

MONETA FINANCE PVT.LTD.

Regd. Office : 8, Electronics Complex, Chamba Ghat, Solan (H.P.) – 173 213

Tel. : (01792) 230641 – 44 *Fax* : (01792) 231902

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting their 19th Annual Report on the working of the Company together with the Audited Accounts for the financial year ended 31st March, 2014.

1. OPERATIONS AND OUTLOOK

During the year under report, the Company has earned profit of Rs.2,62,088/- (previous year Rs. 55,00,325/-).

2. DIVIDEND

Your Directors have not recommended any dividend for the financial year under review.

3. DIRECTORS

Mr. S.K.Wadhwa was appointed as an additional Director of the Company w.e.f. 26th June, 2014, u/s 161 of the Companies Act, 2013 and holds office upto the date of ensuing Annual General Meeting. The Company has received a requisite notice under Section 160 of the Companies Act, 2013 for his appointment as a Director of the Company.

Dr. R.M.Kastia, director of the Company, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment as Director of the Company.

Mr. Y.S.Choudhary resigned from the Board of Directors of the Company w.e.f, 26th June, 2014.

4. AUDITORS

M/s. Priya Bhushan Sharma & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of ensuing Annual General meeting and being eligible offer themselves for reappointment.

5. HOLDING COMPANY

Your Company continues to remain as wholly owned subsidiary of Himachal Futuristic Communications Ltd. during the year.

6. COMPLIANCE CERTIFICATE

The Compliance Certificate as required under proviso to sub section (1) of section 383A of the Companies Act, 1956 for the financial year 2013-14 has been obtained from a practicing Company Secretary.

7. PUBLIC DEPOSIT

During the year under review, your Company has not accepted any deposits under the provisions of Sec. 58 A of the Companies Act, 1956 and the Rules made thereunder.

Corporate Office : 8, Commercial Complex, Masjid Moth, Greater Kailash II, New Delhi 48

Tel. : 011 – 30882624, 30882624 ; Fax : 011 - 30689013

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8. PERSONNEL

There is no employee drawing salary as stipulated u/s 217(2A) of the Companies Act, 1956 read with the Company's (Particulars of Employees) Rules, 1975 and amendments made thereunder.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

The particulars regarding energy conservation, technology absorption, foreign exchange earning and outgo as required under the amended section 217 of the Companies Act 1956 are NIL.

10. AUDITORS' REPORT

There are no qualifications/adverse observations in the Auditors' Report requiring information and explanations u/s 217(3) of the Companies Act, 1956.

11. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed ;

- (i) that in the preparation of the accounts for the financial year ended 31st March, 2014 the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the loss of the Company for the year under review;
- (iii) that the Directors have 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 have prepared the accounts for the financial year ended 31st March, 2014 on a 'going concern' basis.

For and on behalf of the Board of Directors

(Dr.R.M.Kastia)
Director

(Nawratan Mal Bengani)
Director

Place : New Delhi
Date : 22/08/2014

PRIYA BHUSHAN SHARMA & COMPANY
CHARTERED ACCOUNTANTS

1299, SECTOR 15-B, CHANDIGARH

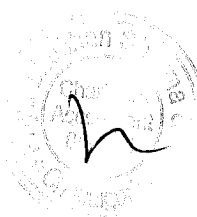
PHONE : 4627699, 4667699

AUDITOR'S REPORT

TO THE MEMBERS OF
M/S MONETA FINANCE PRIVATE LIMITED

We have audited the attached Balance Sheet of M/s **MONETA FINANCE PRIVATE LIMITED** as at 31st March 2014, the Profit and Loss Account annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, 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 the law, have been kept by the company, so far as appears from our examination of those books.
 - c) The Balance Sheet, the Profit & Loss Account dealt with by this report are in agreement with the books of account.



- d) In our opinion, the Balance Sheet, the Profit & Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956
- e) In our opinion, and based on information and explanation given to us, none of Directors are disqualified as on 31st March 2014 from being appointed as Directors in term of section 274(1)(g) of The Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) In so far as it relates to Balance Sheet, of the state of affairs of the company as at 31st March 2014;
- (ii) In so far as it relates to the Profit & Loss Account, the Profit of the company for the year ended on that date; and


STATEMENT OF NON BANKING FINANCIAL COMPANIES

1. The company is registered with RBI and the certificate number is B-06.00384 dated 20/12/2000.
2. i) The board of directors have passed resolution for non acceptance of public deposits
ii) The company has not accepted any public deposits during the year.
3. The company has complied with the norms of income recognition accounting standard etc, as applicable to it.

