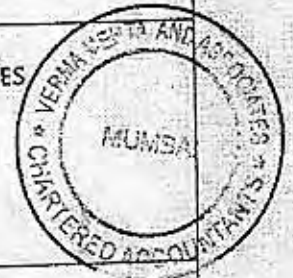


**FORM A**

1.	NAME OF THE COMPANY:	EMPOWER INDIA LIMITED
2.	ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED	31 <sup>ST</sup> MARCH, 2014
3.	TYPE OF AUDIT OF OBSERVATION:	UN-QUALIFIED
4.	FREQUENCY OF OBSERVATION:	NIL
5.	TO BE SIGNED BY-	M/S. VERMA MEHTA & ASSOCIATES
	• AUDITOR OF THE COMPANY	 RISHI SEKHRI PARTNER
	• AUDIT COMMITTEE CHAIRMAN	 MR. NIKHIL PEDNEKAR





# Empower India Limited

Annual Report  
2013-14

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- α Directors Report
- α Management Discussion and Analysis
- α Corporate Governance Report
- α Certification of Financial Statements
- α Auditors Certificate on Corporate Governance
- α Independent Auditors Report
- α Balance Sheet
- α Statement of Profit and Loss
- α Cash Flow Statement
- α Notes to Financial Statements

# COMPANY INFORMATION

## **EMPOWER INDIA LIMITED**

**CIN:** L51900MH1981PLC023931

**Regd. Off:** 25/25A, 2<sup>nd</sup> Floor, Nawab Building, D. N. Road, Fort, Mumbai- 400001.

**Phone:** 022- 2204505, 22045044 **Email:** [info@empowerindia.in](mailto:info@empowerindia.in) **Website:** [www.empowerindia.in](http://www.empowerindia.in)

The 32<sup>nd</sup> Annual General Meeting on Tuesday, September 30, 2014 At The Registered Office Of The Company Situated at 25/25A, 2<sup>nd</sup> Floor, Nawab Building , D.N. Road, Fort, Mumbai- 400001 At 09:30 A.M.

## **BOARD OF DIRECTORS**

Rajgopalan Iyengar

Vinod Shinde

Mangesh Gurav

Nikhil Pednekar

Kiran Thakore



## **AUDITORS**

**M/s Verma Mehta & Associates**

Chartered Accountants

104, Creative Industries Premises,  
Sunder Nagar, Kalina,  
Santacruz (E), Mumbai- 400098.



## **BANKERS**

Axix Bank

ING Vysya

Standard Chartered

Yes Bank



## **REGISTRAR AND SHARE TRANSFER AGENT**

**Purva Sharegistry (India) Private Limited**

Unit No.9, Shiv Shakti Industrial Estate,  
Ground Floor, J. R. Boricha Marg,  
Lower Parel (E), Mumbai-400 011.

Phone: 022-23016761/8261.

Email: [busicomp@vsnl.com](mailto:busicomp@vsnl.com)

Website: [www.purvashare.com](http://www.purvashare.com)



# **DIRECTORS REPORT**

To  
The Members,

Your directors are pleased to present before you the THIRTY SECOND ANNUAL REPORT together with Audited Annual Accounts of the Company for the financial year ended March 31, 2014.

## **FINANCIAL PERFORMANCE:**

**Amt. (in Rs.)**

The operational performance of the company has been encouraging as compared to the previous financial year.

The top line of the Company has reduced to Rs. 87,13,30,504/- from Rs. 124,87,82,207/- a year ago.

However, the EBITA has seen tremendous growth. Your Company has made an operating profit of Rs. 984023/- as compared to a loss of Rs. 13790515.

Your company had to book losses in its investments in shares which has affected the overall profitability but the management is very hopeful of better days to come in the future. Your Company shall make every effort to turn profitable in the next financial year.

<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>Sales and other income (net)</b>	<b>871330504</b>	<b>1248782207</b>
<b>Profit/(Loss) before Finance cost &amp; Depreciation</b>	6751866	(4248162)
<b>Finance cost</b>	10437	5520
<b>Depreciation</b>	5757406	9536833
<b>Profit/(Loss) before Exceptional Items and Tax</b>	984023	(13790515)
<b>Exceptional Items (Loss on sale of shares)</b>	(495569426)	(53389705)
<b>Profit/(Loss) before tax</b>	(494585403)	(67180220)
<b>Provision for Tax</b>		
-Current	-	-
-Deferred	(1045069)	1474492
<b>Profit/(Loss) after Tax</b>	<b>(493540334)</b>	<b>(68654712)</b>

## **TRANSFER TO RESERVES:**

During the year, the company has not transferred any amount to reserves.

## **DIVIDEND:**

The overall performance of your Company has been satisfactory. The Company sees tremendous growth prospects and to capitalize on the opportunities the management has not recommended any dividend for the current financial year.

## **UNPAID /UNCLAIMED DIVIDEND:**

Pursuant to section 205A of the Companies Act, 1956, unpaid/unclaimed dividend for the below mentioned dividends is transferred to Unpaid dividend account.

Members who have not encashed their dividend warrants may approach the Company/its Registrar, for obtaining payments thereof at the earliest.

<b>Year</b>	<b>Type of Dividend</b>	<b>Dividend per share</b>
<b>2008</b>	Final Dividend	0.05
<b>2010</b>	Interim Dividend	0.03

## **DIRECTORS:**

1. In terms of the applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Vinod Shinde Director of the Company, will retire by rotation at ensuing Annual General Meeting and being eligible, have offered himself for re-appointment.  
Your Directors recommend his re-appointment.
2. In accordance with the provisions of Section 149 of the Companies Act, 2013, your Board of Directors seek appointment of Mr. Kiran Thakore , Mr. Nikhil Pednekar & Miss. Kaveeta Aanand as an Independent Directors for a term of 5 (five) consecutive years up to the conclusion of the 37<sup>th</sup> Annual General Meeting.

## **PARTICULARS OF EMPLOYEES:**

Your directors particularly acknowledge the selfless untiring efforts, whole-hearted support and co-operation of the employees at all levels. Our relations continue to be cordial.

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, is not applicable to the Company as none of the employee of the Company was paid remuneration of Rs. 60 lacs per annum or Rs. 5 lacs per month.

## **APPOINTMENT OF STATUTORY AUDITOR:**

The Statutory Auditors, M/s Verma Mehta & Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. Their re-appointment as the Statutory Auditors for the Financial Year 2014-15, form part of the Notice of the said Annual General Meeting and the Resolution is recommended for your approval.

## **CORPORATE GOVERNANCE:**

A separate section on Corporate Governance and a Certificate from the Auditors on the Corporate Governance requirements as stipulated in clause 49 of the Listing Agreement entered in to with the Stock Exchange, form part of this Annual Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

As required by clause 49 of the Listing Agreement, a detailed review by the management of the operations, performance and future outlook of the Company and its business is presented in a separate section- Management Discussion and Analysis-forming part of this Annual Report.

## **DIRECTORS RESPONSIBILITY STATEMENT:**

As required under section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the Annual Accounts for the year ended March 31, 2014, the applicable accounting standards have been followed;
- Appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made at reasonable and prudent so as to give a true and fair view of the affairs of the Company as at March 31, 2014 and of the loss of the Company for the year ended on that date;
- Proper and sufficient care has been taken 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;
- The Annual Accounts have been prepared on a going concern basis.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

#### **(i) Conservation of Energy:**

The Company utilizes electricity for operation of computers and initiates all efforts to minimize the consumption. At all levels conservation of energy is stressed upon. Company also takes possible measures to reduce the consumption by deploying automation.

#### **(ii) Technology absorption:**

Every Business or Industry is subject to technological obsolescence. The Company is continuing its efforts to explore new technologies and products with an eye to expand the levels of automation in the industries its customers operate.

#### **(iii) Foreign Exchange Earnings and Outgo:**

<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
<b>Foreign Exchange Earnings</b>	Nil	Nil
<b>Foreign Exchange Outgo</b>	Nil	Nil

### **ACKNOWLEDGEMENTS:**

Your Directors hereby put on record their sincere gratitude towards the continued assistance and co-operation extended to the Company by its Customers, Suppliers, Stakeholders, Banks, Financial Institutions and various Government Authorities towards the growth of the Company.

Your Directors also place on record their deep sense of appreciation for the dedicated services rendered by the employees of the Company.

