JMR & ASSOCIATES
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To
The Members of
A. K. STOCKMART PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **A. K. Stockmart Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2016 and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act, and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified u/s. 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making, those risk assessments, the auditor considers internal control relevant to the Company's preparation of financials statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates

JMR & ASSOCIATES Co. Nikesh Jain M. No. 114003 Mumbai Chartered Accountants

made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2016

b) in the case of the statement of profit and loss, of the profit for the year ended on that date and

c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's report) Order 2016 (hereinafter referred to as 'the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c) The balance sheet, statement of profit and loss, and cash flow statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified u/s. 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014;

e) On the basis of written representations received from the directors as on 31 March 2016, taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2016, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 164(2) of the Act.;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us :

i) The Company does not have any pending litigations that would affect its financial position.

ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

FOR **JMR & ASSOCIATES**
Chartered Accountants
Firm Reg. No.: 106912W

JMR & ASSOCIATES * Nikesh Jain M. No. 114003 Mumbai * Chartered Accountants *

(CA. Nikesh Jain)
PARTNER
Membership No.: 114003

Place: Mumbai
Date: May 7, 2016

"Annexure A" to the Independent Auditors' Report referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

1. In respect of its fixed assets:

   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) The Company has regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner on yearly basis. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

   c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company does not own any immovable property. Accordingly, paragraph 3(1)(c) of the Order is not applicable.

2. In respect of its Inventories:

   a) The inventories of shares and securities have been held in the dematerialized form. The shares and securities held in the dematerialized form have been verified with the demat account statements at reasonable intervals, during the year.

   b) The stock of shares and securities is held in dematerialized form, thus, physical verification is not applicable and no discrepancies were noticed on such verification.

3. The Company has not granted any loans, whether secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5. The Company has not accepted any deposits from the public with the meaning of Section 73 to 76 or any other relevant provisions of the Act, during the year.

6. The maintenance of cost records specified by Central Government under sub-section (1) of section 148 of the Act is not applicable to the Company.

7. a) According to the information and the explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income tax, sales tax, service tax, cess and other statutory dues applicable to it, with the appropriate authorities. There were no arrears in this respect as at 31 March 2016 for a period of more than six months from the date they became payable. As informed, statutory dues in the nature of employee state insurance, custom duty and excise duty are not applicable to the Company.



b) According to information and explanations given to us, there is no dues on account of income tax, sales tax, service tax, custom duty, wealth tax, excise duty which have not been deposited with the appropriate authorities on account of any dispute.

8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

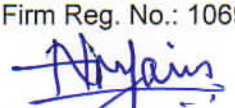
13. The transactions done with the related parties are in compliance with Section 188 and Section 177 of the Act and where applicable the details have been disclosed in the Financial Statements as required by the accounting standards and the Act.

14. The Company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year.

15. The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR **JMR & ASSOCIATES**
Chartered Accountants
Firm Reg. No.: 106912W





(CA. Nikesh Jain)
PARTNER
Membership No.: 114003

Place: Mumbai
Date: May 7, 2016

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of A.K. Stockmart Private Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

JMR & ASSOCIATES
Nikesh Jain
M. No. 114003
Mumbai
Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **JMR & Associates**
Chartered Accountants
Firm's registration number: 106912W



CA. Nikesh Jain
Partner
Membership number: 114003
Mumbai
May 7 2016

Balance Sheet as at 31st March, 2016

		Note No	As at 31-Mar-16 ₹	As at 31-Mar-15 ₹
I	**EQUITY AND LIABILITES**			
1	**Shareholders' funds**			
	(a) Share capital	2	12,00,00,000	12,00,00,000
	(b) Reserves and surplus	3	8,31,00,571	6,98,37,866
			20,31,00,571	18,98,37,866
2	**Non-current Liabilities**			
	(a) Long-term provisions	4	25,71,706	27,85,835
			25,71,706	27,85,835
3	**Current Liabilites**			
	(a) Trade payables	5	21,12,60,935	1,31,01,863
	(b) Other current liabilities	6	1,06,73,950	1,32,74,060
	(c) Short-term provisions	7	13,74,644	18,18,747
			22,33,09,529	2,81,94,670
	TOTAL		**42,89,81,806**	**22,08,18,371**
II	**ASSETS**			
1	**Non-Current Assets**			
	(a) **Fixed Assets**	8		
	(i) Tangible assets		1,55,08,914	27,60,539
	(ii) Intangible assets		5,69,610	13,94,270
	(b) Non current investments	9	1,13,97,132	1,13,97,132
	(c) Deferred tax assets (net)	10	5,69,060	7,76,902
	(d) Long-term loans and advances	11	5,46,16,510	6,75,68,323
	(e) Other non-current assets	12	2,24,00,000	2,74,00,000
			10,50,61,226	**11,12,97,166**
2	**Current Assets**			
	(a) Inventory	13	2,30,04,600	6,00,00,000
	(b) Trade receivables	14	22,47,72,873	2,35,19,927
	(c) Cash and cash equivalents	15	2,10,36,317	1,58,44,643
	(d) Short-term loans and advances	16	3,49,47,872	87,61,933
	(e) Other current assets	17	2,01,58,918	13,94,702
			32,39,20,580	**10,95,21,205**
	TOTAL		**42,89,81,806**	**22,08,18,371**
	Significant accounting policies	1		

