A. K. CAPITAL SERVICES LTD.

BUILDING BONDS

ANNUAL REPORT 2016-2017

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Subhash Chandra Bhargava
Non-Executive Chairman, Independent Director
(DIN: 00020021)

Mr. A. K. Mittal
Managing Director
(DIN: 00698377)

Mr. Deepak Mittal
Whole-time Director
(DIN: 00043685)

Mr. Subhash Chander Madan
Independent Director
(DIN: 00785025)

Mr. Raghubinder Rai
Independent Director
(DIN: 00851994)

Mrs. Anshu
Non-Executive Director
(DIN: 01227279)

CHIEF FINANCIAL OFFICER (CFO)
Mr. Mahesh Bhootra

COMPANY SECRETARY (CS)

Ms. Kanchan Singh Mehta
(Resigned w.e.f. November 7, 2016)
(ACS No.: A24596)

Mr. Tejas Dawda
(Appointed w.e.f. November 7, 2016)
(ACS No.: A27660)

STATUTORY AUDITORS
M/s. Suresh Surana & Associates LLP
Chartered Accountants,
[Firm Registration No. 121750W/W-100010]

BANKERS

Bank of India
HDFC Bank Limited
The Federal Bank
Punjab National Bank
Syndicate Bank
Andhra Bank
Bank of Maharashtra
Union Bank of India
Axis Bank Limited
ICICI Bank Limited

REGISTRAR AND SHARE TRANSFER AGENT
Link Intime India Private Limited
C, 101,247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083
Tel: +91-22-49186270 | **Fax:** +91-22-49186060 | **E-mail:** rnt.helpdesk@linkintime.co.in

CORPORATE IDENTIFICATION NUMBER
L74899MH1993PLC274881

REGISTERED OFFICE
403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai – 400 021
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DIRECTORS' REPORT

To the Members of A. K. Capital Services Limited,

The Directors of your Company presents the 24th Annual Report of the Company together with the annual audited consolidated and standalone financial statements for the Financial Year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

A summary of the financial performance of the Company, both on consolidated and standalone basis, for the Financial Year 2016-17 as compared to the previous financial year is given below:

Consolidated financial highlights of A. K. Capital Services Limited

(₹ in Crore except per share data)

Particulars	2016-17	2015-16
Total income	338.94	245.62
Total expenditure	249.72	186.15
Profit before tax	**89.22**	**59.47**
Provision for tax	31.40	17.60
Profit after tax	**57.82**	**41.87**
Less: Share of minority interest	0.39	0.29
Profit for the year	**57.43**	**41.58**
Add: Surplus brought forward from previous year	305.53	275.05
Less: Transfer of pre-acquisition profit	0.07	0.09
Profit available for appropriation	**362.89**	**316.54**
Less: Appropriations		
Transfer to general reserves	-	1.90
Transfer to special reserves	6.22	4.34
Proposed dividend #	-	3.96
Dividend distribution tax	-	0.81
Surplus carried to the Balance Sheet	**356.67**	**305.53**
Earnings per equity share (face value ₹ 10/- per share)		
Basic (₹)	87.01	63.00
Diluted (₹)	87.01	63.00

Standalone financial highlights of A. K. Capital Services Limited

(₹ in Crore except per share data)

Particulars	2016-17	2015-16
Total income	96.27	71.97
Total expenditure	60.04	44.69
Profit before tax	**36.23**	**27.28**
Provision for tax	11.86	8.71
Profit after tax	**24.37**	**18.57**
Add: Surplus brought forward from previous year	233.78	221.88
Profit available for appropriation	**258.15**	**240.45**
Less: Appropriations		
Transfer to general reserves	-	1.90
Proposed dividend #	-	3.96
Dividend distribution tax	-	0.81
Surplus carried to the balance sheet	**258.15**	**233.78**
Earnings per equity share (face value ₹ 10/- per share)		
Basic (₹)	36.93	28.14
Diluted (₹)	36.93	28.14

during the previous year, the Company had made a provision for the proposed dividend declared by the Board of Directors as per the requirements of Pre revised Accounting Standard 4- Contingencies and events occurring after the balance sheet date (AS 4). However, the said requirement has been amended vide MCA notification G.S.R. 364 (E) dated March 30, 2016 issued by the Ministry of Corporate Affairs, consequently, no provision has been made in respect of aforesaid dividend proposed by the Board of Directors for the year ended March 31, 2017.