Place:- CHANDIGARH

Date: - 14.04.2014

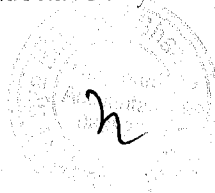
For PRIYA BHUSHAN SHARMA & CO.
Chartered Accountant


(P BHUSHAN SHARMA)
Membership No. 089825
H.NO. 1299, SECTOR 15B
CHANDIGARH

**Annexure Referred To In Paragraph 2 Of The Auditor's Report On The Accounts Of
MONETA FINANCE PRIVATE LIMITED For The Year Ending 31st March 2014**

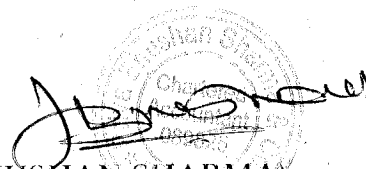
As required by the Companies (Auditor's report) Order, 2003 issued by the central Government of India in terms of section 227(4-A) of the Companies Act, 1956, we report that:

- 1 In respect of fixed assets:
 - Company has no Fixed Assets during the year, so the said clause is not applicable to the Company.
- 2 As the company does not hold inventories as defined in accounting standard 2 on valuation of inventory, item (ii) on paragraph 4 of the order is not applicable to the company.
- 3 No loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered under section 301 of the Companies Act 1956, so no register is being maintained.
- 4 In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and nature of its business. During the course of audit, no major weakness has been noticed in the internal control.
- 5 No contracts or arrangements were entered which was required to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- 6 In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956 and Rules made there under 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 In respect of statutory dues:
 - (A) According to the information and explanations given to us, the company is regular in depositing Income Tax and other statutory dues (whichever applicable) with the appropriate authority during the year.
 - (B) According to the records examined by us and the information and explanations given to us, there are no disputed amounts due in respect of income tax, wealth tax, sales tax, excise duty, Employees provident fund, Employee state insurance fund and other statutory dues at the end of the year.
- 9 The Company does not have accumulated Losses as at the end of the year and the Company has not incurred cash Losses during current year.
- 10 The Company has not taken any loan from Bank, Financial Institutions so no question of default in repayment arises. The company does not have any debenture holders.



- 11 In our opinion and according to 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 security.
- 12 In our opinion the company is not a Chit Fund, Nidhi or Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(XIII) of the CARO,2003 are not applicable to the company.
- 13 The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable.
- 14 In our opinion and according to information and explanation given to us, the Company has not availed of any term loans during the year. There were no term loans outstanding as at the beginning and as at end of the year.
- 15 According to the information and explanations given to us and on examination of balance sheet, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa
- 16 The company has not made any preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956, during the year.
- 17 The Clause 13 of the order is not applicable, as the company has not issued any debentures during the year.
- 18 The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- 19 In our opinion and according to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For PRIYA BHUSHAN SHARMA & CO.
Chartered Accountant



(P BHUSHAN SHARMA)
FCA
Membership No. 089825

Place: - CHANDIGARH
Date: - 14.04.2014

MONETA FINANCE PVT. LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2014

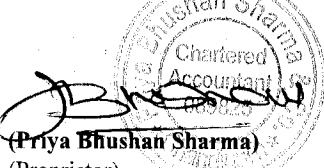
PARTICULARS	NOTE NO.	(Amount in Rupees)	
		As at 31.03.2014	As at 31.03.2013
I EQUITY AND LIABILITIES			
(1) Shareholder's Funds	1		
(a) Share Capital		30,00,000	30,00,000
(b) Reserves & Surplus	2	47,68,989	47,18,853
(c) Money Received against Share Warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non - Current liabilities			
(a) Long term borrowings	3	1,91,08,500	6,36,20,000
(b) Deferred tax liabilities		-	-
(c) Other long term liabilities		-	-
(d) Long term provisions	4	10,43,800	7,46,178
(4) Current liabilities			
(a) Short term borrowings		-	-
(b) Trade payables		-	-
(c) Other Current liabilities		-	-
(d) Short term provisions	5	8,19,053	19,19,766
TOTAL (RS.)		2,87,40,342	7,40,04,797
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets		-	-
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible Assets under development		-	-
(b) Non Current investments	6	2,02,02,750	2,02,02,750
(c) Deferred tax assets (Net)		-	-
(d) Long-term loans & advances	7	76,94,960	5,30,22,501
(e) Other non-current assets		-	-
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	8	2,21,268	58,062
(e) Short-term loans and advances		-	-
(f) Other current assets	9	6,21,364	7,21,484
TOTAL (RS.)		2,87,40,342	7,40,04,797