**By Order of the Board  
For Empower India Limited  
Sd/-  
Rajgopalan Iyengar  
Chairman**

**Date:** September 03, 2014.

**Place:** Mumbai.

# **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

## **Global Setup:**

In the year 2013-14, the global economy showed signs of revival after almost 4 years since the outset of the financial crises. The recovery this time was different as developed economies consolidated while most emerging markets faced challenges to reviving growth. In the process, the financial system has emerged stronger while fiscal balances in the developed world are improving. The synchronized efforts of central banks and governments continued with record low interest rates and monetary stimulus measures.

Worldwide 2014 portends to be much more encouraging than 2013, with forces driving the global economic recovery firmly entrenched. The IMF projects that global economic growth will rise from 3% in 2013 to 3.6% in 2014 and to 3.9% in 2015. This is largely due to a turn for the better in the developed economies- estimated to grow 2.5% in 2014. Continued fiscal easing, loose monetary policy in developed economies and stable commodity prices should boost the global recovery. Furthermore we must be prepared for unforeseen geopolitical developments which may have disruptive ripple effect on the global economy.

## **The Indian Story:**

During 2013-14, amid slow growth and high inflation, the Indian economy had to contend with serious challenges to external stability emanating from unsustainably high current account (CAD), capital outflows and consequent exchange rate pressures. The steep depreciation of the Indian Rupee added to the problem. Having grown at high single digit over the past few years, India's GDP growth slowed to a decade's low of 4.4% in CY 2013. The RBI hiked the repo rate by 75bps over the past 8 months to contain the persistently high inflation.

Going forward, India's GDP is expected to grow at 5.4% in CY 2014 (Source: International Monetary Fund). A stable government, strong global growth, improving export competitiveness and implementation of recently approved investment projects are expected to be key contributing factors.

## **Industry Structure and Developments**

### **IT Sector:**

The Indian IT industry continued on its growth trajectory during FY2014, delivering value to customers, creating incremental employment in both India and abroad and expanding its offerings portfolio to include new technologies and capabilities. As per NASSCOM estimates, the Indian IT and related services industry expanded to US \$ 118 billion in FY2014.

NASSCOM maintains a positive outlook for the Indian IT Sector and expects it to continue to expand during FY 2015.

### **Food and Agri Sector:**

The food processing industry has a huge potential in India, with India ranking 2<sup>nd</sup> in the world in production of fruits and vegetables but is at the lower rung of the value chain in terms of processing. The



availability of fruits and vegetables is varied due to diverse agro climatic conditions. Despite the large production of fruits and vegetables, it is estimated that only approximately 6 percent of the total agro output of India is currently processed as against up to 60-80 percent in some developed countries. India's share in the global food trade is only 1.5%. All of this implies that there is a great potential to grow this industry. An increase from 6% to 20% in terms of processing and increase in value addition from 20% to 30% will translate into quantum jump in size of the processed fruit and vegetable industry. The Company has made a strategic investment in Jharkhand Mega Food Park Private Limited to develop a Food Park in Jharkhand. Since then, the Company has taken various steps to establish its foothold in this sector. The Company is constantly scouting for opportunities that will consolidate its position in this fast growing sector.

### **Investment:**

Your company believes in '**Buy Systematically, Buy Good**' approach. This approach helps to achieve our investments goals. The Company has made strategic investments in various sectors of the market in order gain maximum advantage and minimum risk. As stable government has come into force, the Country's economy looks to emerge from prolonged lean phase. This is, therefore, time for investors to make smart decisions to reap the benefits of a reviving economy. And your Company will take every possible step to make use of this emerging period of the economy in order to create more stability in the world market.

### **Opportunities and Threats:**

Global companies are looking for low cost countries as a prime mode of innovation, in order to improve quality and productivity and marketing strategy to enter the emerging economies. Emerging economies being the new growth markets a lot of multinationals are now seeing outstanding destinations in different light. This provides good opportunity to India to grasp this market and cater this to growing niche space and demand.

Global companies can make use of favorable conditions available in India only if regulatory framework proactively supports the transfer of high skilled services and free access to labor movement from others countries to India. To mitigate such risks your company is planning to expand its roots in India, which will build new level of networks and fruitful profits for our company.

### **Outlook**

It may not be possible to move from a flat growth structure to a phenomenal growth in a year. So for the current year as well, the outlook seems to be on a conservative mode. Much depends on the Government's ability to bring in robustness within the economy and particularly amongst the core sector industries. The Company on its part shall endeavour to maintain interest of all stakeholders.

### **Risk Management:**

Our businesses and operations are subject to a variety of risks and uncertainties which are no different from any other company in general and our competitors in particular. Such risks are the result of both the business environment within which we operate and other factors over which we have little or no control.

These risks are categorized as operational, financial, environmental, health and safety, political, market related and strategic risks.

Empower has identified major focus areas for risk management to ensure organizational objectives are achieved and has a well-defined structure and proactive approach to assess, monitor and mitigate risks. Further, identification of risks and drawing up mitigation plan is a continuous process and closely linked to the company's business plans. These plans are subjected to continuous monitoring.

As a part of Enterprise Risk Management (ERM) process, a comprehensive Risk Management Policy has been framed and activated. Broadly risks are managed under the following categories:

- i) **Strategy-** These have the potential to impact the entity's mission which arises out of strategic decisions and its long term marketing, resource allocation, delivery models and other activities. These risks are generally non-routine in nature;
- ii) **Operational-** These have the potential to impact the efficiency and effectiveness of the operations;
- iii) **Information Risks-** These have the potential to impact information assets and information processing systems;
- iv) **Financial & Reporting-** These have the potential to impact on statutory financial statements and transmission of timely and accurate information to stakeholders.
- v) **Compliance-** these have potential to impact on the level of adherence to laws and regulations.

#### **The Risk Management Process envisages:**

- Setting risk management objectives
- Identifying, prioritizing and reporting risk events
- Identifying risk mitigation strategies and
- Risk management and reporting

While framing its Risk Management Policy the Company seeks to go beyond regulatory requirement and ensure exemplary Corporate Governance Practices.

#### **Internal Control systems and their adequacy:**

Your Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized ,recorded and reported correctly .The Company has an extensive system of internal control which ensures:

- Compliance of the company with applicable statutes, polices procedures, listing requirements and management regulations.
- Transaction are being accurately recorded and verified.
- Adherence to applicable accounting standards and polices.

#### **Human Resources**

The Company strongly believes that employees are the most valuable resources and takes efforts to

Create a positive, vibrant and safe work environment. The Company has a well-defined work culture that is based on values like honesty, integrity, cooperation, empathy and progress.

Performance, productivity and training are the key focus areas as far as Human Resources Management is concerned. Similar to other industries, Manpower is one of the most dominating factor which would chart the Company's growth and development.

There has been a cordial relationship between the Company and its Employees.

**Cautionary:**

Statement in the Management Discussion and Analysis describing the company's objectives exceptions or predications may be forwards looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Several factors could make significant difference to the company's operation. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities etc, which are beyond the control of the Company.

**By Order of the Board  
For Empower India Limited  
Sd/-  
Rajgopalan Iyengar  
Chairman**

**Date:** September 03, 2014.

**Place:** Mumbai.

## **CORPORATE GOVERNANCE REPORT:**

Corporate Governance is not merely the compliance of set of regulatory laws and regulations but is a set of good and transparent practices that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. It goes beyond building and strengthening the trust and integrity of the Company by ensuring conformity with globally accepted best governance practices. Securities and Exchange Board of India (SEBI) observes keen vigilance over governance and fulfillment of these regulations in letter and spirit which entails towards sustainable development of the Company, enhancing stakeholder's value eventually.

### **Company's Philosophy:**

Empower India Limited envisages the attainment of the highest standard of Corporate Governance by timely disclosures, transparent policies, responsibility and fairness. Its endeavour is to maximize the long term value of the Shareholders of the Company.

The Company's policies and practices are not only consistent with the statutory requirements but also underline our commitment to operate in the best interest of the stakeholders in order to build an environment of trust and confidence among all components having conflicting as well as competing interest. Your company firmly believes that corporate governance is a powerful tool to sub-serve the long-term interest of the Company.

Your Company fully implements the corporate governance code of conduct. The board of directors fully support and endorse corporate governance practices.