FINANCIAL PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

The consolidated turnover of your Company stood at ₹ 338.94 Crores for the Financial Year ended March 31, 2017 as against ₹ 245.62 Crores for the previous year. The consolidated profit before tax is ₹ 89.22 Crores for the current year as against ₹ 59.47 Crores in the previous year. After making provision for tax, the consolidated net profit of your Company is ₹ 57.82 Crores as against ₹ 41.87 Crores in the previous year.

On standalone basis, your Company earned gross income of ₹ 96.27 Crores during the year under review as against ₹ 71.97 Crores reported in the previous year. The profit before tax is ₹ 36.23 Crores as against the ₹ 27.28 Crores during the previous year. After making provision for tax, the net profit of your Company is ₹ 24.37 Crores as against the net profit of ₹18.57 Crores in the previous year.

DIVIDEND

The Board, at its Meeting held on May 20, 2017, has recommended a final dividend @ 60% i.e. ₹ 6/- per equity share (on the face value of ₹ 10/- per equity share) on 6,600,000 equity shares for the Financial Year 2016-17. The amount of dividend on equity shares and tax thereon aggregates to ₹ 4.77 Crore.

The payment of the final dividend is subject to the approval of the members at the ensuing Annual General Meeting (AGM) and shall be paid to those members whose names appear in the Register of Members as on Friday, August 18, 2017. The Register of Members and Share Transfer Books will remain closed from Saturday, August 19, 2017 to Thursday, August 24, 2017 (both days inclusive). The Annual General Meeting of the Company is scheduled to be held on Saturday, September 16, 2017.

ABRIDGED FINANCIAL STATEMENTS

In terms of the provisions of Section 136 of the Companies Act, 2013, abridged financial statements as at March 31, 2017 and the Auditors' Report on the abridged financial statement forms part of the Annual Report. Full version of the Annual Report of the Company will be available on the Company's website: www.akcapindia.com and will also be made available to the members of the Company on request.

TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to the General Reserves.

SUBSIDIARIES

On consolidated basis, your Company posted consolidated revenue of ₹ 338.94 Crores and a consolidated profit after tax (after minority interest) of ₹ 57.43 Crores.

As on March 31, 2017, your Company has the following subsidiary companies:

Sr. No.	Name of the subsidiaries
1.	A. K. Stockmart Private Limited
2.	A. K. Capital Corporation Private Limited
3.	A. K. Wealth Management Private Limited
4.	A. K. Capital (Singapore) Pte. Ltd.
5.	A. K. Capital Finance Private Limited

During the year under review, A. K. Capital Finance Private Limited (AKCFPL), material subsidiary of the Company has issued and allotted 23,500 Secured, Rated, Listed, Redeemable Non-Convertible Debentures of face value of ₹ 1 lakh each aggregating to ₹ 235 Crores, on private placement basis. The said debentures are listed on BSE Limited. Pursuant to the listing of said debentures, AKCFPL is now categorized as listed entity as per Listing Regulations, 2015.

The Consolidated Financial Statements has been prepared under the historical cost convention on accrual basis and in accordance with the Generally Accepted Accounting Principles ('GAAP') in compliance with the provisions of the Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and forms part of this Annual Report.

In terms of Section 129(3) of the Act, read with Rule 5 of Companies (Accounts) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Statement containing salient features of financial statements of subsidiaries in Form AOC-1 as prescribed in the Companies (Accounts) Rules, 2014 forms a part and is annexed to the Annual Report.

The financial statements of the subsidiary companies have been placed on the website of the Company www.akcapindia.com. Any member interested in obtaining a copy of financial statement of the subsidiaries may write to the Company Secretary, at the Registered Office of the Company. These documents will also be available for inspection till the date of AGM during the business hours at the Registered Office of the Company.

There was no change in the number of subsidiaries or associate companies during the year.

MATERIAL SUBSIDIARIES

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has two material subsidiaries namely, A. K. Capital Finance Private Limited & A. K. Stockmart Private Limited.

