e) Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract:

The proposed transactions would be carried out as part of the business requirements of the Company and are ensured to be on arm's length basis. Further, the Company is also subject to transfer pricing norms prevalent in the country.

- (f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors:

All factors have been considered.

- (g) Any other information relevant or important for the Board to take a decision on the proposed transaction: Nil.

Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors of your Company recommends the Resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

Except Promoter-Directors i.e. Mr. Asit C Mehta and Mrs. Deena A. Mehta and their relatives, no other Director / Key Managerial Personnel of the Company are concerned or interested in the Resolution.

Item 10

In terms of section 42 of the Companies Act, 2013 and Rule 14 of the Companies (Prospectus & Allotment) Rules, 2014, a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the Company by a Special Resolution. For the offer or invitation for offer of non-convertible debentures, the Company can pass Special Resolution once a year for all the offers or invitation for such debenture during the year.

The Company seeks to pass an enabling resolution to borrow funds by offer of Non convertible debentures for an amount not exceeding Rs 25 crores at interest rate that will be determined by the prevailing market conditions at the time of borrowing. Rule 14 of the Companies (Prospectus & Allotment) Rules, 2014 requires passing of this Special Resolution which will be valid for a period of one year.

To enable the Board to borrow the money by way of offer of Non-convertible Debentures or invitation to subscribe Non convertible debentures the members' approval is being sought by way of special resolution.

None of the Directors and /or key managerial personnel of the Company and their relatives are concerned or interested, financial or otherwise in the resolution set out at item no 10.

Item No 11

In accordance with the provisions of section 94 of the Companies Act, 2013 ("the Act") the register and index of members and copies of all annual returns prepared under section 92 of the Act together with the documents required to be annexed thereto are to be kept at the registered office of the company. However, as per proviso to section 94 (1) of the Act such registers, indexes, returns and other related documents can be kept at any other place in which more than one-tenth of the total number of members reside, if approved by a special resolution passed at a general meeting of the Company and the Registrar has been given a copy of the proposed special resolution in advance.

The members of the Company under section 163 of the old Companies Act, 1956 had approved keeping of the aforesaid Registers and copies of Annual Return and other related documents at the Office of Linkintime India Pvt. Ltd (R & T Agent) at their Office which is presently at C 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078 or at such other place where the office of the Share Transfer Agent may be situated within the local limits of the city of Mumbai.

In view of enabling provisions of the Companies Act, 2013, as explained above, it is proposed to keep the aforesaid Registers and documents at the premises of R & T Agents as stated in the resolution.

None of the Directors and /or key managerial personnel of the Company and their relatives are concerned or interested, financial or otherwise in the resolution set out at item no 11.

Item No 12

With the promulgation of the Companies Act, 2013, together with various Schedules thereof and the Rules made thereunder (collectively referred to as "Act"), in replacement of the Companies Act, 1956, it has become necessary to modify the existing Article No 2, so as to have the effect of bringing various existing Articles, in consonance with the provisions of the Act, to the extent they are repugnant to and / or at variance with the provisions thereof, with reference to the various sections of the Companies Act, 1956 being deemed to be and read as reference to corresponding Sections of the Act, wherever appearing.

Also, proviso to section 203 of the Companies Act, 2013 provides that an individual shall not be appointed as the chairperson of the Company as well as Managing Director or Chief Executive Officer of the Company at the same time after the commencement of this Act unless articles of such Company provides otherwise. Thus, it is proposed to amend the Articles of Association by inserting a new clause 126A as stated in the resolution.

The Directors recommend the resolution at item No 12 of the Notice for the approval of the Members as a Special resolution, in terms of Section 14 of the Companies Act, 2013.

A copy of the Articles of Association of the Company with the proposed alterations would be available for inspection by the members at the Registered Office of the Company during 11.00 am to 2.00 pm on any working day, excluding Saturday and upto the day of the Annual General Meeting.

None of the Directors and /or Key Management Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at item no 12.