For JMR & Associates
Chartered Accountants
FRN.106912W

JMR & ASSOCIATES * Nikesh Jain M. No. 114003 Mumbai * Chartered Accountants *

CA Nikesh Jain
Partner
M No.114003

Place : Mumbai
Date : May 07, 2016

For and on behalf of the Board of Directors

Aditi Mittal
Chairperson & MD
DIN - 00698397

Ankit Gupta
Whole Time Director
DIN - 05351720

Tejas Pithadia
Company Secretary
M.No.: ACS-27722

Manoj Mundra
Chief Financial Officer
M.No.: 405041

Place : Mumbai
Date : May 02, 2016

Statement of Profit and Loss Account for the year ended 31st March, 2016

		Note No.	Current Year ₹	Previous Year ₹
I	Revenue from operations	18	52,06,73,290	49,88,61,471
II	Other income	19	39,80,265	46,33,252
III	**Total Revenue (I+II)**		**52,46,53,555**	**50,34,94,723**
IV	**EXPENSES**			
	Employee benefits expense	20	7,14,93,918	7,30,93,403
	Finance cost	21	12,199	3,020
	Depreciation / amortisation expenses	8	28,36,991	19,00,378
	Other expenses	22	43,13,75,753	40,67,64,019
	Total Expenses		**50,57,18,861**	**48,17,60,820**
V	**Profit before tax (III-IV)**		**1,89,34,694**	**2,17,33,903**
VI	**Tax expenses**			
	- Current tax		60,00,000	70,00,000
	- Deferred tax		2,07,842	(3,93,685)
	- Short / (excess) provision for tax related to earlier years		(5,35,853)	-
			56,71,989	**66,06,315**
VII	**Profit after tax (V-VI)**		**1,32,62,705**	**1,51,27,588**
	Basic earnings per share	24	1.11	1.26
	Diluted earnings per share		1.11	1.26
	Nominal value of equity shares		10	10

For JMR & Associates
Chartered Accountants
FRN.106912W

JMR & ASSOCIATES * Nikesh Jain M. No. 114003 Mumbai * Chartered Accountants *

CA Nikesh Jain
Partner
M No.114003

Place : Mumbai
Date : May 07, 2016

For and on behalf of the Board of Directors

Aditi Mittal
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DIN - 00698397

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Whole Time Director
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Company Secretary
M.No.: ACS-27722

Manoj Mundra
Chief Financial Officer
M.No.: 405041

Place : Mumbai
Date : May 02, 2016

Cash Flow Statement for the year ended 31st March, 2016

	Year Ended 31-Mar-16 ₹	Year Ended 31-Mar-15 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	1,89,34,694	2,17,33,903
Adjustments for		
Depreciation	28,36,991	19,00,378
Interest income	(39,53,151)	(36,99,798)
Interest expenses	12,199	3,020
Prior period income tax refund	5,35,853	-
Dividend income on short term investments	(15,68,276)	(20,36,200)
Balances written back (net)	-	(7,01,405)
Operating profit before working capital adjustments	**1,67,98,310**	**1,71,99,898**
Adjustments for		
Trade and other receivables	(22,98,22,094)	14,96,63,302
(Purchase) / sale of inventory	3,69,95,400	1,01,30,150
Trade payable and other trade liabilities	19,49,00,730	(18,66,18,954)
Cash generated from operations	**1,88,72,346**	**(96,25,604)**
Direct taxes paid	(32,47,387)	(1,17,49,509)
Net cash generated from operating activities	**1,56,24,959**	**(2,13,75,113)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) / sale of fixed assets (net)	(1,47,60,706)	(24,67,511)
(Purchase) / sale of investments (net)	-	85,09,760
Dividend income on short term investments	15,68,276	20,36,200
Interest income - others	27,71,344	36,13,240
Net cash generated from/(used in) investing activities	**(1,04,21,086)**	**1,16,91,688**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(12,199)	(3,020)
Net cash generated from/(used in) financing activities	**(12,199)**	**(3,020)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	51,91,674	(96,86,444)
Cash and cash equivalents at the beginning of the year	1,58,44,643	2,55,31,087
Cash and cash equivalents at the end of the year	**2,10,36,317**	**1,58,44,643**
Cash and cash equivalents at the end of the year comprise of:		
Cash on hand	24,076	11,549
Balances with banks in current accounts	2,10,12,241	1,58,33,094
	2,10,36,317	**1,58,44,643**