The Policy for determining the material subsidiaries has been formulated and adopted by the Board. The Policy may be accessed on the Company's website at link:
http://www.akcapindia.com/WebSiteDocuments/Policy%20for%20Determining%20Material%20Subsidiary.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

As on March 31, 2017, the Board of Directors ('Board') of your Company comprised of six Directors of which two are Executive Directors, one Woman Director who is a Non-Executive Non-Independent Director and three are Non-Executive Independent Directors. The Chairman of the Company is Non-Executive Independent Director and 50% of the Board comprises of Independent Directors. The composition of the Board is in consonance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in accordance with the applicable provisions of the Companies Act, 2013, as amended from time to time.

In accordance with the Articles of Association of the Company and the provisions of the Section 152 of the Companies Act, 2013, Mr. A. K. Mittal (DIN: 00698377) though appointed as Managing Director for a fixed term, of 5 years with effect from April 1, 2015, will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment to enable compliance by the Company with the provisions of Section 152 of the Companies Act, 2013. The details of Mr. A. K. Mittal are stated in the notice of the 24th Annual General Meeting of the Company.

Key Managerial Personnel

The following persons are the Key Managerial Personnel's (KMP's) of the Company as per the provisions of Section 203 of the Companies Act, 2013 (the Act) as on March 31, 2017:-

Mr. A. K. Mittal	-	Managing Director
Mr. Deepak Mittal	-	Whole-time Director
Mr. Mahesh Bhootra	-	Chief Financial Officer
Mr. Tejas Dawda	-	Company Secretary

Mr. Tejas Dawda (ACS No: A27660) has been appointed as the Company Secretary of the Company with effect from November 7, 2016 in place of Ms. Kanchan Singh Mehta who resigned on the same day. Further, in terms of provisions of Section 203 of Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Tejas Dawda has also been designated as Key Managerial Personnel of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all Independent Directors of the Company confirming that they meet the criteria of Independence prescribed both under Section 149 of the Companies Act, 2013 and the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PERFORMANCE EVALUATION

The Board has framed Performance Evaluation Policy (the Policy) for evaluating the performance of the Board as a whole, Chairman, Managing Director, Whole-time Director, Independent Directors, Non-Executive Director, KMP's and its Committees. Based on the same, the performance was evaluated for the Financial Year ended March 31, 2017. The Directors expressed their satisfaction with the evaluation process and its results.

Accordingly, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual directors and also the necessary evaluation was carried out by Nomination and Remuneration Committee and Independent Directors at their respective meetings held for the said purpose.

A meeting of the Independent Directors was held during the year under review.

NOMINATION AND REMUNERATION POLICY

The Board, on the recommendation of the Nomination and Remuneration Committee framed a Nomination and Remuneration Policy ('NRC Policy'). The NRC Policy is attached as **Annexure - 1** to this Report. The details of the Nomination and Remuneration Committee are stated in the Report on Corporate Governance.

BOARD COMMITTEES

The Board of Directors has constituted four Mandatory Committees, viz.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

Details of all the Mandatory Committees along with their composition, terms of reference and meetings held during the year are provided in 'Report on Corporate Governance' forming part of the Annual Report.

NON-MANDATORY COMMITTEE

In addition to the above referred mandatory Committees, the Board also constituted the following major Committees of the Board and delegated powers and responsibilities with respect to specific purposes:

1. Banking and Investment Committee
2. Management Committee
3. Infrastructure Committee

Details of all the Non-Mandatory Committees along with their composition and terms of reference are provided in 'Report on Corporate Governance' forming part of the Annual Report.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, the Board met four times. The details of the Board Meetings and the attendance of the Directors at the meetings are provided in the Corporate Governance Report, which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. in preparation of the annual financial statements for the Financial Year 2016-17, the applicable accounting standards have been followed;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the Financial Year 2016-17 ended on that date;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. the Directors have prepared the annual accounts on a 'going concern basis';
5. the Directors have laid down proper internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively;
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that the systems are adequate and are operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee (CSR Committee) and the CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link: http://www.akcapindia.com/WebSiteDocuments/CSR_Policy.pdf

The details of CSR Policy of the Company and CSR activities undertaken by the Company is attached as **Annexure - 2** and forms an integral part of this Report.

