

MATHEW EASOW RESEARCH SECURITIES LIMITED



ANNUAL REPORT

<b>BOARD OF DIRECTORS</b>	Beda Nand Choudhary, Director Ram Kumar Dalmia, Director Atul Kaushik, Director Aditya Doshi, Whole-time Director & CEO
<b>AUDITORS</b>	Bhandari B. C. & Co. Chartered Accountants Kolkata
<b>BANKERS</b>	HDFC Bank Ltd. ING Vysya Bank Ltd. Corporation Bank
<b>COMPANY SECRETARY</b>	Pritha Sinha
<b>REGISTERED OFFICE &amp; SHARE DEPARTMENT</b>	“Rajkamal Building” 128, Rash Behari Avenue, 1st Floor, Office – S-4 Kolkata – 700 029 Tel No. (033) 2464 7022/4066 0354 e-mail: mers.ltd@gmail.com website : www.mersl.in
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	MCS Share Transfer Agent Limited 12/1/5 Manoharpukur Road, Kolkata – 700026 Phone nos.: (033) 4072 4054 Facsimile no.: (033) 4072 4050 E Mail: mcskol@rediffmail.com

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**NOTICE**

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NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of the Company will be held at 432, Prince Anwar Shah Road (Surya Sen Mancha), Kolkata – 700068 on Monday, the 5th day of August, 2013 at 9.30 A.M. to transact the following business:

**AS ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and Statement of Profit and Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Atul Kaushik, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Statutory Auditors and fix their remuneration and for the purpose to consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Bhandari B. C. & Co. Chartered Accountants, Firm Registration No. 311082E, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be determined by the Board in consultation with the Auditors."

**AS SPECIAL BUSINESS:**

4. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Provisions of Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs. 10,00,00,000/- (Rupees Ten Crore only) divided into 90,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each and 1,00,000 Preference Shares of Rs. 100/- (Rupees One Hundred only) each to Rs. 18,00,00,000/- (Rupees Eighteen Crore only) divided into 1,70,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each and 1,00,000 Preference Shares of Rs. 100/- each, by creation of additional 80,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each, ranking pari passu with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company, relating to the Share Capital, be and is hereby altered by deleting the same and substituting in its place the following new clause V:

- V) The authorized share capital of the company is Rs. 18,00,00,000/- (Rupees Eighteen Crore only) divided into 1,70,00,000 Equity Shares of Rs. 10/- each and 1,00,000 Preference Shares of Rs. 100/- each with such rights, privileges & conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and decrease the capital to the company and to divide the shares in capital for the time being into several classes and to attach thereto respectively such preferential rights privileges or conditions as may be determined by or in accordance with the Articles of the Company for the time being and to modify or abrogate any such rights privileges or conditions in such manner as may be permitted by the Act, or provided by the articles of the company for the time being."
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 Provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the stock exchanges where the Company's shares are listed and the regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India or any other

relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, the consent of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this resolution) to create, issue, offer and allot equity shares of Rs.10/- each on Rights basis, provided that the total amount raised through the issuance of equity shares does not exceed Rs. 25,00,00,000/- (Rupees Twenty Five Crores) including premium, if any, in the ratio to be determined by the Board to eligible shareholders as on the record date to be fixed for the purpose through letter of offer at par or such premium as may be decided, in consultation with the Merchant Banker and / or other Advisors or otherwise and on such terms and conditions as the Board may, in its absolute discretion deemed fit".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted or may be necessary in accordance with the terms of the offer, and such equity shares shall rank pari-passu with the existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT the allotment to non-resident shareholders, if any, will be subject to approval of the Reserve Bank of India."

"RESOLVED FURTHER THAT for the purpose of giving effect to the offer, issue or allotment of equity shares, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deemed necessary or desirable for such purpose, including without limitation, the entering into arrangements for appointment of agencies for managing, underwriting, marketing, listing, trading of equity shares issued, and to issue the offer document(s) and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to dispose of the unsubscribed portion of the new shares in such a manner as they think most beneficial to the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company."

The resolution seeks to obtain the members' approval in respect of raising of funds through Rights Issue of equity shares pursuant to the provisions of Section 81 of the Companies Act, 1956.

By Order of the Board  
For **Mathew Easow Research Securities Limited**

Place: Kolkata  
Date: 8th July, 2013

Pritha Sinha  
Company Secretary

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective, must be received by the Company, duly filled, stamped and signed at its Registered Office not less than 48 hours before the commencement of the Meeting.
3. The relative explanatory statement pursuant to section 173(2) of the companies act, 1956 in respect of the special business at item no. 4 and 5 above is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 23rd July, 2013 to 5th August, 2013 (both days inclusive).
5. Shareholders are requested to bring the attendance slip alongwith copy of Annual Report at the Annual General Meeting.

6. Members who are holding shares in the demat form are requested to bring their Depository ID Number and Client ID Number to facilitate easier identification for attendance at the meeting.
7. Shareholders desiring any information as regards the Accounts are requested to write to the Company at least ten days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
8. A copy of Balance Sheet as on 31st March, 2013, Statement of Profit and Loss for the year ended on that date, the Auditors' Report, the Directors' Report and all other documents required by law to be annexed or attached to the Balance Sheet shall be available for inspection at the Registered Office of the Company on all working days during business hours between 11.00 a.m. and 1.00 p.m. for a period of 21 days before the date of Annual General Meeting.
9. As required under clause 49 of the Listing Agreement executed with the Stock Exchange(s), a brief profile of the Directors seeking appointment/re-appointment at the Annual General Meeting is given below:

Name of the Director	Mr. Atul Kaushik
Date of Birth	07.03.1957
Qualification	B. Com (Hons.)
Expertise in specific functional areas	He has varied experience inter alia in the field of accounting and financing for the last 12 years.
Directorship held in other public Companies	Manphool Exports Limited
Committee Membership	Audit Committee, Remuneration Committee & Shareholder Grievance Committee.
Shareholding in the Company	Nil

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**

##### **ITEM No. 4**

The present Authorized Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 90,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each and 1,00,000 Preference Shares of Rs. 100/- (Rupees One Hundred only) each.

To enable the company to raise resources by issue of Equity Shares on rights basis, it is proposed to increase the Authorized Share Capital of the Company from Rs. 10,00,00,000/- to Rs. 18,00,00,000/- (Rupees Eighteen Crore only) divided into 1,70,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each and 1,00,000 Preference Shares of Rs. 100/- each, by creation of additional 80,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each, ranking pari passu with the existing Equity Shares of the Company.

Pursuant to Provisions of Section 16 & 94 of the Companies Act, 1956, approval of the members by way of Ordinary resolution is required for increase in the Authorized Share Capital of the Company.

The Directors recommend this Resolution for approval of the Shareholders.

None of the Directors of the Company is in anyway, concerned or interested in the Resolution.

##### **ITEM No. 5**

The Company, in order to meet its growth objectives and to strengthen its financial position, is required to generate long term resources. The Company plans to expand its existing activities. The key plans for which finance is required are detailed hereunder:

- (1) Expansion of its current activities to make investments in various corporate bodies.
- (2) To Provide Corporate Finance.
- (3) Long term working capital requirements.