Notes:-

1. Cash and cash equivalent is as per balance sheet except for fixed deposits not considered as cash and cash equivalent as the maturity date is beyond three months.
2. The above cash flow statement has been prepared under 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statement' notified by Companies (Accounting Standards) Rules, 2006.

As per our report of even date attached

For JMR & Associates
Chartered Accountants
FRN.106912W

JMR & ASSOCIATES * Nikesh Jain M. No. 114003 Mumbai * Chartered Accountants

CA Nikesh Jain
Partner
M No.114003

Place : Mumbai
Date : May 07, 2016

For and on behalf of the Board of Directors

Aditi Mittal
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Tejas Pithadia
Company Secretary
M.No.: ACS-27722

Manoj Mundra
Chief Financial Officer
M.No.: 405041

Place : Mumbai
Date : May 02, 2016

Notes to the Financial Statements for the Year Ended 31 March 2016

1. Significant accounting policies:

a. Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with applicable Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government of India, to the extent applicable and in accordance with the relevant provisions of the Companies Act, 2013 which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 w.e.f. 12 September, 2013).

b. Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Fixed assets:

Tangible assets
Tangible assets are stated at cost less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

Intangible assets
Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The capitalised cost includes license fees and cost of implementation / system integration services.

d. Depreciation / amortisation:

i) **Tangible assets:**

Depreciation on fixed assets has been provided on Written Down method on pro-rata basis in the manner and at the rates specified in Schedule II to the Companies Act, 2013.

Leasehold improvements are amortised over the lease period.

ii) **Intangible assets:**

Software is amortised over a period of 3 years or less as per the tenure of validity of the software

e. Investments:

i) Long-term investments are valued at cost. Provision is made for diminution in the values when the decline is other than temporary.

ii) Current investments are valued at lower of cost or market / breakup value determined on an individual investment basis.

JMR & ASSOCIATES * Nikesh Jain M. No. 114003 Mumbai * Chartered Accountants *

f. **Revenue recognition:**

Trading income is recognised on the date of sale of securities.

Revenue from Brokerage, fees and commission is recognised when the contract has been completed.

Investment income is recognised on the date of sale of securities.

Interest income is recognised on accrual basis.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

g. **Inventory**

Inventory of shares, securities and Bonds is valued at lower of cost or net realisable value, when their market value is not available valued at cost.

h. **Transaction in foreign currencies:**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the balance sheet date are translated at the rates of exchange prevailing at the date of the balance sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.

i. **Retirement benefits:**

i. Defined contribution plans

The Company contributes to Employee's Provident Fund (a defined contribution plan) towards post employment benefits, which is administered by the respective Government authorities and the Company has no further obligation beyond making its contribution.

ii. Defined benefit plans

The Company has a defined benefit plan namely gratuity for all its employees. The liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

iii. Employee leave entitlement

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided as at the year end and charged to the statement of profit and loss.

j. **Accounting for taxes on income**:

i) Provision for income tax is made on the basis of the estimated taxable income for the accounting year in accordance with the Income-tax Act, 1961.