### **Board of Directors:**

The size and composition of the board is in conformity with the requirements of clause 49 of the listing agreement.

Name of the Director & DIN	Designation/ Category	Number of other Directorships and Committee Memberships/Chairmanships			
		Other Directorships	Chairmanships	Committee Memberships	Committee Chairmanships
<b>Rajgopalan Iyengar</b> <b>00016496</b>	Chairman & Executive Director	-	-	-	-
<b>Vinod Shinde</b> <b>02585889</b>	Executive Director	-	-	-	-
<b>Mangesh Gurav</b> <b>02828662</b>	Executive Director	-	-	-	-
<b>Ninad Deshmukh*</b> <b>02868353</b>	Executive Director	-	-	-	-
<b>Kiran Thakore</b> <b>03140791</b>	Independent Director	01	-	-	-
<b>Nikhil Pednekar</b> <b>03326402</b>	Independent Director	01	-	-	-

\* Mr. Ninad Deshmukh resigned from the directorship of the company w.e.f. August 11, 2014.

### **Board Meetings:**

As a process of good corporate governance, all corporate affairs and matters requiring discussion/decisions by the board, the Company has a policy for the meetings of board of directors and committee thereof. This policy ensures to systematize the decision making process at the meetings of board/committees, in an informed and most efficient manner.

The board meetings are held at least once in every quarter. The dates of the board meeting are fixed well in advance and intimated to the board members so as to enable the directors to plan their schedule accordingly. The agenda items are comprehensive and informative in nature to facilitate deliberations and appropriate decisions at the board meeting. Annexure 1A of clause 49 has been complied as applicable to the Company. Agenda items inter alia include the following:

- Annual operating plans;
- Quarterly and Annual Financial Results;
- Recommendation of Dividend;
- Change in constitution of various committees;
- Monitoring and noting business transacted by various committees by taking on record minutes of various committees;
- Proposal for amalgamation, merger, acquisitions, etc.;
- Floating of subsidiaries in India as well as abroad;
- Details of investment in joint ventures;
- New projects and expansion plans;
- General notices of interest of directors and various disclosure from directors;
- Laying down policies for code of conduct and prevention of insider trading and its implementation;
- Laying down ESOP Schemes;
- Deciding Managerial remuneration;
- Litigation matters;
- Allotment of shares;
- Application to Central Government in various matters relating to the Companies Act, 1956;

Six board meetings were held during the year ended 31<sup>st</sup> March, 2014 and the gap between two meetings did not exceed four months.

The Board met on the following dates:

May 30, 2013, August 13, 2013, September 04, 2013, October 21, 2013, November 12, 2013 and February 11, 2014.

Name of the Director	Attendance Particulars	
	Board Meetings/Out of	Last AGM
Rajgopalan Iyengar	6/6	Yes
Vinod Shinde*	3/3	N.A

<b>Mangesh Gurav</b>	6/6	Yes
<b>Ninad Deshmukh</b>	6/6	Yes
<b>Kiran Thakore *</b>	3/3	N.A
<b>Nikhil Pednekar</b>	6/6	Yes
<b>Kiran Soni #</b>	2/2	Yes
<b>Prakash Naik #</b>	2/2	Yes

\*Mr. Vinod Shinde & Mr. Kiran Thakore were appointed on 30<sup>th</sup> September, 2013.

#Mr. Kiran Soni & Mr. Prakash Naik resigned on 4<sup>th</sup> September, 2013.

### **Code of Conduct:**

The Company has laid down a “Code of Conduct” for the members of the Board of Directors and the senior management. Annual affirmation of compliance with the code has been made by the directors and senior management of the company. A declaration to this effect signed by the Chairman is given in this report.

The chairman has certified to the Board with reference to the financial statement and other matters as required in clause 49 of the listing agreement.

### **Committees of Board of Directors:**

Your company has constituted three committees:

- a. Audit Committee
- b. Remuneration Committee
- c. Stakeholders Relationship Committee

#### **a. AUDIT COMMITTEE:**

The audit committee is constituted in terms of section 177 of the Companies Act, 2013 and clause 49 of the Listing agreement with the BSE Limited.

The Management is responsible for the Company’s internal control over financial reporting and the financial reporting process. The independent auditors are responsible for performing an independent audit of the company’s financial statements in accordance with the generally accepted auditing principles (GAAP), and for issuing report thereon. The committee’s responsibility is to monitor these processes. The committee is also responsible for overseeing the processes related to financial reporting and information dissemination. This is to ensure that the financial statements are true, fair, sufficient and credible.

The Audit Committee provides direction and oversees the operation of total audit function of the Company. The primary objective of the audit committee is to monitor and provide effective supervision of the management’s financial reporting process and to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting to the Board of Directors on the following terms of reference:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the board, the appointment, re-appointment and, if required, the replacement or removal of statutory auditor and the fixation of audit fee and also approval of payment for any other services rendered.
- Review with the management, the annual financial statements before submission to the board for approval, focusing primarily on-
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualification in draft audit report.
  - Significant adjustments made in the financial statements arising out of audit.
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with listing and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict of interests of the Company at large.
- Reviewing with the management, the performance of statutory and internal auditors and the adequacy of internal control systems.
- Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- Discussion with the internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To determine the reasons for any substantial defaults in payment to deposit holders, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.

#### **Dates of the Meetings:-**

There were 5 meetings held during the year:

23<sup>rd</sup> May,2013, 7<sup>th</sup> August,2013,27<sup>th</sup> August,2013,8<sup>th</sup> November,2013 & 4<sup>th</sup> February,2014.

#### **Composition and meetings of the Committee:**

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>	<b>No. of meetings attended</b>
<b>Mr. Kiran Soni #</b>	Chairman up to 4/09/2013	Independent Director	03/03
<b>Mr. Nikhil Pednekar#</b>	Chairman w.e.f. 4/09/2013	Independent Director	02/02
<b>Mr.Rajgopalan</b>	Member	Executive Director	05/05

<b>Iyengar</b>			
<b>Mr. Kiran Thakore*</b>	Member	Independent Director	02/02

#Mr. Kiran Soni resigned on 4<sup>th</sup> September, 2013 from the Committee and Board of the Company and Mr Nikhil Pednekar was appointed as Chairman of the Audit Committee on 4<sup>th</sup> September, 2013.

\*Mr. Kiran Thakore was appointed as Member of the Committee on October 21, 2013 in the meeting of Board of Directors.

#### **b. REMUNERATION COMMITTEE:**

The Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013, clause 49 of the Listing Agreement and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time.

Terms of reference of the committee, inter alia, includes the following:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Directors performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To recommend/review remuneration of the managing director (s), Whole-time Director(s) based on their performance and defined assessment criteria.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

#### **Date of the Meetings:**

The meeting was held on 27<sup>th</sup> August, 2013.

#### **Composition and meetings of the Committee:**

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>	<b>No. of meetings attended</b>
<b>Mr. Kiran Soni*</b>	Chairman up to 04.09.2013	Independent Director	01/01
<b>Mr. Prakash Naik *</b>	Member	Independent Director	01/01
<b>Mr. Nikhil Pednekar</b>	Chairman w.e.f. 04.09.2013	Independent Director	01/01
<b>Mr. Mangesh Gurav#</b>	Member	Executive Director	0/0
<b>Mr. Kiran Thakore ()</b>	Member	Independent Director	0/0



\*Mr Kiran Soni & Mr. Prakash Naik resigns from the Committee & Board of the Company 4<sup>th</sup> September, 2013.

# Mr. Mangesh Gurav was appointed as member of the Committee on 4<sup>th</sup> September, 2013

() Mr. Kiran Thakore was appointed as member of the Committee on October 21, 2013 in the meeting of Board of Directors.

### c. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee (SR Committee) was constituted by the board on May 30, 2014 consequent to the dissolution of the Investor Grievance Committee. The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders/investors/security holder's complaints. The committee also monitors the implementation and compliance with the Company's code of conduct for prohibition of Insider Trading.

The SR Committee's composition and the terms of reference meet with the requirements of clause 49 of the Listing agreement and provisions of the Companies Act, 2013.