In order to provide finance to these plan, the company intends to raise resources by issue of Equity shares of the face value of Rs.10/- each to the existing shareholders on rights basis for a total amount not exceeding Rs. 25,00,00,000/- (Rupees Twenty Five Crores).

Section 81 of the Companies Act, 1956 ("Act"), provides, inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the Company, in proportion to the Capital paid up on those shares as of that date unless the shareholders decide otherwise. The Listing Agreement with the Stock Exchanges also provides that the Company shall issue or offer in the first instance all securities to the existing equity shareholders, unless the shareholders decide otherwise. Any offer or issue of shares by a Company to persons other than the holders of the equity shares of the company or to such holders otherwise than in proportion to the capital paid up, requires prior approval of the shareholders by passing of a Special Resolution. Under the proposed Rights Issue, the Equity Shares will be offered to existing Shareholders of the Company on the basis of shares held by them as on the record date. Further, in case of under subscription and /or renunciation, the equity shares may be offered and allotted to persons other than the existing Shareholders. Hence, the proposed special resolution seeks the consent and authorization of the Shareholders accordingly.

The Special Resolution as mentioned in this notice authorizes the Board or a committee thereof to finalize all aspects of the issue including the terms of the Issue, price and size of the issue, record date etc in consultation with the Merchant Banker and/or other Advisors and in accordance with the applicable provisions of rules, regulations, or guidelines. The detailed terms and conditions of the Rights issue will be intimated to the shareholders through the Letter of Offer to be issued in this regard.

The Directors recommend this Resolution for approval of the Shareholders.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent they may be entitled to the equity shares that may be offered to them on rights basis or otherwise, applied for by them and allotted to them.

By Order of the Board  
For **Mathew Easow Research Securities Limited**

Place: Kolkata  
Date: 8th July, 2013

Pritha Sinha  
Company Secretary

**DIRECTORS' REPORT**

Your Directors take pleasure in presenting the Nineteenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2013.

**1. FINANCIAL HIGHLIGHTS**

The financial results of the Company are summarized below:

	<b>2012-13</b>	2011-12
	(₹)	(₹)
Profit before Depreciation	<b>14,84,657</b>	15,80,245
Less: Depreciation	<b>3,09,935</b>	2,86,626
Provision for Taxation:		
Current Tax	<b>3,75,350</b>	3,86,000
Deferred Tax written back	<b>(11,369)</b>	(11,640)
Profit after tax	<b>8,10,741</b>	9,19,259
Add: Balance brought forward from previous year	<b>36,72,319</b>	27,53,060
Profit carried forward to Balance Sheet	<b>44,83,060</b>	36,72,319

**2. PERFORMANCE REVIEW & OPERATIONS**

Due to the economic slowdown, particularly in the financial sector, the performance of your company during the year under review was not upto the mark and achieved a turnover of Rs. 22,068,355 as compared to Rs. 63,793,388 during the previous year. However, your company made a profit of Rs. 8,10,741 as compared to last year profit of Rs. 9,19,259.

Your Company has been mainly into investment activities. However with a view to diversify its business operations, your Company has participated in the bid for empanelment as an Enrolling Agency for undertaking demographic and biometric data collection for UIDAI (AADHAAR Cards). During the financial year 2012-13, due to unavoidable circumstances, there was a delay in making renewal application to the concerned authorities. As a result, the company application for the concerned year was not approved by the Unique Identification Authority of India, Planning Commission, Government of India. However, the company has made a fresh application as an entrant in the month of June, 2013 and awaiting its approval. The Company wishes to undertake enrollment services in the state of West Bengal, Bihar, Rajasthan, Assam and Jharkhand. The Company is looking for various possibilities for undertaking the said business.

**3. DIVIDEND**

In order to plough back the profits for future requirements of the company, no dividend is being declared for the year under review.

**4. DIRECTORS**

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Mr. Atul Kaushik, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

**5. STATUTORY DISCLOSURES**

None of the Directors of the Company are disqualified as per the provisions of Section 274(1)(g) of the Companies Act, 1956. The Directors have made the necessary disclosures as required by the various provisions of the Act and clause 49 of the Listing Agreement.

**6. AUDITORS**

M/s. Bhandari B. C. & Co., Chartered Accountants, the Statutory Auditors of the Company are retiring at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has received written confirmation from them, that their re-appointment as Auditors, if made, would be in conformity with the limits prescribed in the said section and that they are not disqualified from being

appointed as the Auditors of the Company within the meaning of Section 226 of the said Act.

## 7. AUDITORS' REPORT

The Auditors' Report and the notes forming part of the accounts are self-explanatory and hence do not require any further explanation from the Directors of the Company on the same.

## 8. DIRECTORS' RESPONSIBILITY STATEMENTS

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm:

- i) that in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) that the Directors had 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 as at 31st March, 2013 and of the profit for the year ended as on that date;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the directors had prepared the Annual Accounts on a going concern basis.

## 9. PARTICULARS OF EMPLOYEES

During the year under review no employee of the Company was in receipt of remuneration for the whole or part of the year exceeding the limits, prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

## 10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required under Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to conservation of energy and technology absorption, are not applicable to the Company. There was no foreign exchange earnings and outgo during the year under review.

## 11. CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance practices. The Company's Corporate Governance practices are in accordance with the relevant clauses of the Listing Agreement. A separate Section on Corporate Governance is included in the Annual Report and the certificate from the Auditors of the Company regarding the compliances of the conditions of the Corporate Governance is given in annexure attached to and forming part of the Corporate Governance Report.

## 12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the stock exchanges, is presented in a separate section forming part of the Annual Report.

## 13. ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere appreciation for the continued support received by the Company from the shareholders, employees and bankers during the year under report.

For & on behalf of the Board

Place : Kolkata  
Date : 8th July, 2013

Aditya Doshi  
Whole-time Director & CEO

Ram Kumar Dalmia  
Director

### Registered Office:

Raj Kamal Building, 1st Floor  
128, Rash Behari Avenue, Kolkata – 700029

Beda Nand Choudhary  
Director

Atul Kaushik  
Director



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**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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**INDUSTRY STRUCTURE & DEVELOPMENTS**

During the financial year 2012-13, the Indian economy faced a challenging year over global growth prospects and financial stability weighing on external demand and international funding. The economic environment remained subdued for large part of year. Gross Domestic Product (GDP) growth is expected to decline to 5% for the Financial Year 2012-2013 against 6.2% for the previous year. The Reserve Bank of India has worked towards easing monetary and liquidity conditions in a calibrated manner against the backdrop of high current account deficit which is estimated at around 4.2% and sustained inflation which is estimated at over 7%. Due to a number of factors including weak economic growth, higher subsidy bill and low receipts from disinvestment initiatives, the government had projected a fiscal deficit target of 5.1% of GDP. Revenues were under pressure. Number of steps has been taken by Government of India towards fiscal consolidation such as gradual increase in fuel prices, targeted subsidy through direct cash transfers and allowing Foreign Direct Investment in select sectors. Several measures are also expected to be announced that will boost investment, reduce inflation and fiscal deficit. On balance, the prospect of some monetary easing going ahead, a normal monsoon and some traction in government capital expenditure could pave the way for a revival in GDP growth to 5.8%-6% in Financial Year 2013-14 and could keep India a significant out-performer in the global context.