JMR & ASSOCIATES Nikesh Jain M. No. 114003 Mumbai Chartered Accountants

ii) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a virtual / reasonable certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

k. **Lease:**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on straight-line basis over the lease term.

l. **Borrowing costs:**

Borrowing costs attributable to the acquisition and construction of qualifying assets upto the date of such acquisition or construction are capitalised as part of the cost of respective assets. Other borrowing costs are charged to statement of profit and loss in the period in which they are incurred.

m. **Segment Reporting Policies**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

n. **Impairment of assets:**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

o. **Provisions and contingent liabilities:**

The Company creates a provision when there is a present obligation as a result of a 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 a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

p. **Earnings per share**

The basic earnings per share ("EPS") is computed by dividing the net profit/ (loss) after tax for the year available for the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year available for equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



Notes to the Financial Statements for the year ended 31st March 2016

	As at 31-Mar-16 ₹	As at 31-Mar-15 ₹
2 SHARE CAPITAL		
Authorised		
15,000,000 (Previous year 15,000,000) Equity shares of Rs. 10 each	15,00,00,000	15,00,00,000
	15,00,00,000	**15,00,00,000**
Issued, subscribed and paid up		
12,000,000 (Previous year 12,000,000) Equity shares of Rs. 10 each fully paid up	12,00,00,000	12,00,00,000
	12,00,00,000	**12,00,00,000**

a Reconciliation of the shares outstanding at the beginning and at the year end

Equity Shares	As at 31-Mar-16		As at 31-Mar-15	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Equity Shares outstanding at the beginning of the year	1,20,00,000	12,00,00,000	1,20,00,000	12,00,00,000
Add: Shares issued during the year	-	-	-	-
Equity Shares outstanding at the end of the year	**1,20,00,000**	**12,00,00,000**	**1,20,00,000**	**12,00,00,000**

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

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

c. Shares held by the holding company

	As at 31-Mar-16 ₹	As at 31-Mar-15 ₹
12,000,000 (Previous year 12,000,000) Equity shares of Rs.10 per share	12,00,00,000	12,00,00,000

d Details of Shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of shares held	% of holding in the class	No. of shares held	% of holding in the class
A.K.Capital Services Ltd. along with its nominees	1,20,00,000	100.00%	1,20,00,000	100.00%

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

	As at 31-Mar-16 ₹	As at 31-Mar-15 ₹
3 RESERVES AND SURPLUS		
Surplus in statement of Profit & Loss		
Opening balance	6,98,37,866	5,51,51,067
Add: Net profit for the current year	1,32,62,705	1,51,27,588
	8,31,00,571	7,02,78,655
Less: Transitional Provision for compliance with Schedule II - Companies Act, 2013 (Refer Note No.32)	-	4,40,789
Closing balance	**8,31,00,571**	**6,98,37,866**

JMR & ASSOCIATES Nikesh Jain M. No. 114003 Mumbai Chartered Accountants

Notes to the Financial Statements for the year ended 31st March 2016

	As at 31-Mar-16 ₹	As at 31-Mar-15 ₹
4 LONG TERM PROVISIONS		
Provision for employee benefits		
Gratuity (unfunded)	25,71,706	27,85,835
	25,71,706	**27,85,835**
5 TRADE PAYABLES		
Total outstanding dues of micro and small enterprises (Refer note no 31)	-	-
Total outstanding dues of creditors for finance other than micro and small enterprises	19,55,11,316	29,74,012
Total outstanding dues of creditors for expenses other than micro and small enterprises	1,57,49,619	1,01,27,851
	21,12,60,935	**1,31,01,863**
6 OTHER CURRENT LIABILITIES		
Statutory dues	62,41,062	62,80,533
Employees dues	42,75,955	69,24,585
Payable to exchange / clearing house (net)	1,56,933	68,942
	1,06,73,950	**1,32,74,060**
7 SHORT TERM PROVISIONS		
Provision for employee benefits		
Gratuity (unfunded)	6,42,926	6,11,525
Leave Encashment	7,31,718	12,07,222
	13,74,644	**18,18,747**
10 DEFERRED TAX ASSETS / (LIABILITIES) (NET)		
Deferred tax assets:		
Timing difference arising on account of :		
Expenses allowable on payment basis (gratuity)	10,62,854	11,23,269
	10,62,854	11,23,269
Less: Deferred tax liabilities:		
Timing difference arising on account of :		
Depreciation	4,93,794	3,46,367
	4,93,794	3,46,367
Net deferred tax asset / (liability) (net)	**5,69,060**	**7,76,902**
11 LONG-TERM LOANS AND ADVANCES		
Security Deposits (Unsecured, considered good)		
placed with Exchanges/Depository/Clearing House	3,54,00,000	3,56,00,000
placed with Others	17,04,720	17,03,920
Loans and advances to others (Unsecured, considered good)	-	1,00,00,000
Loans and advances to others (Secured, considered good)		
Advance payment of taxes	1,75,11,790	2,02,64,403
(net of provision for tax Rs.1,30,00,000; previous year Rs.2,64,50,000)		
	5,46,16,510	**6,75,68,323**