#### Terms of reference of the committee, inter alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities.
- Approve issue of the Company's Duplicate share/debenture certificates.
- Monitor redressal of investors /shareholders/security holders grievances.
- Oversee the performance of the Company's Registrars and Transfer Agents.
- Recommend methods to upgrade the standard of services to investors.
- Monitor implementation of the Company's code of conduct for prohibition of Insider Trading.
- Carry out any other function as is referred by the board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

#### Date of the Meetings:-

There were 4 meetings held during the year:

23<sup>rd</sup> May,2013, 7<sup>th</sup> August,2013,8<sup>th</sup> November, 2013 & 4<sup>th</sup> February,2014.

#### Composition and meetings of the Committee:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Kiran Soni*	Chairman up to 04.09.2013	Independent Director	02/02
Mr. Prakash Naik*	Member	Independent Director	02/02
Mr. Nikhil Pednekar	Chairman w.e.f 04.09.2013	Independent Director	04/04
Mr. Mangesh Gurav#	Member	Executive Director	02/02
Mr. Kiran Thakore()	Member	Independent Director	02/02

\*Mr. Kiran Soni & Mr. Prakash Naik resigned from the Committee & Board of the Company 4<sup>th</sup> September, 2013.

# Mr. Mangesh Gurav was appointed as member of the Committee on 4<sup>th</sup> September, 2013

() Mr. Kiran Thakore was appointed as member of the Committee on October 21, 2013 in the meeting of Board of Directors.

**Details of Compliance Officer** : Rajgopalan Iyengar  
Empower India Limited  
25/25A, 2<sup>nd</sup> Floor, Nawab Building,  
D.N. Road, Fort, Mumbai- 400001.  
Phne: 022-22045055/22045044  
Email: [info@empowerindia.in](mailto:info@empowerindia.in)

**Details of shareholders Complaints** :

<b>Number of shareholders complaints received during the financial year</b>	<b>NIL</b>
<b>Number of complaints not solved to the satisfaction of shareholders</b>	NIL
<b>Number of pending complaints</b>	NIL

**General Body meetings:**

Location and time for the Annual General Meetings held in the last 3 financial years:

<b>Year</b>	<b>Date/Time</b>	<b>Venue</b>	<b>Special Resolution</b>
<b>2013</b>	30/09/2013 9.00 a.m.	25/25A, 2 <sup>nd</sup> Floor, Nawab Building, 327, D.N. Road, Fort, Mumbai- 400001.	-----
<b>2012</b>	25/09/2012 9.00 a.m.	25/25A, 2 <sup>nd</sup> Floor, Nawab Building, 327, D.N. Road, Fort, Mumbai- 400001.	Consolidation of equity shares of the company.
<b>2011</b>	30/09/2011 9.00 a.m.	25/25A, 2 <sup>nd</sup> Floor, Nawab Building, 327, D.N. Road, Fort, Mumbai- 400001.	Commencement of Investment business as specified under the clause 75 (other objects) of the Memorandum of Association.

**Special Resolution passed last year through Postal Ballot:**

No Special Resolution was passed last year through postal ballot.

**Disclosures:**

- **Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large:**

We have disclosed the material significant related party transactions in the notes forming part of the financial statements.

- **Details of non-compliance by the company, penalties and strictures imposed on the company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

SEBI vide order no. WTM/PS/IVD/ID-6/51/JAN/2012 dated January 06, 2012 restrained the company from accessing the securities market for a period of six months.

- **Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee:**

The Company has an established mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct or ethics policy. It also provides for safeguards against victimization of employees who avail of the mechanism and also allows direct access to the chairperson of the audit committee in exceptional cases. We further affirm that no employee has been denied access to the audit committee.

#### Means of communication with shareholders:

<b>Quarterly Results</b>	<b>The quarterly and annual result of the company are published in English and Marathi newspaper in accordance with the requirements of the listing agreement .</b>
<b>News papers in which results are normally published</b>	The Free Press Journal- English Navshakti – Marathi
<b>Website</b>	<a href="http://www.empowerindia.in">www.empowerindia.in</a>
<b>Official news releases</b>	The company intimates all the announcements to the exchange & updates the same on its website.
<b>Presentations made to institutional investors/analysts</b>	No presentations were made to any institutional investors/analysts.

#### General Shareholder Information:

<b>Date, Time and Venue of the Annual General Meeting</b>	<b>Tuesday, September 30, 2014 at 9:30 AM at 25/25A, Nawab Building, 327, D.N. Road, Fort, Mumbai- 400001.</b>
<b>Financial Year of the Company</b>	1 <sup>st</sup> April,2014 to 31 <sup>st</sup> March,2015
<b>First Quarter Results</b>	Second week of August, 2014
<b>Second Quarter Results</b>	Second week of November, 2014
<b>Third Quarter Results</b>	Second week of February, 2015
<b>Fourth Quarter Results</b>	Fourth week of May, 2015
<b>Date of Book Closure</b>	September 24, 2014 to September 26, 2014 (both days inclusive)
<b>Listing on Stock Exchange(s)</b>	BSE Limited
<b>Stock Code</b>	504351
<b>Demat ISIN No.in NSDL &amp; CDSL for</b>	INE507F01023

<b>Equity Shares</b>	
<b>CIN No.</b>	L51900MH1981PLC023931
<b>Dividend payment date</b>	No dividend is declared

**Monthly high/low stock quotations at BSE:**

<b>Month</b>	<b>High</b>	<b>Low</b>
<b>April 2013</b>	0.27	0.13
<b>May 2013</b>	0.17	0.11
<b>June 2013</b>	0.16	0.09
<b>July 2013</b>	0.10	0.06
<b>August 2013</b>	0.07	0.05
<b>September 2013</b>	0.07	0.05
<b>October 2013</b>	0.12	0.06
<b>November 2013</b>	0.31	0.10
<b>December 2013</b>	0.35	0.26
<b>January 2014</b>	0.27	0.16
<b>February 2014</b>	0.27	0.15
<b>March 2014</b>	0.29	0.23

**Share price performance in comparison to broad based- BSE SENSEX:**

<b>Date</b>	<b>Share Price v/s BSE</b>	
	<b>Share Price (Rs.)</b>	<b>BSE Sensex</b>
<b>As on April 01, 2013</b>	0.24	19,040.95
<b>As on March 31, 2014</b>	0.23	22,386.27
<b>% Change</b>	-4.35%	17.57%

**Registrar and Share Transfer Agent:**

**Purva Sharegistry (India) Private Limited**

Unit No. 9, Shiv Shakti Industrial Estate,  
J.R. Boricha Marg,  
Opp. Kasturba Hospital Lane,  
Lower Parel (E),  
Mumbai- 400011.

Email- [busicomp@vsnl.com](mailto:busicomp@vsnl.com)

Website: [www.purvashare.com](http://www.purvashare.com)

SEBI Registration No.: INR000001112

**Share Transfer System**

The company has a Registrar and Share Transfer Agent. Share transfers, if documents are found to be in order, are registered and Certificates are returned in the normal course within two weeks from the date of receipt of documents. Request for dematerialization of shares are processed and confirmation given to the respective depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within seven days.

**Distribution of shareholding as on March 31, 2014:**

Shareholders of Nominal Value of	No. of Shareholders	% of total shareholders	No. of shares in Rs.	% to total Capital
Up to- 5,000	4894	60.30	8115532	0.70
5,001 - 10,000	1031	12.70	8462582	0.73
10,001 - 20,000	706	8.70	10685884	0.92
20,001 - 30,000	340	4.19	8729720	0.75
30,001 - 40,000	186	2.29	6598232	0.57
40,001 - 50,000	189	2.33	9132859	0.78
50,001 - 1,00,000	363	4.47	27365081	2.35
1,00,001 and above	407	5.01	1084708670	93.20
<b>Total</b>	<b>8116</b>	<b>100.00</b>	<b>1163798560</b>	<b>100.00</b>

**Shareholding pattern as on March 31, 2014:**

Category	No. of shares held	% shareholding
Promoters	174781787	15.02
Bodies Corporate	795835836	68.38
Foreign Corporate Bodies	5	0.00
Individuals	159913248	13.74
Clearing Members	21601781	1.86
N.R.I. (Non-Repatriation)	111579	0.01
N.R.I. (Repatriation)	1072114	0.09
Hindu Undivided Family	10482210	0.90
<b>TOTAL</b>	<b>1163798560</b>	<b>100.00</b>

**Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion date and likely impact on equity:**

NIL.