WHISTLEBLOWER POLICY AND VIGIL MECHANISM

Pursuant to Section 177 of the Companies Act, 2013 the rules made thereunder and the SEBI Regulations, the Company has a Whistle Blower Policy ('Vigil Mechanism') in place for reporting genuine concerns over happening of instances of any irregularity, unethical practice and/or misconduct involving the directors, employees and stakeholders. The Policy may be accessed on the Company's website at the link: www.akcapindia.com/WebSiteDocuments/Whistle%20Blower%20Policy%20and%20Establishment%20of%20Vigil%20Mechanism.pdf . There was no instance of such reporting received during the year.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace. During the Financial Year 2016-17 no case in the nature of sexual harassment were reported at any work place of the Company.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT

The Management Discussion and Analysis for the Financial Year 2016-17 and the report of the Directors on Corporate Governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given in separate sections forming part of the Annual Report.

A certificate from the Statutory Auditors of the Company, M/s. Suresh Surana & Associates LLP, Chartered Accountants (Firm Registration No. 121750W/W-100010) confirming compliance with the conditions of Corporate Governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Company has a well-defined risk management framework and maintains adequate internal control systems. The Risk Management and Internal Control System thereof are discussed in detail in the Management Discussion and Analysis report that forms part of the Annual Report.

STATUTORY AUDITORS

Pursuant to Section 139(2) of the Companies Act, 2013(the "Act") read with Companies (Audit and Auditors) Rules, 2014, an audit firm can hold office as statutory auditors for two terms of five consecutive years each i.e. for a maximum period of ten years. They can be re-appointed after a cooling period of five years thereafter. While computing the period of ten years, the period for which the statutory auditors would have held office before the commencement of the Act i.e., before April 1, 2014 is also to be taken into account.

M/s. Suresh Surana & Associates LLP, Chartered Accountants, (Firm Registration No. 121750W/W-100010) has been acting as the Statutory auditors of the Company for more than ten years and to comply with the provisions of the Act, a new auditor must be appointed in their place to act as Statutory Auditors after the conclusion of 24th Annual General Meeting. The Board of Directors, at their meeting held on July 29, 2017, has recommended the appointment of M/s. PYS & Co. LLP (Firm Registration No. 012388S/S200048), Chartered Accountants, Mumbai, as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of 29th Annual General Meeting, subject to ratification by the members at every subsequent Annual General Meeting.

The Company has received a confirmation from M/s. PYS & Co. LLP that their appointment, if made, at the 24th Annual General Meeting will be in accordance with Sections 139 and 141 of the Act and Rules made thereunder.

COMMENTS ON AUDITORS' REPORT

There is no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors, in their Audit report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the Financial Year 2016-17.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s. Aashish Bhatt & Associates (C.P. No: 2956), Practicing Company Secretary to conduct the Secretarial Audit of the Company for Financial Year 2016-17. The Secretarial Audit Report is appended as **Annexure - 3** to this Report. There is no qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor in their report.

PUBLIC DEPOSITS

During the Financial Year 2016-17, your Company did not invite or accept any public deposits.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS BY THE COMPANY

Particulars of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in "Notes to the Financial Statements".

RELATED PARTY TRANSACTION

All the Related Party Transactions that were entered into during the Financial Year were on arm's length basis and were in ordinary course of business. Transactions with related parties entered into in the normal course of businesses are periodically placed before the Audit Committee of the Board for its approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen or repetitive in nature.

Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, material related party transaction to be reported under Section 188(1) of the Companies Act, 2013, in form AOC-2 are enclosed as **Annexure - 4** to the Board Report.

All Related Party Transactions as required under Accounting Standards AS-18 are reported in note no. 30 of Notes to the consolidated financial statements and note no. 30 of Notes to the Standalone financial statements of your Company.

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Materiality and Dealing with Related Party Transactions. It can be accessed on the Company' website at the link:

http://www.akcapindia.com/WebSiteDocuments/AKCSL%20-%20Policy%20on%20Materiality%20and%20Dealing%20with% 20Related%20Party%20Transactions.pdf

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The following material changes have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this report.

1. A. K. Capital Finance Private Limited, material subsidiary company has issued and allotted 10,500 Secured Rated Listed Redeemable Non-Convertible Debentures (NCDs) of face value of ₹ 1 lakh each aggregating to ₹ 105 crores, on private placement basis and subsequently the said NCDs are listed on BSE Limited.
2. A. K. Capital Finance Private Limited, a material subsidiary of the Company has incorporated its subsidiary in the name of Family Home Finance Private Limited on June 29, 2017 to carry on the business of Housing Finance and matters incidental thereto.
3. The Company has obtained approval to act as an Investment Advisers pursuant to SEBI (Investment Advisers) Regulations, 2013, w.e.f. May 16, 2017 from Securities and Exchange Board of India.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS AND COURTS

There has been no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future during the Financial Year 2016-17.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, usage of alternate sources of energy and investments for energy conservation, wherever required have been taken. The Company makes all efforts towards conservation of energy, protection of environment and ensuring safety.