**OVERVIEW AND FUTURE OUTLOOK**

The economic environment prevailing in the country affected the NBFC sector also. Due to below normal rainfall, particularly in the key months of June and July, agriculture in India has also been affected which resulted in a lower growth rate of agriculture and allied sectors. Various other factors such as, global economic slowdown, depressed sentiments, high interest rates, moderation in credit growth and a deceleration in growth of investment also contributed to the reduction in growth of industrial sector. Lower growth in agriculture, industrial and mining sector has had an adverse impact on the growth of commercial vehicle and equipment segment. The initiatives taken by the Reserve Bank of India on reducing the CRR and Repo rate in the second half of the financial year will certainly help in reducing the liquidity pressure and softening the interest rates and thereby reducing the borrowing cost. The various proactive steps envisaged by the Government will also enable the NBFCs to achieve higher credit growth.

**OPPORTUNITIES & THREATS****Opportunities**

Number of policy measures has been announced by the Government to boost investments which includes an investment allowance for manufacturing companies, policy measures for creating affordable housing and addressing requirements of agriculture sector through measures other than price supports. Various measures are being adopted taken to address requirements of mining and power generation sectors which will remove supply bottlenecks to a number of sectors. With the government's initiative to boost infrastructure projects, NBFCs can also look for growth in asset financing.

**Threats**

The growth of the company's assets and ability to raise funds depends significantly on the economy. Due to unfavorable events in the Indian economy, the consumers' sentiments can be affected and in turn impact consumer decision to purchase financial products. Various other factors such as competition from a broad range of financial services providers and changes in Government policy / regulatory framework could impact the company's operations.

**RISK AND CONCERNS**

Your Company like any other Company is exposed to specific risks that are particular to its business and the environment within which it operates. The company is exposed to the market risk (including liquidity risk) and also the factors that are associated with capital market, which inter alia includes economic/business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility, and credit risk. The Company is confident of managing these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

**COMPANY'S PERFORMANCE**

Please refer the Directors' Report on performance review.

**INTERNAL CONTROL SYSTEM**

The Company's comprehensive and effective internal control system ensures smooth business operations, meticulously recording all transaction details and ensuring regulatory compliance and protecting the Company's assets from loss or misuse.

The Company has adequate internal control procedures commensurate with its size and nature of business. The objectives of these procedures are to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. The adequacy of internal control systems are reviewed by the Audit Committee of the Board in its periodical meetings in line with the dynamic business environment.

**HUMAN RESOURCES**

The Company has always attached maximum importance for the development of human resource, the vital assets responsible for the continuous success of business. The Company is continuously renewing and updating the knowledge and skill of its employees at all levels through training and development. The Company has developed an environment of harmonious and cordial relations with its employees.

**FORWARD-LOOKING STATEMENT**

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This report should be read in conjunction with the financial statements included herein and the notes thereto.

For & on behalf of the Board

Place : Kolkata  
Date : 8th July, 2013

Aditya Doshi  
Whole-time Director & CEO

Ram Kumar Dalmia  
Director

**Registered Office:**

Raj Kamal Building, 1st Floor  
128, Rash Behari Avenue, Kolkata – 700029

Beda Nand Choudhary  
Director

Atul Kaushik  
Director

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholders' aspirations and societal expectations. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself to increasing long-term shareholders value, keeping in view the needs and interest of all its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics. Your Company has been practicing the principles of good Corporate Governance, which comprise all activities that result in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management. The following Corporate Governance Practices have been adopted by the Board of Directors:

### 2. BOARD OF DIRECTORS

#### COMPOSITION OF THE BOARD

Your Company's Board presently comprises of 4 Directors - 2 Non Executive Independent directors, 1 Non-Executive Non-Independent Director and 1 Whole-time Director.

The details of the directors with regards to the other Indian Directorships (other than Section 25 Companies, Foreign Companies and Private Companies), positions held in any Committees of Board of Directors as well as attendance at Board Meetings / Annual General Meeting are as follows:

Name of the Director	Category	No. of Directorships held in other Companies	No. of Membership(s) of Board Committees **of other Companies as		Shares held
			Member	Chairperson	
Mr. Beda Nand Choudhary	Non Executive	4	1	Nil	Nil
Mr. Ram Kumar Dalmia	Non Executive Independent	1	Nil	Nil	Nil
Mr. Atul Kaushik	Non Executive Independent	1	Nil	Nil	Nil
Mr. Aditya Doshi	Whole-time Director	Nil	Nil	Nil	Nil

\*\*Only positions held in three Committees viz. the Audit Committee, Remuneration Committee and Investor Grievance Committee in Indian Public Limited Companies have been considered.

#### ATTENDANCE OF DIRECTORS IN THE MEETINGS HELD DURING THE YEAR 2012-13

Eight Board meetings were held during the financial year ended 31st March, 2013 on 7th April, 2012, 2nd May, 2012, 30th May, 2012, 14th August, 2012, 19th October, 2012, 12th November, 2012, 12th December, 2012 and 12th February, 2013.

The attendance of Directors at these meetings are as follows:

Name of Directors	No. of Board Meetings Attended	AGM held on 28.09.2012 Attended
Mr. Beda Nand Choudhary	8	Yes
Mr. Ram Kumar Dalmia	8	Yes
Mr. Atul Kaushik	8	Yes
Mr. Aditya Doshi	6	Yes

## CODE OF CONDUCT

The Company has a Code of Conduct for all its Board members and Senior Management personnel for avoidance of conflict of interest. It has received the necessary declarations affirming compliance with it from all of them during the period from 01.04.2012 to 31.03.2013.

### 3. BOARD COMMITTEES

#### A. AUDIT COMMITTEE

##### TERMS OF REFERENCE

The Audit Committee has been mandated with the same terms of reference as specified in the Clause 49 of the Listing Agreement with Stock exchanges and covers all the aspects stipulated by the SEBI Guidelines. The terms of reference also fully confirm to the requirements of Section 292A of the Companies Act, 1956.

##### COMPOSITION, NAME OF MEMBERS AND CHAIRMAN

The Audit Committee comprises of three Non-Executive Directors, out of which two are independent. During the year, the Audit Committee met 4 times to deliberate on various matters on 30th May, 2012, 14th August, 2012, 12th November, 2012 and 12th February, 2013.

The Composition of the Audit Committee and the attendance of each member at these meetings are as follows:

Name of Directors	Position Held	No. of Meetings Attended
Mr. Ram Kumar Dalmia	Chairman	4
Mr. Beda Nand Choudhary	Member	4
Mr. Atul Kaushik	Member	4

The Chairman of the Committee is an Independent Non-Executive Director nominated by the Board.

INVITEES: The Statutory Auditors of the Company are permanent invitees to the meeting.

The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 28th September, 2012 and he ensured that necessary clarifications and explanations were provided to the Members of the Company on issues regarding accounts and finance.

The Quarterly Un-audited Financial Results as well as the Annual Financial Statements are reviewed and examined by the members of the Audit Committee before recommendation of the same to the Board of Directors of the Company for their perusal and approval. The Audit Committee ensures an effective internal control system.

#### B. REMUNERATION COMMITTEE

The Remuneration Committee comprises of three Non-Executive Directors, out of which two are independent. The Chairman of the Committee, Mr. Ram Kumar Dalmia, is an Independent Director. No meeting of Remuneration Committee was held during the period under review.