JMR & ASSOCIATES * Chartered Accountants * Nikesh Jain M. No. 114003 Mumbai

Notes to the Financial Statements for the year ended 31st March 2016

8 Fixed Assets

(Amount in ₹)

Particulars	Tangible Assets					Intangible Assets	Total
	Computers	Furniture and fixtures	Office equipment	Motor Vehicle	Total	Software	
Cost							
As at 01/04/2014	55,82,119	2,33,699	12,42,230	-	70,58,048	62,61,730	1,33,19,778
Additions	10,93,495	2,06,000	8,08,452	-	21,07,947	3,69,688	24,77,635
Deductions/Adjustments	46,343	-	-	-	46,343	-	46,343
As at 31/03/2015	66,29,271	4,39,699	20,50,682	-	91,19,652	66,31,418	1,57,51,070
Depreciation							
As at 01/04/2014	45,48,554	70,268	3,96,324	-	50,15,146	40,58,443	90,73,589
Adjustment as per the companies Act, 2013*	5,98,553	-	59,960	-	6,58,513	-	6,58,513
Charge for the year	4,54,852	23,159	2,43,662	-	7,21,673	11,78,705	19,00,378
Deductions/Adjustments	36,219	-	-	-	36,219	-	36,219
As at 31/03/2015	55,65,740	93,427	6,99,946	-	63,59,113	52,37,148	1,15,96,261
Net Block							
As at 31/03/2015	10,63,531	3,46,272	13,50,736	-	27,60,539	13,94,270	41,54,809
Cost							
As at 01/04/2015	66,29,271	4,39,699	20,50,682	-	91,19,652	66,31,418	1,57,51,070
Additions	1,08,800	-	17,537	1,46,34,369	1,47,60,706	-	1,47,60,706
Deductions/Adjustments	-	-	-	-	-	-	-
As at 31/03/2016	67,38,071	4,39,699	20,68,219	1,46,34,369	2,38,80,358	66,31,418	3,05,11,776
Depreciation							
As at 01/04/2015	55,65,740	93,427	6,99,946	-	63,59,113	52,37,148	1,15,96,261
Adjustment as per the companies Act, 2013*	-	-	-	-	-	-	-
Charge for the Period	5,22,206	43,800	3,94,574	10,51,751	20,12,331	8,24,660	28,36,991
Deductions/Adjustments	-	-	-	-	-	-	-
As at 31/03/2016	60,87,946	1,37,227	10,94,520	10,51,751	83,71,444	60,61,808	1,44,33,252
Net Block							
As at 31/03/2016	6,50,125	3,02,472	9,73,699	1,35,82,618	1,55,08,914	5,69,610	1,60,78,524

* Refer note no. 32

JMR & ASSOCIATES * Chartered Accountants * Nitesh Jain M. No. 114003 Mumbai

Notes to the Financial Statements for the year ended 31st March 2016

9 NON CURRENT INVESTMENTS

	Face Value ₹	As at 31-Mar-16 Numbers	As at 31-Mar-16 ₹	As at 31-Mar-15 Numbers	As at 31-Mar-15 ₹
Quoted - others - Fully paid up					
Equity shares of UCO Bank Limited	10	1,50,000	1,13,97,132	1,50,000	1,13,97,132
TOTAL			1,13,97,132		1,13,97,132
Aggregate amount of Quoted Investments			1,13,97,132		1,13,97,132
Aggregate Market Value of Quoted Investments			54,45,000		95,77,500



Notes to the Financial Statements for the year ended 31st March 2016

	As at 31-Mar-16 ₹	As at 31-Mar-15 ₹
12 OTHER NON-CURRENT ASSETS		
Other Bank Balances		
Fixed deposits with more than 12 months maturity held as security' against borrowings	99,00,000	99,00,000
Fixed deposits with more than 12 months maturity held as margin money, guarantees or security' deposit with stock exchanges	1,25,00,000	1,75,00,000
Fixed deposits with more than 12 months maturity held as security' against borrowings		
	2,24,00,000	**2,74,00,000**
14 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	2,70,277	43,62,847
Other receivables		
Unsecured, considered good	22,45,02,596	1,91,57,080
	22,47,72,873	**2,35,19,927**
15 CASH AND CASH EQUIVALENTS		
Cash on hand	24,076	11,549
Balances with banks in current accounts	2,10,12,241	1,58,33,094
	2,10,36,317	**1,58,44,643**
16 SHORT TERM LOANS AND ADVANCES		
Security Deposits (Unsecured, considered good) placed with Exchanges/Depository/Clearing House	2,00,00,000	-
Balances with service tax authorities	36,63,532	72,77,539
Prepaid expenses	1,12,84,340	14,84,394
	3,49,47,872	**87,61,933**
17 OTHER CURRENT ASSETS		
Interest accured and due on fixed deposits	24,82,056	13,00,249
Receivable from stock exchanges	1,76,76,862	94,453
	2,01,58,918	**13,94,702**