**Secretarial Audit:**

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

**Dematerialisation of shares:**

As on March 31, 2014 the total capital of the company was 1163798560 equity shares of Re. 1/- each. Out of the above 687191133 equity shares (59.05%) are held in demat form. Trading in equity shares of the company is permitted only in dematerialised form.

<b>Particulars</b>	<b>No of shares</b>	<b>% of Total Issued Capital</b>
<b>CDSL</b>	571088860	49.07
<b>NSDL</b>	116102273	9.98
<b>Physical</b>	476607427	40.95
<b>TOTAL</b>	1163798560	100.00

**Address of Correspondence:**

Empower India Limited  
 25/25A, Nawab Building,  
 327, DN Road, Fort,  
 Mumbai- 400001.  
 Email: [info@empowerindia.in](mailto:info@empowerindia.in)

**Date:** September 03, 2014.

**Place:** Mumbai.

**By Order of the Board  
 For Empower India Limited  
 Sd/-  
 Rajgopalan Iyengar  
 Chairman**

## **CERTIFICATE ON CORPORATE GOVERNANCE**

To the members of Empower India Limited

We have examined the compliance of the conditions of Corporate Governance by Empower India Limited for the year ended March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of the 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 compliance with 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 and representation made by the management, 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.

**M/s Verma Mehta & Associates**  
Chartered Accountants

Sd/-

Mrugen Shah  
Partner  
Firm Reg. No: 112118W  
Mem. No: 114770

Place: Mumbai.

Date: 25<sup>th</sup> August, 2014 .

## CHAIRMAN'S CERTIFICATION

I, Raj Iyengar, Chairman of Empower India Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the financial statements and the cash flow statement for the year 2013-14 and that to the best of my knowledge and belief;
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transaction entered into by the company during the years which are fraudulent, illegal or violative of the Company's code of conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. I have indicated to the auditors and the audit committee:
  - a. Significant changes in internal control over financial reporting during the year;
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**Date:** September 03, 2014.

**Place:** Mumbai.

**Sd/-**  
**Rajgopalan Iyengar**  
**Chairman**  
**Empower India Limited**



## INDEPENDENT AUDITOR'S REPORT

### **To The Members of Empower India Limited**

#### **Report on the Financial Statement:**

We have audited the accompanying financial statement of Empower India Ltd (“the Company”) which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, the Statement of Profit and Loss and the 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:**

The Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flows of the company in according with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Company Act, 1956 (“the Act”) read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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 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 Accounts 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 assessment, 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 the 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 financial statements gives the information required by the Act in the manner so required and give a true and fair view in conformity with the according principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014;
- (ii) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) 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"), as amended, 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 said 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 sub-section (3C) of Section 211 of the Companies Act, 1956; and
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Place: Mumbai.  
Date: 27<sup>th</sup> May, 2014.

**M/s Verma Mehta & Associates**  
Chartered Accountants  
sd/-  
Mrugen Shah  
Partner  
Firm Reg. No: 112118W  
Mem. No: 114770

## **Annexure to Independent Auditors' Report**

**Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March 2014 of Empower India Limited.**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - (b) Assets have been physically verified by the management during the year. According to the information and explanation given to us, there is regular programme of verification which, in our opinion is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) The Company has not disposed off substantial part of its fixed assets during the year.
2. (a) Inventories has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of such verification is adequate.
  - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory in so far as such records were examined by us and no material discrepancies were noticed.
3. (a) The Company, during the period covered by our audit, has not granted secured or unsecured loans to companies covered in the Register maintained under Sections 301 of the Companies Act, 1956. Hence provisions of clauses (iii) (b),(c),(d) of paragraph 4 are not applicable to the Company.
  - (b) The Company, during the period covered by our audit, has not taken secured or unsecured loans from companies covered in the register maintained under section 301 of the Act. Hence provisions of clauses (iii) (f),(g) of paragraph 4 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items of purchase are of special nature for which suitable alternative sources do not exist for obtaining competitive quotations, there are adequate internal control procedures commensurate with the size & nature of business of Company for the purchase of inventory, fixed assets and sales of goods and services. Further on the basis of our examinations and information and according to the explanations given to us, we have neither come across nor have we been informed of any instance of measure weaknesses in the aforesaid internal control procedures.
5. According to the information and explanation given to us the company has not entered into transaction which requires to be recorded in a register in pursuance of section 301 of the Companies Act 1956.

6. The Company has not accepted any deposits from the public. The provision of Sections 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. We have been informed by management, no cost records have been prescribed under Section 209 (1)(d) of the Companies Act, 1956.
9. (a) According to the records of the company, there are delays in depositing the provident fund, professional tax, service tax and ESIC. Undisputed service tax are in arrears of outstanding as at the last date of balance sheet, for a period of six months from the date they became payable.
- (b) According to information and explanations given, there were no disputed amounts payable in respect of Income Tax, Wealth Tax, Custom duty, Excise duty, cess , except Sales Tax for which the Company is in appeal, details is as follows :

Sr. No.	Statute	Amount	Year	Forum where Dispute pending
1	Maharashtra Value Added Tax Act,2002	2,50,20,086/-	2008-09	D C Sales Tax (Appeal)
2	Income Tax Act,1961	173,17,49,020/-	2010-11	CIT (Appeal)

10. The Company has accumulated losses, which is less than fifty percent of its networth as at March 31, 2014. The company has incurred cash losses during the year. In immediately preceding financial year also the company had incurred cash loss.
11. According to the records of the company, company has not borrowed from financial institution or bank or issued debentures till 31st March, 2014. Hence, in our opinion, the question of reporting defaults in repayment of dues to financial institution or bank or debentures does not arise.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the explanations given to us, the Company is not a chit fund/ nidhi/mutual benefit funds / society.
14. The Company has maintained proper records of transactions and contracts in respect of investment in shares debenture and other securities and those timely entries have been made therein. The shares, debentures and other securities have been held by the company in its own name.
15. The Company has not given any guarantees for loans taken by others from banks or financial institutions.

16. The Company has not taken any Term loan from Bank and Financial institute.
17. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on a short-term basis have been used for long-term investment by the company.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. Based upon our audit procedures performed and on the information and explanations given by the management we are of the opinion that no fraud on or by the company has been noticed or reported during the course of our audit.

For **VERMA MEHTA AND ASSOCIATES**

Chartered Accountants

Sd/-

**Mrugen H Shah**

Partner

Firm Reg. No: 112118W

Membership No: 114770

Place: Mumbai.

Date: 27<sup>th</sup> May, 2014

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

Particulars	Note No.	As At 31.03.2014		As At 31.03.2013	
		Amt (in Rs.)	Amt (in Rs.)	Amt (in Rs.)	Amt (in Rs.)
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital					
(i) Equity Share Capital	1.1	1,163,798,560		1,163,798,560	
(ii) Convertible Equity Warrants	1.2	-		-	
(b) Reserves and Surplus	2	2,219,155,731	3,382,954,291	2,712,696,065	3,876,494,625
<b>(2) Non-Current Liabilities</b>					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)	3	3,598,638	3,598,638	4,643,707	4,643,707
<b>(3) Current Liabilities</b>					
(a) Trade payables	4	267,966,111		955,309,612	
(b) Other current liabilities	5	296,100,572		104,446,522	
(c) Short-term provisions	6	2,136,207	566,202,890	3,773,503	1,063,529,638
<b>Total</b>			<b>3,952,755,819</b>		<b>4,944,667,968</b>
<b>II. Assets</b>					
<b>(1) Non-current assets</b>					
(a) Fixed assets					
(i) Tangible assets	7	8,800,264		14,507,270	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(i) Intangible assets under development		-	8,800,264	-	14,507,270
(b) Non Current investments	8	2,521,836,709		3,281,214,023	
(c) Long term loans and advances	9	115,250,312		128,795,022	
(d) Other non-current assets	10	804,942,895	3,442,056,916	588,987,522	3,998,996,567
<b>(2) Current assets</b>					
(a) Current investments	11	27,000,000		72,241,191	
(b) Inventories	12	33,700,599		33,748,064	
(c) Trade receivables	13	405,935,595		815,033,384	
(d) Cash and cash equivalents	14	26,424,031		9,403,079	
(e) Other current assets	15	8,838,414	501,898,638	738,414	931,164,131
<b>TOTAL</b>			<b>3,952,755,819</b>		<b>4,944,667,968</b>

The Schedules & Notes referred to above form an integral part of the Accounts.