The Company has not absorbed any technology.

Your Company has no foreign exchange earnings during the Financial Year 2016-17. The information on foreign exchange outgo is furnished in the "Notes to the Financial Statements" under note no. 28 which forms part of this Annual Report.

TRANSFER OF SHARES AND AMOUNTS PERTAINING TO UNPAID/UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares of the shareholders in respect of whom the dividend is unpaid/ unclaimed for seven consecutive years are required to be transferred to the Investor Education and Protection Fund (IEPF) after giving an opportunity to shareholders to claim the said unpaid/unclaimed dividend.

Accordingly, the Company had issued the reminder letters to such shareholders to claim the dividend and has also published the notice to such effect in the newspaper in English and Regional Language and accordingly informed them that in the event of failure to claim said dividend, the unpaid/unclaimed dividend alongwith shares pertaining to unpaid/unclaimed dividend would be transferred to IEPF.

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, relevant amounts which remained unpaid or unclaimed for a period of 7 consecutive years have been transferred by the Company to the Investor Education and Protection Fund. Pursuant to the provisions of IEPF, the Company has uploaded the details of unpaid/ unclaimed amounts lying with the Company as on September 17, 2016 (date of last Annual General Meeting) on the website of the Company (www.akcapindia.com), as also on the Ministry of Corporate Affairs website.

COMPLIANCE WITH SECRETARIAL STANDARD

The Company has complied with Secretarial Standards issued by Institute of Company Secretaries of India on Board Meetings and Annual General Meeting.

EXTRACT OF ANNUAL RETURN

Pursuant to the requirements under Sections 92(3) and 134(3) of the Companies Act, 2013, read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT - 9 is given in the Annual Report as **Annexure – 5**.

CAUTIONARY STATEMENT

Statements in the Directors Reports and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report and is attached as **Annexure - 6** and forms an integral part of this Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection by the Members at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on any working day (Monday to Friday) upto the date of 24th Annual General Meeting of the Company. Any Member who is interested in obtaining such information may write to the Company Secretary and the same will be furnished on such request.

ACKNOWLEDGEMENT

Your Directors would like to place on record their gratitude for the valuable guidance and support received from the Depository Participants, Government Authorities, Regulators, Stock Exchanges, Bankers of the Company, Auditors of the Company, Other Statutory Bodies. Your Directors would also like to take this opportunity to express their gratitude to the Members of the Company for their trust and support. The Board also wishes to thank the employees of the Company and its subsidiaries at all levels for the dedicated services rendered by them. Your Directors look forward to your continuing support.

On behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Whole-time Director
(DIN: 00043685)

Place: Mumbai
Date: July 29, 2017

ANNEXURE - 1

NOMINATION AND REMUNERATION POLICY

INTRODUCTION:

The only vital value an enterprise has is the experience, skills, innovativeness and insights of its employees. A. K. Capital Services Limited (the "Company") believes in transparency in evaluating the performances of its Directors, Key Managerial Personnel's (KMPs) and Senior Management of the Company and paying equitable remuneration to them. The Company recognizes its Directors, Key Managerial Personnel (KMP) and Senior Management as an invaluable asset.

In terms of the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), this policy has been formulated by the Nomination and Remuneration Committee and approved by the Board.

OBJECTIVES OF THE POLICY:

The Key objectives of the Policy would be:

a) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

b) That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

c) To formulate criteria for evaluation of annual performance of the Board of Directors and Members of other Committees of the Board, KMPs and Senior Management and other employees of the Company and recommend remuneration payable to them to the Board.

d) Formulate criteria for evaluation of Independent Directors and the Board.

e) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.

f) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

g) Assist the Board in fulfilling responsibilities.

h) To retain, motivate and promote talent and to ensure their sustainability and create competitive advantage.

i) Implement and monitor policies and processes regarding principles of corporate governance.