The Composition of Remuneration Committee is given below:

Name of Directors	Position Held	Status
1. Mr. Ram Kumar Dalmia	Chairman	Non-Executive, Independent
2. Mr. Beda Nand Choudhary	Member	Non-Executive
3. Mr. Atul Kaushik	Member	Non-Executive, Independent

##### TERMS OF REFERENCE

The Remuneration Committee of the Board is constituted to (a) formulate from time to time process

for selection and appointment of new Directors and succession plans and (b) recommend to the Board from time to time, a compensation structure for Directors and the managers.

#### COMPENSATION TO NON-EXECUTIVE DIRECTOR

No sitting fee has been paid to the Non-Executives Directors during the period under review for attending the meetings of the Board and its Committees.

#### C. INVESTORS' GRIEVANCE COMMITTEE

The Company constituted the Committee to oversee the investor grievances in relation to transfer of shares, non-receipt of annual report, dividend and other grievances. It is the policy of the Company to promptly attend to and resolve the complaints received from the shareholders. The Committee also oversees the performance of the Registrar and Share Transfer Agents of the Company and recommend measures for overall improvement in the quality of investor services.

#### COMPOSITION

The composition of the Investors' Grievance Committee is as follows :

Name of Directors	Positions held	No. of Meetings held	No. of Meetings attended
Mr. Ram Kumar Dalmia	Chairman	4	4
Mr. Beda Nand Choudhary	Member	4	4
Mr. Atul Kaushik	Member	4	4

During the financial year ended 31st March, 2013, four meetings of the Committee were held on 30th May, 2012, 14th August, 2012, 12th November, 2012, and 12th February, 2013.

POSITION AS ON 31ST MARCH, 2013 OF THE SHAREHOLDERS'/INVESTORS' COMPLAINTS RECEIVED & REDRESSED DURING THE FINANCIAL YEAR:

Grievances	Complaints received from			
	Investors	Stock Exchanges	SEBI	ROC
Stop Transfer	Nil	Nil	Nil	Nil
Change of Address	Nil	Nil	Nil	Nil
Demat Related	Nil	Nil	Nil	Nil
Non-receipt of Annual Reports	One	Nil	Nil	Nil
Non receipt of Certificates	Nil	Nil	Nil	Nil
Duplicate Certificates	Nil	Nil	Nil	Nil
Non-receipt of Dividend	Nil	Nil	Nil	Nil
Complaints received from: SEBI/ROC/Stock Exchange/SCORES	One	Nil	Nil	Nil
Total Complaints received during the year	Total redressed during the year		No. of grievances outstanding as on 31.03.2013	
Two	Two		Nil	

#### 4. NOTE ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 IV (G) OF THE LISTING AGREEMENT:

Details of Director seeking appointment/re-appointment in the Annual General Meeting has been provided in the Annual General Meeting Notice attached with the Annual Report.

**5. GENERAL BODY MEETING:****(i) LOCATION & TIME OF LAST 3 ANNUAL GENERAL MEETINGS:**

AGM	Date	Venue	Time	No. of Special Resolutions
18th	28th September, 2012	432, Prince Anwar Shah Road, Kol - 68	10.00 a.m.	None
17th	28th September, 2011	432, Prince Anwar Shah Road, Kol - 68	9.30 a.m.	None
16th	10th September, 2010	432, Prince Anwar Shah Road, Kol - 68	9.30 a.m.	Two

At the above-mentioned meetings, all the Resolutions were passed on show of hands.

No Resolution was passed during the financial year ended 31st March, 2013 through Postal Ballot.

**6. DISCLOSURES**

- Details of transactions with related parties during the year have been set out under Point No. J of Note No. 19 to Annual Accounts. However these are not materially significant and do not have any potential conflict with the interests of the Company at large.
- No penalty has been imposed or stricture has been made by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to Capital Markets during the last three years.
- Your company has been complying with the non-mandatory requirement of the Listing Agreement with respect to Remuneration Committee only.
- The financial statements have been prepared as per the Accounting Standard issued by the Institute of Chartered Accountant of India and as prescribed under Companies (Accounting Standard) Rules, 2006 as applicable.
- The Company has a Risk Management Policy for risk identification, assessment and control to effectively manage risks associated with the business of the Company.
- CEO/CFO CERTIFICATION

As required by the Clause 49 of the Listing Agreement, the Certificate duly signed by Mr. Aditya Doshi, CEO & Whole-time Director was obtained.

**7. MEANS OF COMMUNICATION****FINANCIAL RESULTS & ANNUAL REPORTS ETC.**

The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as taken on record and approved respectively by the Board of Directors of the Company are published in leading newspapers, i.e. The Business Standard/Financial Express (English),Kalanter (Bengali) and are also sent to the Stock Exchanges with which the shares of the Company are listed. The quarterly/annual results, press releases and the presentation made to the institutional investors/analysts are also uploaded on the website of the Company i.e [www.mersl.in](http://www.mersl.in)

**8. GENERAL SHAREHOLDER INFORMATION****(i) ANNUAL GENERAL MEETING DETAILS:**

Day & Date	Monday, 5th August, 2013
Venue	432, Prince Anwar Shah Road (Surya Sen Mancha), Kolkata-700068
Time	9.30 a.m.
Book Closure Dates	23rd July, 2013 to 5th August, 2013 (both days inclusive)

- The financial year of the Company covers 1st April, 2012 to 31st March, 2013.

**(iii) DIVIDEND PAYMENT DATE: N.A.**

**(iv) LISTING OF SHARES ON STOCK EXCHANGES WITH STOCK CODE**

STOCK EXCHANGE	STOCK CODE
Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 Telephone nos.: 022-2272 1233/34 Facsimile no. : 022-2272 1919 website : www.bseindia.com	511688
The Calcutta Stock Exchange Ltd. 7 Lyons Range, Kolkata – 700001 Telephone nos.: 033-2210 4470/77 Facsimile no. : 033-2210 4500 website : www.cse-india.com	023052

The annual listing fees for the financial year 2013-14 have been paid to the aforesaid Stock Exchanges.

(a) ISIN No. for the Company's ordinary shares in demat form: INE963B01019

(b) Depository Connectivity: NSDL and CDSL.

**(v) MONTHLY HIGH AND LOW STOCK MARKET PRICE DATA**

(in Rs.)

BSE Months	Company's Share Price		BSE Sensex High	BSE Sensex Low
	BSE High	BSE Low		
April, 2012	83.80	65.00	17,664.10	17,010.16
May, 2012	80.50	65.50	17,432.33	15,809.71
June, 2012	85.90	67.10	17,448.48	15,748.98
July, 2012	87.50	73.00	17,631.19	16,598.48
August, 2012	84.50	61.80	17,972.54	17,026.97
September, 2012	66.30	29.00	18,869.94	17,250.80
October, 2012	40.70	32.10	19,137.29	18,393.42
November, 2012	32.55	25.00	19,372.70	18,255.69
December, 2012	36.35	28.90	19,612.18	19,149.03
January, 2013	50.80	32.50	20,203.66	19,508.93
February, 2013	51.35	36.50	19,966.69	18,793.97
March, 2013	46.80	37.25	19,754.66	18,568.43

There has been no transaction in CSE during the year 2012 – 13.