JMR & ASSOCIATES * Nikesh Jain M. No. 114003 Mumbai * Chartered Accountants *

Notes to the Financial Statements for the year ended 31st March 2016

13 INVENTORY

	Face Value Rupees	As at 31-Mar-16 Numbers	As at 31-Mar-16 ₹	As at 31-Mar-15 Numbers	As at 31-Mar-15 ₹
Bonds / Non-Convertible Debentures					
14.00% Omaxe Ltd.- 2016	5,00,000	-	-	120	6,00,00,000
12.00% Shobha Ltd.- 2018	1,00,000	230	2,30,04,600	-	-
TOTAL			2,30,04,600		6,00,00,000

JMR & ASSOCIATES
Nikesh Jain
M. No. 114003
Mumbai
Chartered Accountants

Notes to the Financial Statements for the year ended 31st March 2016

	Current Year ₹	Previous Year ₹
18 REVENUE FROM OPERATIONS		
Brokerage income	30,70,73,451	39,64,30,369
Fees income	20,57,92,800	8,68,75,345
Interest income	65,26,490	86,62,085
Gain/(loss) on sale of Securities (Refer note no.25)	(2,87,727)	24,77,549
Gain/(loss) on sale of Non Current Investments	-	23,79,923
Dividend income from current investments	12,68,276	17,74,200
Dividend from Non current investments	3,00,000	2,62,000
	52,06,73,290	**49,88,61,471**
19 OTHER INCOME		
Interest income on fixed deposits	19,87,041	32,94,712
Interest income on other deposits	19,66,110	4,05,086
Other non operating income	27,114	2,32,049
Balances written back (net)	-	7,01,405
	39,80,265	**46,33,252**
20 EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	7,00,03,135	7,02,18,453
Contribution to provident and other funds	14,43,123	13,87,293
Gratuity (Refer note no.26)	(1,24,221)	13,30,637
Staff welfare expenses	1,71,881	1,57,020
	7,14,93,918	**7,30,93,403**
21 FINANCE COST		
Interest expenses	12,199	3,020
	12,199	**3,020**
22 OTHER EXPENSES		
Brokerage paid	22,62,39,576	26,54,46,046
IPO markerting fees	3,11,97,663	1,69,39,797
Sub-arranger fees paid	14,57,23,549	7,47,07,875
Stamp duty charges	14,86,166	25,80,251
Stock exchange expenses	12,06,462	17,97,228
Repairs and maintenance:		
- Computers	7,23,411	7,64,862
- Others	1,66,456	2,33,580
Insurance	7,69,629	5,51,532
Rates and taxes	7,62,699	31,875
Auditor's remuneration:		
for statutory audit	1,00,000	1,00,000
for tax audit	20,000	20,000
for other services	58,000	11,000
Bank charges	21,832	41,874
Travelling expenses	76,55,060	52,89,013
Legal and professional charges	39,32,300	1,49,49,766
Printing and stationery	2,32,065	3,64,580
Processing and other charges	64,195	19,549
Lease line and internet charges	10,24,056	5,74,915
Office expenses	9,91,413	8,44,029
Business promotion expenses	28,71,452	1,43,64,620
Postage and courier charges	1,11,340	1,38,751
Telephone expenses	7,22,495	9,32,856
Office rent	33,72,840	33,72,840
Electricity expense	6,91,350	6,88,575
Subscription & membership charges	10,83,516	16,22,256
Miscellaneous expenses	1,48,228	3,76,349
	43,13,75,753	**40,67,64,019**

JMR & ASSOCIATES * Chartered Accountants * Nikesh Jain M. No. 114003 Mumbai

Notes to the Financial Statements for the year ended 31st March 2016

23 Contingent Liabilities and Capital Commitments (As certified by the Manangement)

Particulars	31-Mar-16	31-Mar-15
	₹	₹
a) Contingent Liabilities	-	-
b) Capital Commitments		
i) Estimate amount of contracts remaining to be executed on capital account (net of advances)	-	1,09,62,227