See accompanying notes to the financial statements

As per our report of even date attached.


FOR PRIYA BHUSHAN SHARMA & CO.

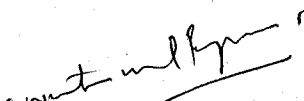
Chartered Accountants


 (Priya Bhushan Sharma)
 (Proprietor)

Membership No. : 89825

For and on behalf of the Board of Directors


 Dr. R.M. Kastia
 DIRECTOR


 Nawratan Mal Bengani
 DIRECTOR

Place : Chandigarh

Dated: 14.04.2014

MONETA FINANCE PVT. LIMITED


PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31/03/2014

PARTICULARS	Note No.	Amount In Rupees	
		For the year ended on 31.03.14	For the previous year ended on 31.03.13
I Revenue from operations	10	7,41,250	55,41,009
II Other Income		-	-
III Total Revenue (I + II)		7,41,250	55,41,009
IV Expenses			
Cost of material consumed		-	-
Purchase of Stock-in-trade		-	-
Change in inventories of finished goods, work-in-progress and stock in trade		-	-
Employee benefit expenses		-	-
Financial cost		-	-
Depreciation		-	-
Other expenses	11	4,79,162	40,684
Total Expenses		4,79,162	40,684
V Profit before exceptional & extraordinary items and tax (III - IV)		2,62,088	55,00,325
VI Exceptional Items		-	-
VII Profits before extraordinary items and tax (V - VI)		2,62,088	55,00,325
VIII Extraordinary Items		-	-
IX Profits before tax (VII - VIII)		2,62,088	55,00,325
X Tax expense			
(1) Current tax		2,11,952	16,93,383
(2) Deferred Tax		-	-
XI Profit / (Loss) for the period from continuing operations (IX - X)		50,136	38,06,942
XII Profit / (Loss) from discontinuing operation		-	-
XIII Tax expenses of discontinuing operations		-	-
XIV Profit / (Loss) from discontinuing operations after tax (XII - XIII)		-	-
XV Profit / (Loss) for the period (XI + XIV)		50,136	38,06,942
XVI Earning per equity share :			
(1) Basic			
(2) Diluted			

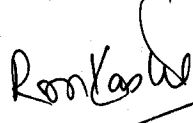
See accompanying notes to the financial statements

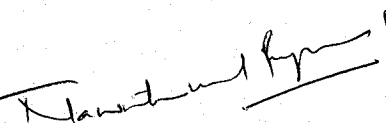
As per our report of even date attached.