**(vi) REGISTRAR AND SHARE TRANSFER AGENT**

MCS Share Transfer Agent Limited  
12/1/5 Manoharpukur Road, Kolkata – 700026  
Phone nos.: (033) 4072 4054  
Facsimile no.: (033) 4072 4050  
E-Mail: mcskol@rediffmail.com

**(vii) SHARE TRANSFER SYSTEM**

Previously, the Registrar and Share Transfer Agent of the Company was M/s. MCS Limited. However,

w.e.f March 14, 2013, as already informed to you, M/s. MCS Share Transfer Agent Limited has been appointed as the new Registrar and Share Transfer Agent of the Company. Now, all the transfers relating to the physical shares of the Company are processed by M/s. MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of the Company and approved by the Share Transfer Committee, which attends the transfer formalities every fortnight. The power of transfer and transmission of shares in demat form has been delegated with M/s. MCS Share Transfer Agent Limited. The Compliance Officer oversees the work of MCS Share Transfer Agent Limited.

**(viii) DISTRIBUTION OF SHARE HOLDING AS ON 31ST MARCH 2013:**

**(a) ACCORDING TO CATEGORY OF HOLDING:**

Category of Shareholders	No. of shares held	% of holding
<b>Promoters</b>		
Persons acting in concert	2080343	31.28
<b>Non – Promoters</b>		
Institutional Investors	NIL	NIL
Mutual Funds & UTI	NIL	NIL
Banks, FIs, Insurance Companies FIs'	NIL	NIL
<b>Others</b>		
Private Corporate Bodies	1897644	28.54
Indian Public	2658984	39.98
NRIs/OCB	13029	0.20
<b>Total</b>	<b>6650000</b>	<b>100</b>

**(b) ACCORDING TO NUMBER OF ORDINARY SHARES HELD:**

Shareholding	Number of Shareholders	% to total Shareholders	Number of Shares	% to total Shares
1 - 500	2988	93.64	385081	5.80
501 - 1000	111	3.48	92868	1.40
1001 - 2000	42	1.32	66578	1.00
2001 - 3000	7	0.22	17788	0.27
3001 - 4000	4	0.13	14900	0.22
4001 - 5000	4	0.13	17975	0.27
5001 - 10000	6	0.18	46780	0.70
10001 - 50000	10	0.31	252894	3.80
50001 - 100000	3	0.09	260000	3.91
100001 and above	16	0.50	5495136	82.63
<b>Total</b>	<b>3191</b>	<b>100</b>	<b>6650000</b>	<b>100</b>

**(ix) DEMATERIALIZATION OF SHAREHOLDING AND LIQUIDITY:**

As per SEBI's Guidelines, Company's Ordinary Shares are compulsorily traded in Dematerialized form for all the investors with effect from 31st May, 1999.

As on 31st March, 2013, 94.18% of the Company's total Ordinary Shares representing 62,63,258 Shares were held in dematerialized form and 3,86,742 shares representing 5.82% of paid-up share capital were held in physical form. The investors have an option to dematerialize their Ordinary Shares with either of the Depositories.



**(x) OUTSTANDING GDRS/ADRS/WARRANT OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY: NIL**

**(xi) PLANT LOCATION**

The Company is engaged in the business of financial services and has no plant.

**(xii) INSIDER TRADING**

The Code of internal procedure & conduct under The SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, is in force since 28.04.2002.

**(xiii) ADDRESS FOR CORRESPONDENCE**

**(a) FOR ROUTINE MATTERS:**

Any assistance regarding share transfer and transmissions, change of address, non-receipt of dividends, duplicate/missing share certificates, demat and other matters, please write to the Share Department of the Company or contact to the Registrar & Share Transfer Agent.

**(b) FOR REDRESSAL OF COMPLAINTS & GRIEVANCES**

The Compliance Officer  
Mathew Easow Research Securities Limited  
"Rajkamal Building", 1st Floor, 128, Rash Behari Avenue, Kolkata – 700 029  
Phone Nos. (033) 2464 7022/4066 0354  
Facsimile: (033) 4066 0354  
Email : mers.ltd@gmail.com  
Website : www.mersl.in

**(9) MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS**

Non-executive Directors were being always evaluated by their own peer in the Board meetings during the year 2012-13, although there was no formal peer group review by the entire Board except the Directors concerned.

**(10) WHISTLE BLOWER POLICY**

The Company does not have any Whistle Blower Policy.

**DECLARATION BY THE DIRECTOR UNDER CLAUSE 49(1) (D) (II) OF THE LISTING AGREEMENT**

I, Aditya Doshi, Whole-time Director & CEO of Mathew Easow Research Securities Limited declare that all the members of the Board of Directors and Senior Management personnel have, for the year ended 31st March, 2013, affirmed compliance with the code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered with the Stock Exchange.

Place : Kolkata  
Date : 8th July, 2013

Aditya Doshi  
Whole-time Director & CEO

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
MATHEW EASOW RESEARCH SECURITIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Mathew Easow Research Securities Limited for the year ended on 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of 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 BHANDARI B. C. & CO.  
Chartered Accountants  
Firm Registration No.311082E

B.C. Bhandari, FCA  
Partner  
ICAI Membership No.50196  
Kolkata, 8th July, 2013

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
MATHEW EASOW RESEARCH SECURITIES LIMITED

**Report on the Financial Statements**

We have audited the accompanying financial statements of MATHEW EASOW RESEARCH SECURITIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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 Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2013;
- b. in the case of the Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
  - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For BHANDARI B. C. & CO.  
Chartered Accountants  
Firm Registration No.311082E

B.C. Bhandari, FCA  
Partner  
ICAI Membership No.50196  
Kolkata, 30th day of May, 2013

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**ANNEXURE TO AUDITORS' REPORT**

Referred to in paragraph 5 of the Auditors' Report of even date to the members of Mathew Easow Research Securities Limited on the financial statements for the year ended 31st March, 2013.

- (i)
  - (a) Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
  - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii)
  - (a) As explained to us, inventories in the form of Shares and Securities have been verified by the management at reasonable intervals to the extent possible and practical.

- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register, maintained under section 301 of the Act.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (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 inventory and fixed assets and for the sale of shares and securities. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) According to information and explanations given to us, the particular of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) According to information and explanations given to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company has proper and adequate internal audit system commensurate with its size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income- tax, sales-tax, wealth tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company does not have any accumulated losses as at the ended of the year. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks and debenture holders.

- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
- (xiv) Based on our examination of the records and evaluation of the related internal control, the company has maintained proper records of transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the company, in its own name, except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The company has taken new term loans during the year and such have been applied for the purpose for which they were raised.
- (xvii) The company did not raise any fund on short-term basis.
- (xviii) The company has not made any preferential allotment of shares during the year.
- (xix) The company has not issued debentures.
- (xx) The company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For BHANDARI B. C. & CO.  
Chartered Accountants  
Firm Registration No.311082E

B.C. Bhandari, FCA  
Partner  
ICAI Membership No.50196  
Kolkata, 30th day of May, 2013

## BALANCE SHEET AS AT 31ST MARCH, 2013

	NOTE	As at 31.3.2013 (₹)	As at 31.3.2012 (₹)
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	66,500,000	66,500,000
Reserves & Surplus	2	45,513,700	44,702,959
		<u>112,013,700</u>	<u>111,202,959</u>
<b>NON CURRENT LIABILITIES</b>			
Long-term borrowings	3	585,191	323,531
Deferred Tax Liabilities	4	313,715	325,084
		<u>898,906</u>	<u>648,615</u>
<b>CURRENT LIABILITIES</b>			
Trade Payables	5	1,078,876	—
Other current liabilities	6	420,647	176,861
Short-term provisions	7	908,843	496,700
		<u>2,408,366</u>	<u>673,561</u>
		<u>115,320,972</u>	<u>112,525,135</u>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets			
- Tangible Assets	8	3,231,741	2,714,867
- Capital Work in Progress		83,200	83,200
Long-term loans and advances (Unsecured, considered good)			
Security Deposit		45,523	45,523
		<u>3,360,464</u>	<u>2,843,590</u>
<b>CURRENT ASSETS</b>			
Inventories	9	27,309,917	28,863,047
Trade Receivables	10	18,606,973	31,178,907
Cash & Bank balances	11	3,164,790	902,672
Short Term Loans and Advances	12	62,878,828	48,736,919
		<u>111,960,508</u>	<u>109,681,545</u>
		<u>115,320,972</u>	<u>112,525,135</u>
Significant Accounting Policies and Notes to Financial Statements	19		

As per our Report of even date.

For **Bhandari B.C. & Co.**

Chartered Accountants

Firm Registration No.311082E

B. C. Bhandari, FCA

Partner

Membership No. 50196

Kolkata, 30th May, 2013

Pritha Sinha  
Company Secretary

For and on behalf of the Board

Aditya Doshi

Ram Kumar Dalmia

Beda Nand Choudhary

Atul Kaushik

Executive Director

Directors

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

	NOTE	As at 31.3.2013 (₹)	As at 31.3.2012 (₹)
<b>INCOME</b>			
Revenue from Operations	13	24,432,821	68,623,460
Other Income	14	4,598	7,840
		<u>24,437,419</u>	<u>68,631,300</u>
<b>EXPENDITURE</b>			
Purchases of Stock in trade		19,393,469	38,372,365
Changes in Inventories of Stock in trade	15	1,553,130	26,978,792
Employee Benefits Expenses	16	877,271	540,000
Finance Cost	17	57,925	52,480
Depreciation and amortisation expenses	8	309,935	286,626
Other Expenses	18	1,034,173	1,020,368
Contingent Provisions on Standard Assets		36,793	87,050
		<u>23,262,697</u>	<u>67,337,681</u>
PROFIT BEFORE TAX		1,174,722	1,293,619
Less: Tax Expense - Current tax		375,350	386,000
- Deferred Tax		(11,369)	(11,640)
<b>PROFIT FOR THE YEAR</b>		<u>810,741</u>	<u>919,259</u>
Basic/Diluted earning per share		<u>0.12</u>	<u>0.14</u>
Significant Accounting Policies and Notes to Financial Statements	19		

As per our Report of even date.

For **Bhandari B.C. & Co.**

Chartered Accountants

Firm Registration No.311082E

B. C. Bhandari, FCA

Partner

Membership No. 50196

Kolkata, 30th May, 2013

Pritha Sinha  
Company Secretary

For and on behalf of the Board

Aditya Doshi

Ram Kumar Dalmia

Beda Nand Choudhary

Atul Kaushik

Executive Director

Directors



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

2012-13 (₹)

2011-12 (₹)

**A. CASH FLOW FROM OPERATING ACTIVITIES**

Net Profit before tax as per Statement of Profit and Loss	11,74,722	12,93,619
Adjustments for:		
Depreciation	3,09,935	2,86,626
Contingent Provisions on Standard Assets	36,793	87,050
Interest on Car Loan	57,925	52,480
Income Tax for earlier year	—	31,147
Loss on Sale of Fixed Assets	—	—
Operating Profit Before Working Capital Changes	15,79,375	17,50,922
Adjustments for:		
(Increase) / Decrease in Inventories	15,53,130	2,69,78,792
(Increase) / Decrease in Trade receivables	1,25,71,934	(3,11,78,907)
(Increase) / Decrease in Loans & Advance	(1,36,86,390)	(2,96,14,969)
Increase / (Decrease) in Trade payables	10,78,877	—
Increase / (Decrease) in Current Liabilities	1,48,319	(71,394)
Cash Generated from Operations	32,45,245	(3,21,35,556)
Taxes Paid	(4,55,519)	(385,957)
<b>Net Cash from Operating Activities</b>	<b>27,89,726</b>	<b>(3,25,21,513)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(8,26,810)	(1,42,200)
(Purchase) / Sale of Investment	—	—
<b>Net Cash from Investing Activities</b>	<b>(8,26,810)</b>	<b>(1,42,200)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	—	—
Secured Loan-Car Loan	3,57,127	(82,357)
Interest on Car Loan	(5,79,25)	(52,480)
<b>Net Cash from Financing Activities</b>	<b>2,99,202</b>	<b>(1,34,837)</b>
Net Increase/ (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	22,62,118	(3,27,98,550)
Cash & Cash Equivalents at the beginning of the year	9,02,672	3,37,01,222
Cash & Cash Equivalents at the end of the year	31,64,790	9,02,672

**Notes:**

- The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard-3 on "Cash Flow Statement".
- Cash and Cash Equivalents include Cash-in-Hand and Bank balances in Current and term deposit accounts. (Refer Note No.11)
- Figures in brackets indicate Cash outflow.

As per our Report of even date.

For **Bhandari B.C. & Co.**

Chartered Accountants

Firm Registration No.311082E

B. C. Bhandari, FCA

Partner

Membership No. 50196

Kolkata, 30th May, 2013

Pritha Sinha  
Company Secretary

For and on behalf of the Board

Aditya Doshi

Ram Kumar Dalmia

Beda Nand Choudhary

Atul Kaushik

Executive Director

Directors

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2013

	As at 31.3.2013 (₹)	As at 31.3.2012 (₹)
<b>NOTE-1 : SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
9000000 Equity shares of Rs 10/- each	90,000,000	90,000,000
100000 Preference Shares of Rs.100/- each	10,000,000	10,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
6650000 Equity Shares of Rs. 10/- each fully paid-up	66,500,000	66,500,000
	<u>66,500,000</u>	<u>66,500,000</u>
<b>The details of Shareholders holding more than 5% shares:</b>		
	<b>No. of shares (%) as at 31.3.2013</b>	<b>No. of shares (%) as at 31.3.2012</b>
Gunny ChemTex India Ltd	<u>724800 (10.90%)</u>	—
Mathew Easow Fiscal Services Limited	1495946 (22.50%)	1495946 (22.50%)
Vista Vyapaar Private Limited	584397 (8.79%)	584397 (8.79%)
<b>NOTE-2 : RESERVES &amp; SURPLUS</b>		
<b>Securities Premium Account</b>		
Balance at beginning of the year	36,500,000	36,500,000
Balance at end of the year	<u>36,500,000</u>	<u>36,500,000</u>
<b>Special Reserve</b>		
Balance at beginning of the year	4,530,640	4,530,640
Balance at end of the year	<u>4,530,640</u>	<u>4,530,640</u>
<b>Profit &amp; Loss Account-Credit balance</b>		
Balance at beginning of the year	3,672,319	2,753,060
Add: Profit for the year	810,741	919,259
Balance at end of the year	<u>4,483,060</u>	<u>3,672,319</u>
	<u>45,513,700</u>	<u>44,702,959</u>
<b>NOTE-3 : LONG TERM BORROWINGS</b>		
<b>Secured:</b>		
from Tata Capital Ltd (against hypothecation of specific motor car financed)	323,531	429,926
from HDFC Bank (against hypothecation of specific motor car financed)	463,522	—
	<u>787,053</u>	<u>429,926</u>
Less: Current Maturities of above	<u>201,862</u>	<u>106,395</u>
	<u>585,191</u>	<u>323,531</u>
Maturity profile of above	2013-14	2015-16
	<u>201862</u>	<u>162209</u>
	2014-15	2016-17
	224942	113712