24 EARNINGS PER SHARE

Particulars	31-Mar-16	31-Mar-15
	₹	₹
Net profit after tax available for equity share holders	1,32,62,705	1,51,27,588
Weighted average number of equity shares outstanding during the year for basic earnings per share (No.)	1,20,00,000	1,20,00,000
Basic and diluted earnings per share	1.11	1.26
Nominal value of share	10.00	10.00

25 INCOME FROM TRADING IN SECURITIES

	31-Mar-16	31-Mar-15
	₹	₹
Sale of securities	29,74,70,482	57,68,11,841
Add: Closing inventory	2,30,04,600	6,00,00,000
	32,04,75,082	63,68,11,841
Less: Opening inventory	6,00,00,000	7,01,30,150
Less: Purchase of securities	26,07,62,809	56,42,04,142
Gain/(Loss) from trading in securities	**(2,87,727)**	**24,77,549**

26 CONTRIBUTION TO GRATUITY FUND (UNFUNDED)

The following table sets out the unfunded status of the gratuity plan and the amount recognised in the financial statements at the year end.

	31-Mar-16	31-Mar-15
	₹	₹
Change in present value of obligation		
Present value of obligation as at beginning of the year	33,97,360	23,37,365
Interest cost	3,05,762	2,10,363
Service cost	7,71,661	9,81,476
Benefits paid	(58,507)	(2,70,642)
Actuarial (gain)/loss on obligation	(12,01,644)	1,38,798
Present value of obligation as at year end	**32,14,632**	**33,97,360**
Amount recognised in the balance sheet		
Present value of obligation, as at year end	32,14,632	33,97,360
Fair value of plan assets as at year end	-	-
Liabilities recognised in the balance sheet	32,14,632	33,97,360

JMR & ASSOCIATES * Nikesh Jain M. No. 114003 Mumbai * Chartered Accountants

Notes to the Financial Statements for the year ended 31st March 2016

	31-Mar-16 ₹	31-Mar-15 ₹
Expense recognised during the year		
Current service cost	7,71,661	9,81,476
Interest cost	3,05,762	2,10,363
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be recognised	(12,01,644)	1,38,798
Net periodic cost	(1,24,221)	13,30,637
Assumptions used in accounting for the gratuity plan	**% p.a.**	**% p.a.**
Mortality rate	LIC (2006-08)	LIC (2006-08)
Discount rate	8.00%	8.00%
Salary escalation rate	5.00%	5.00%
Expected rate of return on plan assets	0.00%	0.00%

27 SEGMENT REPORTING

The Company operates in a single business and geographical segment i.e. "Providing Stock Broking Services" within India. Accordingly, no separate disclosures for primary business and secondary geographical segment are required

28 LEASES

Where the Company is lessee:

The Company has taken office premise under operating lease that are renewable on a periodic basis at the option of both the lessor and lessee. The operating lease can be cancelled only after expiry of lock-in-period of 18 months.

The future minimum lease payments as per the lease agreements are as follows:

Particulars	31-Mar-16 ₹	31-Mar-15 ₹
Not later than one year	14,05,350	14,05,350
Later than one year and not later than five years	-	-

Notes:

The amount of minimum lease payments with respect to the above lease recognised in the statement of profit and loss for the year is Rs.33,72,840 (previous year Rs.33,72,840).

JMR & ASSOCIATES * Nikesh Jain M. No. 114003 Mumbai * Chartered Accountants *

Notes to the Financial Statements for the year ended 31st March 2016

29 RELATED PARTY DISCLOSURES

i Related party relationships:

a Holding company
A. K. Capital Services Limited

b Fellow subsidiary
A. K. Capital Finance Private Limited
A K Capital Corporation Private Limited
A K Wealth Management Private Limited
A K Capital (Singapore) Pte. Limited

c Key Managerial Personnel (KMP)
Aditi Mittal (Chairperson & Managing Director)
Ankit Gupta (Whole Time Director)

d Relatives of KMP
Anshu (Mother of Aditi Mittal)
A.K. Mittal (Father of Aditi Mittal)
Abhinav Kumar Mittal (Brother of Aditi Mittal)
Purvi Jain (Wife of Ankit Gupta)

e Enterprises in which relative of KMP is having influence
M Square Automobile Private Limited
A. K. Capital Markets Limited