FOR PRIYA BHUSHAN SHARMA & CO.
Chartered Accountants


(Priya Bhushan Sharma)
(Proprietor)
Membership No. : 89825

For and on behalf of the Board of Directors


Dr. R.M. Kastia
DIRECTOR


Nawratan Mal Bengani
DIRECTOR

Place : Chandigarh

Dated: 14.04.2014

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

1. SHARE CAPITAL	As At 31.03.14	As At 31.03.13
AUTHORISED :		
300,000 Equity shares (Previous year 300,000) of Rs.10/- each	30,00,000	30,00,000
ISSUED,SUBSCRIBED & PAID UP	30,00,000	30,00,000
300,000 Equity shares (Previous year 300,000) of Rs.10/- each fully paid up	<u>30,00,000</u>	<u>30,00,000</u>
Note : The entire share capital of the Company is held by Himachal Futuristic Commuincations Ltd. and its nominees.		
2. RESERVE AND SURPLUS		
Op. balance of Profit & Loss A/c	47,18,853	9,11,911
Add : Profit / (Loss) for the year	50,136	38,06,942
Cl. balance of Profit & Loss A/c	<u>47,68,989</u>	<u>47,18,853</u>
3. LONG TERM BORROWINGS		
Intercorporate Deposits from		
M/s Exel Netcommerce Ltd.	2,40,000	1,20,000
M/s Himachal Futuristic Communications Ltd.	1,88,68,500	6,35,00,000
	<u>1,91,08,500</u>	<u>6,36,20,000</u>
4. LONG TERM PROVISIONS		
A. Contingent Provisions against standard assets		
i. Infotel Technologies Pvt. Ltd.	12,500	1,27,400
B. Provision for doubtful debts		
i. Classic Services	10,31,300	6,18,778
	<u>10,43,800</u>	<u>7,46,178</u>
5. SHORT TERM PROVISIONS		
ACCOUNTING CHARGES PAYABLE	36,000	36,000
AUDIT FEES PAYABLE	20,000	20,000
INCOME TAX PROVISION	7,63,053	18,63,766
	<u>8,19,053</u>	<u>19,19,766</u>
6. NON CURRENT INVESTMENTS		
LONG TERM INVESTMENT (AT COST) IN EQUITY SHARES - UNQUOTED		
India Card Technologies Pvt.Ltd. (19,900 shares of Rs.10/- each) fully paid up	1,99,000	1,99,000
Shankar Sales Promotion Pvt.Ltd. (2,000 shares of Rs. 10/- each) fully paid up at a premium of Rs.650/- per share	15,03,750	15,03,750
Atul Properties Pvt. Ltd. (185000 Optionally Convertible Debentures of Rs.100/- each, fully paid up	1,85,00,000	1,85,00,000
	<u>2,02,02,750</u>	<u>2,02,02,750</u>
7. LONG TERM LOANS AND ADVANCES		
(UNSECURED, CONSIDERED GOOD)		
LOAN TO OTHERS		
a. Classic Services	20,62,593	20,62,593
b. Infotel Technologies Pvt. Ltd.	56,32,367	5,09,59,908
	<u>76,94,960</u>	<u>5,30,22,501</u>
8. CASH AND CASH EQUIVALENTS		
CASH ON HAND	36,066	13,804
BALANCE WITH SCHEDULED BANKS IN CURRENT ACCOUNTS		
Oriental Bank of Commerce, Nehru Place, New Delhi	1,81,016	39,572
Parwanoo Urban Coop.Bank, Solan (H.P.)	4,186	4,686
	<u>2,21,268</u>	<u>58,062</u>
9. OTHER CURRENT ASSET		
TDS recoverable	6,21,364	7,21,484
	<u>6,21,364</u>	<u>7,21,484</u>
10. INCOME FROM OPERATIONS		
Interest income	7,11,250	55,11,009
Consultancy charges	30,000	30,000
	<u>7,41,250</u>	<u>55,41,009</u>
11. OTHER EXPENSES		
Accounting charges	24,000	24,000
Audit fees	20,000	20,000
Bank Charges	584	-
Filing Fees	1,500	2,500
Printing & Stationery	467	-
Professional charges	6,000	12,500
Misc. Expenses	10	30
Income tax	1,26,218	31,312
Prov. for doubtful debts	2,97,622	(51,433)
Travelling & Conveyance expenses	2,761	1,775
	<u>4,79,162</u>	<u>40,684</u>



MONETA FINANCE PRIVATE LIMITED

Notes to accounts forming part of the Balance Sheet as at 31st March 2014 and the Profit & Loss Account for the period ended on that date.

12. Significant Accounting Policies

A. The accounts of the Company are prepared in accordance with the historical cost convention and comply in all material aspects with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956, except where otherwise stated. Mercantile system of accounting is followed for recognition of income and expenses unless otherwise stated.

B. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

C. Investments

a) The cost of investment includes incidental expenses like brokerage, fees and duties incurred prior to acquisition.

b) The long term investments are shown at cost. Provision for diminution in value is made only if in the opinion of the management such a decline in value is other than temporary.

D. Retirement Benefits

Liability for gratuity is provided for when an employee completes the eligible period of service.

Other Notes

13. Contingent Liabilities : Rs. Nil

14. There is no liability towards amount and interest payable to Micro, Small and Medium enterprises as at March 31, 2014 (Previous Year Rs. Nil). Hence, other disclosures pursuant to the provisions of Micro, Small and Medium Enterprises Development Act 2006 are not applicable to the Company.