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2013 (contd.)**

As at 31.3.2013

As at 31.3.2012

(₹)

(₹)

**NOTE-4 : DEFERRED TAX LIABILITY**

Tax impact of differences between carrying amount of Fixed Assets

in the financial statements and Income Tax

313,715

325,084

313,715

325,084

**NOTE-5 : TRADE PAYABLES**

Micro, Small and Medium Enterprises

—

—

Others

1,078,876

—

1,078,876

—

**NOTE-6 : OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Borrowings (see note-3)

201,862

106,395

Liabilities for Expenses

217,704

58,989

Professional Tax Payable

1,081

—

TDS Payable

—

11,477

420,647

176,861

**NOTE-7 : SHORT TERM PROVISIONS**

Provision for tax

761,350

386,000

Contingent Provisions on Standard Assets

147,493

110,700

908,843

496,700

**NOTE-8 : FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at	Additions	As on	Upto	For the	Upto	As at	As at
	01-04-2012		31-03-2013	31-03-2012	year	31-03-2013	31-03-2013	31-03-2012
₹	₹	₹	₹	₹	₹	₹	₹	
<b>Tangible Assets</b>								
Office Premises	20,51,305	—	20,51,305	5,60,546	33,436	5,93,982	14,57,323	14,90,760
Computer	2,21,260	28,500	2,49,760	1,32,937	26,325	1,59,262	90,498	88,323
Furniture & Fixture	10,24,943	—	10,24,943	9,39,346	64,879	10,04,225	20,718	85,597
Office Equipment	6,35,237	16,000	6,51,237	3,12,850	30,709	3,43,559	3,07,678	3,22,387
Motor Car	13,01,253	7,82,310	20,83,563	5,73,453	1,54,585	7,28,038	13,55,525	7,27,800
<b>CURRENT YEAR</b>	<b>52,33,998</b>	<b>8,26,810</b>	<b>60,60,808</b>	<b>25,19,132</b>	<b>3,09,935</b>	<b>28,29,067</b>	<b>32,31,741</b>	<b>27,14,867</b>
<b>PREVIOUS YEAR</b>	<b>51,74,998</b>	<b>8,51,914</b>	<b>52,33,998</b>	<b>22,32,505</b>	<b>2,86,626</b>	<b>25,19,131</b>	<b>27,14,867</b>	
Capital Work in Progress							83,200	83,200

**NOTE-9 : INVENTORIES**

(As taken valued and certified by the management)

Shares &amp; Securities

27,309,917

28,863,047

27,309,917

28,863,047

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2013 (contd.)**

	As at 31.3.2013 (₹)	As at 31.3.2012 (₹)
<b>NOTE-10 : TRADE RECEIVABLES</b>		
(unsecured, considered good)		
Over six months	7,447,378	—
Others	11,159,595	31,178,907
	<u>18,606,973</u>	<u>31,178,907</u>
<b>NOTE-11: CASH &amp; BANK BALANCES</b>		
Cash and Cash Equivalents		
Balance with Bank in Current Accounts	1,995,750	171,197
in Fixed Deposit (lein with bank for bank guarantee)	224,463	208,819
Cash in hand	944,576	522,656
	<u>3,164,790</u>	<u>902,672</u>
<b>NOTE-12: SHORT TERM LOANS AND ADVANCES</b>		
(unsecured, considered good)		
Loans and advances	61,463,658	44,280,108
(Advance recoverable in cash or in kind or for value to be received)	509,375	4,009,375
TDS recoverable from Tata Capital Ltd	5,317	2,477
Income Tax Refundable (AY 2009-10 - pending rectification)	—	12,132
Income Tax Payments & TDS Asst year 2012-13	432,827	432,827
Income Tax Payments & TDS Asst year 2013-14	467,651	—
	<u>62,878,828</u>	<u>48,736,919</u>
<b>NOTE-13 : REVENUE FROM OPERATIONS</b>		
Sales	22,068,355	63,793,388
Interest	5,724,872	4,725,961
Dividend	33,591	202,061
Profit /(Loss) on Rate Difference Transactions (Net)	9,660	(97,950)
Profit /(Loss) in Derivative Transactions (Net)	(3,403,658)	—
	<u>24,432,821</u>	<u>68,623,460</u>
<b>NOTE-14 : OTHER INCOME</b>		
Interest on IT Refund	4,598	7,840
	<u>4,598</u>	<u>7,840</u>
<b>NOTE-15 : CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b>		
<b>Inventories (at year end )</b>		
Closing Stock of shares & securities	27,309,917	28,863,047
<b>Inventories (at Commencement)</b>		
Opening Stock of shares & securities	28,863,047	55,841,839
	<u>1,553,130</u>	<u>26,978,792</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2013 (contd.)**

	As at 31.3.2013 (₹)	As at 31.3.2012 (₹)
<b>NOTE-16 : EMPLOYEE BENEFITS EXPENSES</b>		
Salaries & Bonus	797,271	540,000
Director's Remuneration	80,000	—
	<u>877,271</u>	<u>540,000</u>
<b>NOTE-17 : FINANCE COST</b>		
Interest on Car Loan	57,925	52,480
	<u>57,925</u>	<u>52,480</u>
<b>NOTE-18 : OTHER EXPENSES</b>		
Advertisement	29,717	23,406
Audit Fees	58,989	58,989
Bank Charges	7,436	11,765
Books & Periodicals	25,431	4,900
Car Insurance	15,844	—
Custodian Charges	44,874	25,845
Demat Charges	1,198	710
Donations & Subscription	5,900	—
Electricity Charges	15,680	2,930
Filing Fees	2,500	1,500
Income Tax for earlier year	—	31,147
Interest accrued but later unrealisable	49,976	—
Interest on TDS	1,812	—
Internal Audit Fees	15,000	15,000
Legal & Professional Fees	191,135	179,400
Listing Fees	47,903	151,763
Management Trainee Stipends	198,500	122,400
Misc Expenses	1,850	1,510
Motor Car Running & Maintenance	66,176	29,540
Office Expenses	11,896	11,745
Postage & Courier	250	15,906
Printing & Stationary	34,500	31,500
Professional Tax	7,285	—
Rent, Rates & Taxes	5,866	27,712
Repair & Maintenance	21,086	30,064
Security Transaction Tax	69,966	93,695
Share Registrar & Transfer Agent Fee	17,998	29,585
Telephone Charges	34,884	38,774
Transaction, Turnover Charges etc.	32,619	25,538
Travelling & Conveyance	17,901	20,044
UID Tender / Registration Fee	—	35,000
	<u>1,034,173</u>	<u>1,020,368</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2013 (contd.)**