Notes:

a The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS) - 18 'Related Party Disclosures' and the same have been relied upon by the auditors.

b The relationship as mentioned above pertains to those related parties with whom transactions have taken place during the year and the previous year, except where control exist, in which case the relationship has been mentioned irrespective of the transaction with the related parties.

ii Details of transactions with related parties are given as under:

	Current Year ₹	Previous Year ₹
A) Transaction with related parties:		
Brokerage received		
A. K. Capital Services Limited	3,83,110	81,047
A. K. Capital Finance Private Limited	85,62,788	1,21,03,759
A. K. Capital Markets Limited	-	5,175
Aditi Mittal	-	23,291
Anshu	13,014	-
A. K Mittal HUF	9,000	566
A. K Mittal	-	61,912
Purvi Jain	4,013	13,379
Abhinav Kumar	8,000	7,709

JMR & ASSOCIATES Nikesh Jain M. No. 114003 Mumbai

Notes to the Financial Statements for the year ended 31st March 2016

	Current Year ₹	Previous Year ₹
Demat charges received		
A. K. Capital Services Limited	36,212	1,800
A. K. Capital Finance Private Limited	2,46,207	31,565
A. K. Capital Markets Limited	1,300	875
A. K. Capital Corporation Private Limited	1,800	858
Aditi Mittal	1,508	881
A. K Mittal	2,159	941
Anshu	913	927
A. K Mittal HUF	995	350
Purvi Jain	1,390	429
Abhinav Kumar	3,844	1,224
Directors remuneration		
Aditi Mittal	30,00,000	27,50,000
Ankit Gupta	28,99,160	29,67,019
Purchase Of Motor Vehicle		
M Square Automobile Private Limited	1,46,34,369	-
Advance for Purchase of car		
M Square Automobile Private Limited	-	1,00,00,000
B) Balances of related parties:		
Balances payable		
A. K. Capital Finance Private Limited	-	25,01,477
A. K. Capital Services Limited	-	3,592
Aditi Mittal	-	87
A. K Mittal	-	1,022
Balances receivable		
A. K. Capital Finance Private Limited	60,487	30,021
A. K. Capital Corporation Private Limited	573	37
A. K. Capital Markets Limited	572	56
A. K. Capital Services Limited	24,269	-
Aditi Mittal	806	291
A. K Mittal	1,377	158
Anshu	-	562
A. K Mittal HUF	-	56
Abhinav Kumar	1,718	37
Purvi Jain	-	905
Loans and Advances (Against Purchase of car)		
M Square Automobile Private Limited	-	1,00,00,000

JMR & ASSOCIATES * Nikesh Jain M. No. 114003 Mumbai * Chartered Accountants *

Notes to the Financial Statements for the year ended 31st March 2016

30 EXPENDITURE IN FOREIGN CURRENCY

	Current Year ₹	Previous Year ₹
Travelling expenses	78,976	1,50,064
Telephone expense	15,794	6,075
Business promotion expense	1,11,999	3,57,846
	2,06,769	**5,13,985**

31 The Company has not received any intimation from its suppliers regarding their registration under the 'Micro, Small and Medium Enterprises Development Act, 2006'. Hence, no disclosure has been made.

32 Effective from 1 April, 2014 the Company has charged depreciation based on revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act 2013 as per para 7(b) of notes to part C. Due to above, depreciation charge for the previous year ended is higher by Rs.358,181. Further, based on transitional provision provided in note 7(b) to Schedule II, where the remaining useful life of an asset is nil the carrying amount of the asset should be recognised in the retained earnings. Such carrying amount as on 1 April, 2014 for the Company was Rs. 440,789 (net of deferred tax Rs. 217,724).

33 In the opinion of management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably stated.

34 Previous year figures has been regrouped and reclassified to conform to the current year's presentation.

Signatures to 1 to 34

As per our report of even date attached

For JMR & Associates
Chartered Accountants
FRN:106912W

JMR & ASSOCIATES * Nikesh Jain M. No. 114003 Mumbai * Chartered Accountants *

CA Nikesh Jain
Partner
M No.114003

Place : Mumbai
Date : May 07, 2016

For and on Behalf of the Board of Directors

Aditi Mittal
Chairperson & MD
DIN - 00698397

Ankit Gupta
Whole Time Director
DIN - 05351720

Tejas Pithadia
Company Secretary
M.No.: ACS-27722

Manoj Mundra
Chief Financial Officer
M.No.: 405041

Place: Mumbai
Date : May 02, 2016