DEFINITIONS:

a) ***'Act'*** means the Companies Act, 2013 and the rules framed thereunder as amended from time to time.

b) ***'Board of Directors'*** or 'Board' in relation to a Company, means the Board of Directors of the Company.

c) ***'Director'*** means Directors of the Company

d) ***'Independent Director'*** means an independent director referred to in sub-section (5) of section 149 of Companies Act, 2013.

e) ***'Key Managerial Personnel'*** means

   a) Managing Director, or Chief Executive Officer or Manager and in their absence a Whole-Time Director;

   b) Chief Financial Officer;

   c) Company Secretary; and

   d) Such other officer as may be prescribed.

f) ***'Policy'*** means Nomination and Remuneration Policy of the Company.

g) ***'Senior Management'*** means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

INTERPRETATION:

Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time.

APPLICABILITY OF THE POLICY:

This Policy is applicable to:

a) Directors viz. Executive, Non-executive and Independent;

b) Key Managerial Personnel;

c) Senior Management Personnel.

NOMINATION AND REMUNERATION COMMITTEE OF THE COMPANY:

The Board of Directors of the Company have constituted the Committee to be known as the Nomination and Remuneration Committee consisting of three or more Non-Executive Directors out of which not less than one-half are Independent Directors. The Chairperson of the Committee is an Independent Director. The Chairperson of the Company (whether executive or non executive) may be appointed as member of the Nomination and Remuneration Committee but shall not Chair such Committee.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

I. APPOINTMENT AND QUALIFICATION CRITERIA

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee shall have the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

c) Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and rules made thereunder.

d) The Company shall not appoint or continue employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

II. TERM/TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairperson, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

III. EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

IV. REMOVAL

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

V. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS, KMP AND SENIOR MANAGEMENT

I. REMUNERATION TO MANAGING DIRECTOR/ WHOLE-TIME DIRECTOR/ EXECUTIVE DIRECTORS:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

II. REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR:

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes mentioned above if the following conditions are satisfied

i) The Services are rendered by such Director in his capacity as the professional; and

ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

III. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy. The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

a) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

c) Identifying and recommending Directors who are to be put forward for retirement by rotation;

d) Determining the appropriate size, diversity and composition of the Board;

e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;

j) Recommend any necessary changes to the Board; and

k) Considering any other matters, as may be requested by the Board.

REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters includes:

a) to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

b) to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

c) to delegate any of its powers to one or more of its members or the Secretary of the Committee.

d) to consider any other matters as may be requested by the Board.

e) Professional indemnity and liability insurance for Directors and senior management.

REVIEW AND AMENDMENT IN POLICY

The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary. The Company shall reserve the rights to make amended to the Policy from time to time as it deems fit in accordance with the applicable laws, rules and regulations for the time being in force.

DESSIMINATION

The details of the Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's report therein.

ANNEXURE - 2

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:	The Company has framed a CSR Policy of the Company in compliance with the provisions of the Companies Act, 2013 (the 'Act') and the same is uploaded on Company's website at the web-link provided below: http://www.akcapindia.com/WebSiteDocuments/CSR_Policy.pdf Generally, Company undertakes the projects keeping in view the applicable provisions of Section 135 read with Schedule VII of the Act and CSR Policy of the Company. During the year, contributions were made in few projects with a view to promote quality education, training and skill enhancement and thereby improving the quality of living and livelihood.
The Composition of the CSR Committee	CSR Committee of the Company comprises of the following Directors as a members: 1. Mr. Subhash Chander Madan 2. Mr. A.K. Mittal 3. Mr. Deepak Mittal
Average net profit of the company for last three financial years	₹ 28,59,79,386/- (Rupees Twenty Eight Crore Fifty Nine Lakhs Seventy Nine Thousand Three Hundred Eighty Six only)
Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	₹ 57,19,588/- (Rupees Fifty Seven Lakhs Nineteen Thousand Five Hundred Eighty Eight only)
Gross amount required to be spent by the Company during the year (including previous years shortfall of ₹ 74,16,287/-).	₹ 1,31,35,875 (Rupees One Crore Thirty One Lakh Thirty Five Thousand Eight Seventy Five only)
Details of CSR spent during the Financial Year. a. Total amount to be spent for the financial year (Actual Spent during the year).	₹ 80,00,000/- (Rupees Eighty Lakhs only)
b. Amount unspent, if any:	₹ 51,35,875/- (Rupees Fifty One Lakh Thirty Five Thousand Eight Hundred Seventy Five only).
c. Manner in which the amount spent during the Financial Year is detailed below.	**As per Schedule I**
In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	In absence of suitable CSR Project and due to paucity of time for evaluation of right project/ programme the company could not spend above mentioned amount.
The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.	