15. Provision for interest on loan and doubtful debts

During the year no interest income has been recognised on account of loan given to M/s Classic Services as the party has not been able to pay any interest during last five years. Accordingly, provision for doubtful asset @ 50% of outstanding amount has been made in the books of accounts as per NBFC Prudential Norms (Reserve Bank) Directions, 2007.



As per RBI circular no. DNBS/PD.CC.No.207/03.02.002/2010-11 dt. 17.01.11, provision of 0.25% for standard assets is to be maintained in order to create a financial buffer to protect NBFCs from the effect of economic downturns. Accordingly a provision of Rs.12,500/- (0.25% of Rs.50,00,000/-) has been made on outstanding balance of standard assets.

16. **Income Tax**

Income tax expenses comprise current tax and deferred tax charge or release. The deferred tax charge or credit is recognized using current tax rates. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realisation.

17. Expenditure in Foreign Currency: Nil

18. Earning in Foreign Exchange: Nil

19. The Company is engaged in the business of hire purchase, finance business and lending of money. Hence, other information pursuant to the provisions of the paragraph 3 (ii) and 4C of Part II of Schedule VI of the Companies Act, 1956 are not applicable to the Company.

20. Related party transactions disclosure

The Company has taken deposits from its holding company namely M/s Himachal Futuristic Communications Ltd. (HFCL) aggregating to Rs.1,88,68,500/- as at 31.03.2014, details as under –

Opening balance as on 01.04.2013	Rs. 6,35,00,000/-
Add : Expenses paid by HFCL on behalf of Company	<u>Rs. 12,68,500/-</u>
	Rs. 6,47,68,500/-
Less : Funds repaid during the year	<u>Rs. 4,59,00,000/-</u>
Balance as on 31.03.2014	<u>Rs. 1,88,68,500/-</u>

21. Additional information as required under Part IV of Schedule VI to The Companies Act, 1956 –

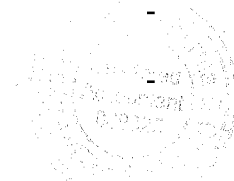
Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details:

Registration No.	U65921HP1995PTC017088
State Code	06
Balance Sheet Date	31.03.2014

II. Capital Raised during the Year: (Amount in '000' Rs.)

Public Issue	-
Right Issue	-
Bonus Issue	-
Private placement	-



III. Position of Mobilisation and Deployment of Funds (Amount in '000' Rs.)

Total Liabilities	28,740.00
Total Assets	28,740.00

EQUITY & LIABILITIES: (Amount in '000' Rs.)

Paid-up Capital	3,000.00
Reserves & Surplus	4,769.00
Long Term Borrowings	19,108.00
Long term provisions	1,044.00
Short term provisions	819.00

ASSETS: (Amount in '000' Rs.)

Net Fixed Assets	-
Non Current Investments	20,203.00
Long Term Loans & Advances	7,695.00
Cash & Cash equivalents	221.00
Other current assets	621.00

IV. Performance of Company (Amount in '000' Rs.)

Total revenue	741.00
Total Expenses	479.00
Profit/(loss) Before Tax	262.00
Provision for tax	212.00
Profit After Tax	50.00
Earning Per Share (Rs.)	-
Dividend Rate	-

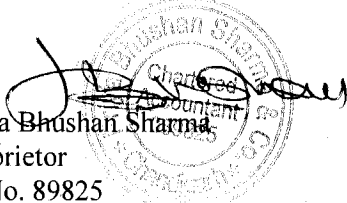
V. Generic Names of Three Principal Products / Services of Company (As per monetary terms) -

Product description	Financial Activities
Item Code (ITC Code)	Not Applicable

22. Previous year figures have been regrouped/rearranged wherever considered necessary.

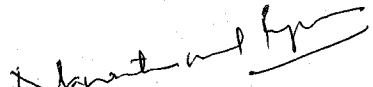
For Priya Bhushan Sharma & Co.
Chartered Accountants

Priya Bhushan Sharma
Proprietor
M.No. 89825



For and on behalf of the Board


(Dr. R.M. Kastia)
Director


(Nawratan Mal Bengani)
Director

Place : Chandigarh

Dated : 14.04.2014