**As per our report of even date**

**For Verma Mehta & Associates**

Chartered Accountants

Sd/-

**CA Mrugen H Shah**

Partner

Membership No : 114770

Firm Reg. No :- 112118W

**Place : Mumbai**

**Date : 27<sup>th</sup> May, 2014**

**For Empower India Limited**

Sd/-

**Director**

Sd/-

**Director**

**Place: Mumbai**

**Date : 27<sup>th</sup> May, 2014**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

Particulars	Note No	As At 31.03.2014	As At 31.03.2013
		Amt (in Rs.)	Amt (in Rs.)
I. Revenue from operations	16	865,708,604	1,284,817,805
II. Other Operating Income	17	1,585,878	7,866,706
III. Other Income	18	4,036,022	9487401
<b>Total Revenue</b>		<b>871,330,504</b>	<b>1,302,171,913</b>
IV. Expenses:			
Cost of materials			
Purchase of Stock-in-Trade	19	844,915,043	1,257,760,071
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	47,465	20,349,594
Employee benefit expense	21	18,428,020	26,023,222
Financial costs	22	10,437	5,520
Depreciation and amortization expense	23	5,757,406	9,536,833
Miscellaneous Expenditure	24	-	1,010,865
Other expenses	25	1188110	1,276,323
<b>Total Expenses</b>		<b>870,346,481</b>	<b>1,315,962,428</b>
V. Profit before exceptional items and tax		<b>984,023</b>	<b>(13,790,515)</b>
Less: Exceptional Items (Loss on shares)		<b>(495,569,426)</b>	<b>(53,389,705)</b>
Profit Before Tax		<b>(494,585,403)</b>	<b>(67180,220)</b>
VI. Tax expense:			
Deferred tax	26	1,045,069	(1,474,492)
VII. Profit(Loss) after tax		<b>(493,540,334)</b>	<b>(68,654,712)</b>
VIII. Profit/(Loss) for the period		<b>(493,540,334)</b>	<b>(68,654,712)</b>
IX. Earning per equity share:			
(1) Basic		(0.42)	(0.06)
(2) Diluted		(0.42)	(0.06)

The Schedules & Notes referred to above form an integral part of the Accounts.

**As per our report of even date**

**For Verma Mehta & Associates**

Chartered Accountants

Sd/-

**CA Mrugen H Shah**

Partner

Membership No : 114770

Firm Reg. No :- 112118W

**Place : Mumbai**

**Date : 27<sup>th</sup> May, 2014**

**For Empower India Limited**

Sd/-

Director

Sd/-

Director

**Place: Mumbai**

**Date : 27th May, 2014**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

PARTICULARS		As at 31.03.2014 Amt. (In Rs.)	As at 31.03.2014 Amt. (In Rs.)
A	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Net Profit / ( Loss ) Before tax as per Statement of Profit & Loss	<b>(493,540,334)</b>	<b>(68,654,713)</b>
	<b><u>Adjustments for :</u></b>		
	Deferred Tax Provision	(1,045,069)	1,474,492
	Misc. Expenses W/off	-	1,010,865
	Depreciation	5,757,406	9,536,833
	<b>Operating Profit before working capital changes</b>	<b>(486,737,860)</b>	<b>(56,632,523)</b>
	<b><u>Adjustments for :</u></b>		
	Change in Inventories	47,465	20,349,594
	Change in Trade Receivable	409,097,789	(251,693,987)
	Change in Loans & Advances	13,544,710	39,463,499
	Change in Misc Expenses ( Assets )	-	1,474,492
	Change in Other Non Current Assets	(215,955,373)	-
	Change in Other Current Assets	(8,100,000)	-
	Change in Current Liabilities	-	(149,389,561)
	Change in Trade Payable	(687,343,501)	-
	Change Other current liabilities	191,654,050	-
	Change Short-term provisions	(1,637,296)	-
	Change in Capital	-	68,654,713
	<b>Cash generated from operations</b>	<b>(785,430,017)</b>	<b>(327,773,773)</b>
	Direct taxes paid	-	-
	<b>NET CASH (USED IN) / FROM OPERATING ACTIVITIES</b>	<b>(785,430,017)</b>	<b>(327,773,773)</b>
B	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
	Addition to Fixed Assets (net)	(50,400)	138,735
	Sales of Investment	804,591,505	-
	Purchase of Investments (Net)	-	208,102,324
	<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>804,541,105</b>	<b>208,241,059</b>
C	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>	-	-
	<b>NET CASH FROM FINANCING ACTIVITIES</b>	-	-
	<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>19,111,088</b>	<b>(119,532,714)</b>
	Cash & Cash equivalents - Opening Balance	9,403,079	14,954,508
	Cash & Cash equivalents - Closing Balance	26,424,031	9,403,079
	<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>17,020,952</b>	<b>(5,551,429)</b>

The Schedules & Notes referred to above form an integral part of the Accounts.

**As per our report of even date**

**For Verma Mehta & Associates**

Chartered Accountants

Sd/-

**CA Mrugen H Shah**

Partner

Membership No : 114770

Firm Reg. No :- 112118W

**Place : Mumbai**

**Date : 27<sup>th</sup> May, 2014**

**For Empower India Limited**

Sd/-

Director

Sd/-

Director

**Place: Mumbai**

**Date : 27th May, 2014**



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.**

**Note No. 1.1**

Particulars	31.03.2014	31.03.2013
<b><u>SHARE CAPITAL</u></b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Authorised Share Capital		
125000000 equity shares of Rs. 1/- each	1,250,000,000	1,250,000,000
<b>Total</b>	<b>1,250,000,000</b>	<b>1,250,000,000</b>
Issued, Subscribed and fully Paid up		
i. 1163798560) equity shares of Rs. 1/- each fully paid up	1,163,798,560	1,163,798,560
<b>Total Issued subscribed and paid up share capital</b>	<b>1,163,798,560</b>	<b>1,163,798,560</b>

**Note No. 1.2**

Particulars	31.03.2014	31.03.2013
<b><u>EQUITY SHARE WARRANTS</u></b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Convertible Equity Warrants		
i. At the beginning of the period	-	721,955,750
Less : Conversion of 93674685 equity warrants of Rs.7.50/-into equity shares of Rs.1 fully paid up at a premium of 6.50/-	-	702,560,138
Less : Forfeiture of 10344315 Convertible Equity Warrants	-	19,395,613
	-	-

**DISCLOSURES:**

**1.1**

Particulars	31.03.2014	31.03.2013
	<b>Numbers</b>	<b>Numbers</b>
Reconciliation of the shares outstanding		
i. Equity shares		
i. At the beginning of the year	1,163,798,560	1,070,123,875
ii. Add 93674685 CEW converted into Equity Share each of Face value of Rs.1/- at a premium of Rs.6.50/- per Share	-	93,674,685
<b>Outstanding at the end of the year</b>	<b>1,163,798,560</b>	<b>1,163,798,560</b>

1.2 Issued and paid up capital includes 804211445 No. of shares issued as bonus shares during immediate preceding five years from the date of Balance Sheet.

1.3 Shareholders holding more than 5% of equity shares as at the end of the year:

	As at 31-03-2014		As at 31-03-2013	
	No. of shares	% Shareholding	No. of shares	% Shareholding
Rosewood Vintrade Pvt. Ltd.	62675000	5.39	62675000	5.39
Trend Commosales Pvt. Ltd.	66125000	5.68	66125000	5.68
Wellman Tradelinks Pvt. Ltd.	68195000	5.86	68195000	5.86

## Reconciliation of Convertible Equity Warrants

### 2.1

Particulars	31.03.2014	31.03.2013
<b>i. Convertible Equity Warrants</b>	<b>Numbers</b>	<b>Numbers</b>
i. At the beginning of the year	-	104019000
Less : 93674685 No equity warrant converted into 93674685 equity shares each of Rs.1/-	-	93674685
Less : 10344315 Nos. convertible equity warrants forfeited as per terms of issue of convertible equity warrants	-	10344315
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>0</b>