For and on behalf of A. K. Capital Services Limited

Date: July 29, 2017
Place: Mumbai

Subhash Chander Madan
Independent Director and Chairman of CSR Committee
(DIN: 00785025)

SCHEDULE - I

Sr. No.	CSR Projects or activity identified	Sector in which project is covered	Location where Projects or Programs were undertaken		Amount outlay (budget) project or programs	Amount spent on Projects or Programs		Amount spent directly or through implementing agency
			Local Area or other	The Stateand districtwhere projectsor programswas undertaken		Direct Expenditure	Overhead	
1	Providing world class academic and cultural foundation in association with Pimpri Chinchwad Education Trust	Education	Other	Pimpri, Maharashtra	₹ 50,00,000/-*	₹ 50,00,000/-*	Nil	Through Pimpri Chinchwad Education Trust (Implementing Agency)
2	To meet diversified educational needs of of the people	Education	Other	Thane, Maharashtra	₹ 30,00,000/-*	₹ 30,00,000/-*	Nil	Thorugh Vidya Prasarak Mandali (Implementing Agency)

*The amount includes budget allocated by the Company for project or program.

For and on behalf of A. K. Capital Services Limited

Date: July 29, 2017
Place: Mumbai

Subhash Chander Madan
Independent Director and Chairman of CSR Committee
(DIN: 00785025)

ANNEXURE - 3

Form No. MR-3

Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] for the financial year ended 31st March, 2017

To,

The Members,

A. K. Capital Services Limited

30-39, Free Press House, 3rd Floor,
Free Press Journal Mar, 215, Nariman Point,
Mumbai - 400021

Dear Sir(s)/ Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by A. K. Capital Services Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2017, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; Overseas Direct Investment;

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (the 'SEBI Act') are applicable:-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Following regulations and guidelines as prescribed under the SEBI Act are not applicable to the Company during the financial year under report:-

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

h) The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

vi. The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

We have also examined compliances with applicable clauses of:

vii. Secretarial Standards issued by the Institute of the Company Secretaries of India;

viii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above and we have no material observation(s) of instances of non Compliance in respect of the same.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice, agenda and detailed notes may have been given to all Directors to schedule the Board Meetings at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We have relied on the representation made by the Company and its Officers for adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws.

We further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

(i) Declaration of Dividend;

(ii) Increase in Authorised Share Capital;

(iii) Resignation/appointment of Key Managerial Personnel(s)

For **Aashish K. Bhatt & Associates**
Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023

Place: Mumbai
Date: July 29, 2017

APPENDIX A

To,

The Members,

A. K. Capital Services Limited

30-39, Free Press House, 3rd Floor,
Free Press Journal Marg, 215, Nariman Point,
Mumbai – 400021

Our report of even date is to be read along with this letter.

1. The responsibility of maintaining Secretarial record is of the management and based on our audit, we have expressed my opinion on these records.
2. We are of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the Secretarial records were reasonable for verification.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. Our examination was limited to the verification of procedure and wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Aashish K. Bhatt & Associates**
Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023

Place: Mumbai
Date: July 29, 2017

ANNEXURE - 4

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

I. Details of contracts or arrangements or transactions not at arm's length basis:

All contracts/arrangements/transactions entered into during the year ended March 31, 2017, were at arm's length basis.