**NOTE NO.19: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS**

- A. The Financial Statements have been prepared in accordance with applicable Accounting Standards and as per relevant presentation requirements of the Companies Act, 1956. The Financial Statements have been prepared according to the double entry system of accounting and on accrual basis except expenditure on gratuity, leave pay and Bonus etc. which are accounted for as and when actual payments are made.
- B. The Company is registered as a Non-Banking Financial (Non-Deposit Accepting) Company with the Reserve Bank of India.
- C. FIXED ASSETS are stated at original cost of acquisition (including related incidental expenses) reduced by depreciation.
- D. Depreciation has been provided on pro-rata basis on the Straight Line Method at the rates and in the manner as provided in Schedule XIV to the Companies Act 1956.
- E. INVENTORIES: Inventories are valued at lower of cost or net realizable value and in accordance with guidelines issued by Reserve Bank of India as applicable to NBFC.
- F. CONTINGENT PROVISIONS ON STANDARD ASSETS: The Company has made Contingent Provisions on Standard Assets @ 0.25% in accordance with Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- G. The tax expense for the year, comprising of the current tax and deferred tax is included in determining the net profit/loss for the year. Provision for the current tax is based on tax liability computed in accordance with relevant tax rates and tax laws. Provision on deferred tax is made for all timing differences arising between taxable incomes and accounting income at rates that have been enacted or substantively enacted as of the Balance Sheet date. The breakup of Net Deferred Tax is as follows:

**As at 31.3.2013 (₹)**                      As at 31.3.2012 (₹)

Deferred Tax Liabilities:

Tax impact of differences between carrying amount of Fixed Assets in the financial statements and Income Tax	<b>3,13,715</b>	3,25,084
<b>Net Deferred Tax Liability</b>	<b>3,13,715</b>	3,25,084

- H. CONTINGENT LIABILITIES not provided for in respect of

**As at 31.3.2013**                      As at 31.3.2012

Un-expired bank Guarantee	<b>NIL*</b>	Rs.2,00,000
---------------------------	-------------	-------------

\* The bank guarantee has expired but the lein on Term Deposit has not been released by the bank.

- I. As the Company has no activities other than those of an Non-Banking Financial Company, the segment reporting under Accounting Standard 17 – “Segment Reporting” is not applicable. The Company does not have any reportable geographical segment.
- J. Information given in accordance with the requirements of Accounting Standard-18 on Related Party Disclosures issued by Institute of Chartered Accountants of India:

**List of Related Parties**

**Nature of Relationship**

i. Aditya Doshi	Key Managerial Personnel
ii. Beda Nand Choudhary	Key Managerial Personnel
iii. Mathew Easow Fiscal Services Ltd	Company under common management

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

**Transaction with Related Parties**

Directors remuneration - Aditya Doshi (Whole Time Director) Rs.80000/- Prev Yr NIL.  
 Outstanding as on reporting date Rs.30000/- Prev Yr NIL.

- K. There is no liability towards Gratuity, leave pay, PF, ESI and/or any other type of retirement benefits. Hence, the requirements prescribed under Accounting Standard-15 have not been complied.
- L. Separate disclosures for the amount due to Small Scale Industrial undertakings under the head Current Liabilities/ Creditors could not be made as the Company does not possess the requisite information.
- M. The Micro, Small and Medium Enterprises Development Act, 2006 mandates disclosure related to payment and accrual of interest on delayed payments to suppliers classified as Micro, Small and Medium Enterprises under the Act. The Company has not received intimation from any of its suppliers regarding the status of their registration under the said Act and hence separate disclosures could not be made.
- N. Payments to Statutory Auditors:

Particulars	Current year (₹)	Previous year (₹)
Audit Fee	<b>45000.00</b>	45000.00
Tax Audit Fee	<b>7500.00</b>	7500.00
Service Tax	<b>6489.00</b>	6489.00
<b>TOTAL</b>	<b>58989.00</b>	58989.00

- O. Quantitative Information of stock-in-trade:

		Current Year		Previous Year	
		Quantity	Rupees	Quantity	Rupees
Opening Stock	Shares/ETF	<b>799910.005</b>	<b>2,88,63,048</b>	738209.005	5,58,41,839
Purchases	Shares/ETF	<b>525525.000</b>	<b>1,93,93,469</b>	726885.000	3,83,72,365
Sales	Shares/ETF	<b>438358.000</b>	<b>2,20,68,355</b>	629155.000	6,37,93,388
Closing Stock	Shares/ETF	<b>887077.005</b>	<b>2,73,09,917</b>	799910.005	2,88,63,048

- P. Details of Earnings per share :-

	Current year (₹)	Previous year (₹)
Net Profit as per Profit and Loss Account	<b>8,10,741</b>	919259
Weighted average number of shares for computing Basic and Diluted earnings per share	<b>6650000</b>	6650000
Earnings per share (Weighted average) (As per Accounting Standard 20 – Earnings Per Share) Basic and Diluted	<b>0.12</b>	0.14

- Q. Previous year's figures have been regrouped/rearranged where necessary to conform to this year's classification.

As per our Report of even date.

**For Bhandari B.C. & Co.**

Chartered Accountants  
 Firm Registration No.311082E

B. C. Bhandari, FCA  
 Partner

Membership No. 50196  
 Kolkata, 30th May, 2013

Pritha Sinha  
 Company Secretary

For and on behalf of the Board

Aditya Doshi Executive Director  
 Ram Kumar Dalmia }  
 Beda Nand Choudhary } Directors  
 Atul Kaushik }

**MATHEW EASOW RESEARCH SECURITIES LIMITED**

Regd. Office: Rajkamal Building, 1st Floor, 128, Rash Behari Avenue, Kolkata – 700029

**ATTENDANCE SLIP**

Please fill in the Attendance Slip and hand it over at the Entrance of the Meeting Hall. Joint Shareholders may obtain Additional Slip on Request.

Folio No. ....

DP Id.\* .....

Client Id.\* .....

Name of the Shareholders .....

Address of the Shareholder .....

..... PIN .....

No. of Shares held ..... Signature(s) .....

I / We hereby record my/our presence at the 19th Annual General Meeting of the Company held on Monday, 5th August, 2013 at 9.30 A.M. at 432, Prince Anwar Shah Road, Kolkata – 700068

**PROXY**

Folio No. ....

DP Id.\* .....

Client Id.\* .....

I / We .....

Being a member/members of Mathew Easow Research Securities Limited hereby appoint

.....

or failing him / her ..... of .....  
as my/our proxy to vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company held on Monday, 5th August, 2013 at 9.30 A.M. at 432, Prince Anwar Shah Road, Kolkata – 700068 or any adjournment thereof.

Signature of the Shareholder(s) ..... Signature of Proxy (s) .....

\*Applicable for investors holding shares in electronic form

Date ...../...../2013

Note: The Proxy must be returned so as to reach the registered office of the Company not less than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.





BOOKPOST

If undelivered please return to:

**Mathew Easow Research Securities Limited**

Regd. Office: Rajkamal Building 128, RashBehari Avenue, 1st Floor, Kolkata 700 029