### Note 2:

Particulars	31.03.2014	31.03.2013
<b>RESERVES AND SURPLUS</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
<b>A. General reserve</b>		
Balance at the beginning of the year	25000	25000
Add: amount transferred from surplus balance in the statement of profit and loss		0
<b>Closing Balance</b>	<b>25000</b>	<b>25000</b>
<b>B. Share premium account</b>		
Balance as per the last financial statements	2752761953	2143876500
Add: On conversion of 93674685 CEW each of Rs.7.50 Rs.6.50/- premium.	0	608885453
<b>Balance at the end of the year</b>	<b>2752761953</b>	<b>2752761953</b>
<b>C. Capital Reserve</b>		
Forfeiture Reserve	19395612.5	19395612.5
<b>Closing Balance</b>	<b>19395612.5</b>	<b>19395612.5</b>
<b>D. Surplus in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	-59486500	9168213
Add: surplus in the statement of profit and loss	-493540334.2	-68654713
Less: adjustment during the period	0	0
<b>Closing Balance</b>	<b>-553026834.2</b>	<b>-59486500</b>
<b>Reserves and Surplus ( A+B+C+D )</b>	<b>2219155731</b>	<b>2712696065</b>

### Note 3:

Particulars	31.03.2014	31.03.2013
<b>NON CURRENT LIABILITIES</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
<b>DEFERRED TAX LAIBILITY (NET)</b>		
Related to Fixed Assets	4,643,707	3,169,215
Add : Deferred Tax Exp./ ( Income )	(1,045,069)	1,474,492
Related to Preliminary Expenses	-	-
<b>DEFERRED TAX LAIBILITY (NET)</b>	<b>3,598,638</b>	<b>4,643,707</b>

**Note 4:**

<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>TRADE PAYABLE</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
*Trades Creditors	267,966,111	955,309,612
<b>Total</b>	<b>267,966,111</b>	<b>955,309,612</b>
* The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006 claiming their status as on 31st March 2014 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is NIL.		

**Note 5:**

<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>OTHER CURRENT LIABILITIES</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Creditors for Expenses	114,504	102,022
Advance from Customer	295,986,068	104,344,500
<b>Total</b>	<b>296,100,572</b>	<b>104,446,522</b>

**Note 6:**

<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>SHORT TERM PROVISIONS</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Provisions for Expenses*	824858	2696222
Statutory Provisions	1311349	1077281
<b>Total</b>	<b>2136207</b>	<b>3773503</b>
(a) * The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.		
(b) Current liabilities do not include any amount to be credited to investor education and protection fund.		

<b>Note 7: TANGIBLE FIXED ASSETS:</b>											
Sr. no.	Name of the Assets	Gross Block			Accumulated Depreciation			Net Block			
		As at 01/04/13	Addition during the Year	Deletions during the Year	As at 31/03/2014	As at 01/04/13	For the Year	Deletions during the Year	As at 31/03/2014	As at 31/03/13	As at 31/03/2014
1	Computers and Computer	91,440,245	26,500	-	91,466,745	77,142,803	5,725,279	-	82,868,082	8,598,663	14,297,442
2	Office Equipment	263,791	23,900	-	287,691	78,911	27,611	-	106,522	181,169	184,880
3	Furniture & Fixture	57,400	-	-	57,400	32,452	4,516	-	36,968	20,432	24,948
		<b>91,761,436</b>	<b>50,400</b>	<b>-</b>	<b>91,811,836</b>	<b>77,254,166</b>	<b>5,757,406</b>	<b>-</b>	<b>83,011,572</b>	<b>8,800,264</b>	<b>14,507,270</b>
	(Previous Year)	<b>91,622,701</b>	<b>138,375</b>	<b>-</b>	<b>91,761,436</b>	<b>67,717,332</b>	<b>9,536,833</b>	<b>-</b>	<b>77,254,165</b>	<b>14,507,271</b>	<b>23,905,369</b>

Note 8:

Particulars	31.03.2014	31.03.2013
<b><u>NON CURRENT INVESTMENTS</u></b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Trade Investment		
Investment in Shares - Quoted	585,844,142	967,592,876
Un-Quoted Equity Share (Value at Cost)	1,826,020,508	977,922,088
Shares Application Pending Allotment	109,999,059	1,335,699,059
<b>Total</b>	<b>2,521,863,709</b>	<b>3,281,214,023</b>

Note 9:

Particulars	31.03.2014	31.03.2013
<b><u>LONG TERM LOANS &amp; ADVANCES</u></b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Loans & Advances given	115250312	128795022
<b>Total</b>	<b>115250312</b>	<b>128795022</b>

Note 10:

Particulars	31.03.2014	31.03.2013
<b><u>OTHER NON CURRENT ASSETS</u></b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
VAT Paid under protest	5250000	5250000
Trade Advances	793024996	578256657
Prepaid Expenses	43333	59910
Professional Tax prepaid	6000	8000
<b>(Unsecured-Considered Goods)</b>		
Advance Against Car	100000	100000
Advance Income Tax and TDS	6492963	5252352
Employee Advances	-	35000
<b>(Deposit Assets)</b>		
VAT Refund	25603	25603
<b>Total</b>	<b>804942895</b>	<b>588987522</b>

Note 11:

Particulars	31.03.2014	31.03.2013
<b><u>CURRENT INVESTMENTS (VALUE AT COST)</u></b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
<b>Current Investment (Non-trade)</b>		
Investment in Equity Shares - Quoted	0	341171
Investment in Equity Shares - Un-Quoted	0	12000020
Shares Application-Unquoted	27000000	59900000
<b>Total</b>	<b>27000000</b>	<b>72241191</b>

**Note 12:**

Particulars	31.03.2014	31.03.2013
<b>INVENTORIES</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Inventories (valued at lower of cost or net realizable value)(FIFO Method)		
Stock-in-trade	33772132	33748064
<b>Total</b>	<b>33772132</b>	<b>33748064</b>

**Note 13:**

Particulars	31.03.2014	31.03.2013
<b>TRADE RECEIVABLES (Unsecured)</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
<b>Debts overdue for a period exceeding six month</b>		
Considered good	5000001	0
Considered doubtful	0	0
<b>Others Trade Receivable</b>		
Considered good	400935594	815033384
Considered doubtful	0	
<b>Total</b>	<b>405935595</b>	<b>815033384</b>

**Note 14:**

Particulars	31.03.2014	31.03.2013
<b>CASH &amp; CASH EQUIVALENTS</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Cash on Hand	3757638	554304
Bank balance with Current Accounts	22666393	8848775
<b>Total</b>	<b>26424031</b>	<b>9403079</b>

**Note 15:**

Particulars	31.03.2014	31.03.2013
<b>OTHER CURRENT ASSETS</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
<b>(Unsecured-Considered Goods)</b>		
Payment Against Property	8000000	0
<b>(Deposit Assets)</b>		
Uniheal Foods	838414	738414
<b>Total</b>	<b>8838414</b>	<b>738414</b>

**Note 16:**

Particulars	31.03.2014	31.03.2013
<b>REVENUE FROM OPERATIONS</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
IT Trading	847097524	1258475032
HR Outsourcing Resources	18611080	26342773
<b>Total</b>	<b>865708604</b>	<b>1284817805</b>

**Note 17:**

Particulars	31.03.2014	31.03.2013
<b>OTHER OPERATING INCOME</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Interest Received	1585878	7866706
<b>Total</b>	<b>1585878</b>	<b>7866706</b>

**Note 18:**

Particulars	31.03.2014	31.03.2013
<b>OTHER INCOME</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Sundry Balance W/o	3636022	9487401
Long Term Loss on Quoted Shares	0	0
Short Term Loss on Quoted Shares	0	0
Dividend Income'	400000	0
<b>Total</b>	<b>4036022</b>	<b>9487401</b>

**Note 19:**

Particulars	31.03.2014	31.03.2013
<b>COST OF MATERIAL</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
<b>PURCHASE</b>		
Hardware	0	115222963
Software	844915043	1142537108
<b>Total</b>	<b>844915043</b>	<b>1257760071</b>

**Note 20:**

Particulars	31.03.2014	31.03.2013
<b>STOCK IN TRADE</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Opening Stock	33748064	54097657
Closing Stock	33700599	33748064
<b>Total</b>	<b>47465</b>	<b>20349594</b>

**Note 21:**

Particulars	31.03.2014	31.03.2013
<b>EMPLOYEE BENEFIT EXPENSES</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Staff Expenses	29591	21296
Salary Expenses	18398429	26001926
<b>Total</b>	<b>18428020</b>	<b>26023222</b>

**Note 22:**

Particulars	31.03.2014	31.03.2013
<b>FINANCIAL COST</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Bank Charges	10437	5520
<b>Total</b>	<b>10437</b>	<b>5520</b>

**Note 23:**

Particulars	31.03.2014	31.03.2013
<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Depreciation	5757406	9536833
<b>Total</b>	<b>5757406</b>	<b>9536833</b>

**Note 24:**

Particulars	31.03.2014	31.03.2013
<b>Miscellaneous Expenditure</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Deferred Revenue Expenses W/o	0	1010865
<b>Total</b>	<b>0</b>	<b>1010865</b>

**Note 25:**

Particulars	31.03.2014	31.03.2013
<b>OTHER EXPENSES</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Auditors Remuneration	27500	27500
Balance W/O	62400	0
Communication Expenses	32662	54163
Conveyance, Vehicle & Travelling Charges	17848	7332
Demat Charges	11017	3164.95
Legal Professional and Other Charges	180696	165626
Office Expenses	61879	21333.49
Computer Expenses	60055	28853
Printing and Stationery	71326	46206
Rates and Taxes	2000	138916
Interest on Late Payment Charges	197957	110149
Legal Advertising	68763	61682
Repairs & Maintenance Expenses	38875	48721
Electricity Charges	37486	46036
ROC Listing Fees & Filing Fees	317646	458926
Interest on Income tax	0	57715
<b>Total</b>	<b>1188110</b>	<b>1276323</b>

**Notes 26:**

Particulars	31.03.2014	31.03.2013
<b>DEFERRED TAX</b>	<b>Amt (in Rs.)</b>	<b>Amt (in Rs.)</b>
Deferred Tax Provision	(1045069)	1474492
<b>Total</b>	<b>(1045069)</b>	<b>1474492</b>



**Note 27: Notes to Accounts**

**27.1 Contingent Liabilities & Comments:**

a) Guarantee Given by the Company's banker as at March 31, 2014 is Rs.NIL (previous year : Rs. NIL )

**27.2 Related Party Transaction**

**a) Key Managerial Person:-**

Mangesh Gurav - Director  
 Kiran Thakore -Director  
 Kiran Jethalal Soni -Director  
 Nikhil Pednekar -Director  
 Ninad Deshmukh -Director  
 Rajgopalan Iyenger -Director  
 Rajesh Lavekar -Director  
 Vinod Shinde -Director  
 Prakash Naik -Director

b) Transaction with related parties for the year ended are as follows;

Transaction / Nature of Relationship Name of Related Party	Nature of relationship	As At 31.03.2014	As At 31.03.2013
		Amt (in Rs.)	Amt (in Rs.)
<b>Advances taken &amp; given</b>			
Norvin Infrastructure Pvt. Ltd	Vinod Shinde (Director)	12813000 (Cr)	5613000 (Cr)
Vakratunda Ventures Pvt. Ltd	Vinod Shinde (Director)	950000 (Cr)	-
First Call Advisory India Pvt. Ltd	Vinod Shinde (Director)	1630946 (Dr)	1200000 (Dr)
Secure Mercantile Pvt. Ltd	Vinod Shinde (Director)	2500000 (Cr)	3650000 (Dr)

**27.3 Auditors Remuneration**

Particulars	31.03.2014	31.03.2013
	Amt (in Rs.)	Amt (in Rs.)
Audit Fees	15,000	15,000
Tax Audit Fees	12,500	12,500
<b>Total</b>	<b>27,500</b>	<b>27,500</b>

**27.4 Earning Per Shares**

Particulars	Current Year	Previous Year
Net Profit for the year attributable to the Ordinary Shareholders		
Weighted average number of Equity Shares of Re 1/- each	(493,540,334)	(68,654,713)
Basic and Diluted Earnings Per Share of Re 10/- each	1,163,798,560	1,163,798,560
	(0.424)	(0.059)

27.5 The previous year figures have been regrouped, rearranged wherever necessary.

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

**1. Accounting Convention**

1.1 Financial statements are prepared in accordance with generally accepted accounting principles including accounting standards in India under historical cost convention except so far as they relate to revaluation of certain land and buildings.

1.2 All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Revised Schedule VI to the companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has determined its operating cycle as twelve months for the purpose of current- noncurrent classification of assets and liabilities.

**1.3 Use of estimates**

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances, Actual result could vary from estimates and any such differences are dealt with in the period in which the result are known/materialize.

**2. Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation.

**3. Depreciation**

Depreciation on Fixed Assets has been calculated on written down value at the rate prescribed under schedule XIV of the Companies Act, 1956.

**4. Investments**

Long-term quoted and unquoted investments are stated at cost. The income from Investments is accounted for when received. Provision for diminution in the value of Long Term Investment is made only if such a decline is other than temporary, in the opinion of the management. Application Money for unquoted shares pending for allotment have been shown under the head Investment (Unquoted Shares).

**5. Inventories**

Inventories are valued at cost or estimated net realizable value whichever is lower, computed on a FIFO basis, after providing for cost of obsolescence and other anticipate losses, wherever considered necessary. Finished goods and work in Progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition as certified by the management.

**6. Expenditure**

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

## 7. **Segment Reporting**

The Company has only one segment of activity of dealing in IT Trading during the period; hence segment wise reporting as defined in Accounting Standard-17 is not applicable.

- i. In the opinion of board of directors, current assets, loans and advances, have at least the value as stated in the balance sheet, if realized in the ordinary course of the business.
- ii. Based on the information available with the company regarding status of suppliers as defined under "The Micro, Small and Medium Enterprises Development Act.2006."There is no amount payable to the micro, small and medium enterprises company.

## 8. **Revenue recognition**

- 10.1 Revenue from sale of products is stated net off discounts and any applicable duties and taxes on dispatch of goods in accordance with terms of sales. Service revenue is recognized on rendering services.
- 10.2 Other operating revenues comprise of income from ancillary activities incidental to the operation of the company and is recognized when the right to receive the income is established as per the terms.
- 10.3 Interest Income is recognized on time proportion basis.

## 9. **Research and Development**

Expenses incurred on research and developments are charges to revenue in the same year. Fixed assets purchased for research and development purpose are capitalized and depreciated as per Company's policy.

## 10. **Employee's Benefits**

### **Short Term Employee's Benefits**

All employees' benefits payable within twelve months of rendering services are recognized in the period in which the employees render the related services.

### **Post Employment/Retirements Benefits**

Contribution to defined Contribution plans such as Provident Fund etc. are charged to the statement of Profit and Loss as incurred.

## 11. **Gratuity**

As per AS-15 (Revised) 2005 of ICAI read with Accounting Standard Board Guidance, The Provision for Gratuity Liability is not made since none of the employees have completed 5 years of service for period under review.

## 12. **Taxation**

Provision for Income tax is made on the basis of relevant provisions of the Income Tax Act, 1961.as applicable to the financial year.

Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes.

**13. Provisions and Contingent Liabilities**

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29-'Provisions, Contingent Liabilities and Contingent Assets' is made. Contingent assets or liabilities neither recognized nor disclosed in the financial statements.

**14. Earnings per Share (EPS):**

The earnings considered in ascertaining the Company's EPS are computed as per Accounting Standard 20 on "Earning per Share", issue by the Institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares during the period. The diluted EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

**15. Cash Flow Statement**

Cash Flow Statement has been prepared in accordance with the Accounting Standard issued by Institute of Chartered Accounts of India on indirect method.

**16. Foreign Currency Transaction**

Expenses and income are recorded at the exchange rate prevailing on the date of the transaction. Assets and liabilities at the Balance Sheet date are restated at the exchange rate prevailing on the Balance Sheet date. Exchange difference arising on settlement of the transaction and on account of restatement of assets and liabilities are dealt with in the Profit and Loss Account.

**17. Miscellaneous Expenditure**

Deferred Revenue Expenses have been written-off over a period of five years.

**18. Accounting for CENVAT Credit:**

CENVAT benefit is accounted for reducing the purchase cost of material/fixed assets and Services, where CENVAT credit is available.

**As per our report of even date attached**

**For Verma Mehta & Associates**

Chartered Accountants

Sd/-

**Mrugen H Shah**

Partner

Membership No: 114770

Firm Reg. No: - 112118W

**Place: Mumbai**

**Date: 27<sup>th</sup> May, 2014**

## **BOOK POST**

If undelivered please return to:-

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