II. Details of material contracts or arrangement or transactions at arm's length basis:

Transaction no. 1 – Corporate guarantee given to Bank for borrowing facility availed by A. K. Capital Finance Private Limited, Subsidiary of the Company	
Name(s) of the related party and nature of relationship	A. K. Capital Finance Private Limited (AKCFPL) Subsidiary
Nature of contracts/arrangements/transactions	Corporate Guarantee given to Bank for borrowings facility availed by AKCFPL
Duration of the contracts / arrangements/transactions	1 Year, subject to renewal.
Salient terms of the contracts or arrangements or transactions including the value, if any	Corporate Guarantee given to the Bank of India of ₹ 175.00 Crores (Rupees One Hundred and Seventy Five Crores).
Date(s) of approval by the Board/Committee, if any.	January 4, 2017
Amount paid as advances, if any	Nil
Transaction no. 2 – Investment in securities of Subsidiary Company	
Name(s) of the related party and nature of relationship	A. K. Capital Finance Private Limited (AKCFPL) Subsidiary
Nature of contracts/arrangements/transactions	Investment in Non-Convertible Debentures of AKCFPL
Duration of the contracts / arrangements/transactions	7 Years
Salient terms of the contracts or arrangements or transactions including the value, if any	Investments in 1,400 Secured, Rated, Listed Redeemable Non-Convertible Debentures (NCDs) of ₹ 1,00,000/- each amounting to ₹ 14 Crores.
Date(s) of approval by the Board/Committee, if any	March 1, 2017
Amount paid as advances, if any	N.A.
Transaction no. 3 – Investment in securities of Subsidiary Company	
Name(s) of the related party and nature of relationship	A. K. Capital Finance Private Limited (AKCFPL) Subsidiary
Nature of contracts/arrangements/transactions	Investment in Non-Convertible Debentures of AKCFPL
Duration of the contracts / arrangements/transactions	5 years
Salient terms of the contracts or arrangements or transactions including the value, if any	Investments in 200 Secured, Rated, Listed Redeemable Non-Convertible Debentures (NCDs) of ₹ 1,00,000/- each amounting to ₹ 2 Crores.
Date(s) of approval by the Board/Committee, if any	March 1, 2017
Amount paid as advances, if any	N.A.

Transaction no. 4 – Investment in securities of Subsidiary Company	
Name(s) of the related party and nature of relationship	A. K. Capital Finance Private Limited (AKCFPL) Subsidiary
Nature of contracts/arrangements/transactions	Investment in Non-Convertible Debentures of AKCFPL
Duration of the contracts / arrangements/transactions	7 years
Salient terms of the contracts or arrangements or transactions including the value, if any	Investments in 200 Secured, Rated, Listed Redeemable Non-Convertible Debentures (NCDs) of ₹ 1,00,000/- each amounting to ₹ 2 Crores.
Date(s) of approval by the Board/Committee, if any	March 1, 2017
Amount paid as advances, if any	N.A.
Transaction no. 5 – Investment in securities of Subsidiary Company	
Name(s) of the related party and nature of relationship	A. K. Capital Finance Private Limited (AKCFPL) Subsidiary
Nature of contracts/arrangements/transactions	Investment in equity shares of AKCFPL
Duration of the contracts / arrangements/transactions	N.A.
Salient terms of the contracts or arrangements or transactions including the value, if any	Investments in 13,43,750 (Thirteen Lakhs Forty Three Thousand Seven Hundred and Fifty) fully paid up equity shares of ₹ 10 (Rupees Ten) each of the AKCFPL, for cash, at a premium of ₹ 150 (Rupees One Hundred and Fifty Only) per equity share.
Date(s) of approval by the Board/Committee, if any	March 14, 2017
Amount paid as advances, if any	N.A.

For and on behalf of A. K. Capital Services Limited

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Whole-time Director
(DIN: 00043685)

Date: July 29, 2017
Place: Mumbai

ANNEXURE - 5

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L74899MH1993PLC274881
Registration Date	October 5, 1993
Name of the Company	A. K. Capital Services Limited
Category/ Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
Address of the Registered office and contact details	403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai – 400 021 Email ID: compliance@akgroup.co.in Website: www.akcapindia.com Contact no: +91-22-66349300
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	**Link Intime India Private Limited** C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel. No.: +91-22-49186270 Fax: +91-22-49186060 E-mail id: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company is stated:-

Sr. No.	Name and Description of main services	*NIC Code of the services	% to total turnover of the Company
1	Merchant Banking Fees	64990	59.92
2	Income from Investments	64990	36.51

** As per NIC 2008*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name of the Company	Address of the Company	Corporate identity Number (CIN)/ Global Location number (GLN)	% of Shares held
SUBSIDIARY {APPLICABLE SECTION: 2 (87)(ii)}				
1	A. K. Stockmart Private Limited	30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U67120MH2006PTC158932	100.00
2	A. K. Capital Corporation Private Limited	30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U65993MH2006PTC165749	100.00
3	A. K. Wealth Management Private Limited	30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U74140MH2006PTC165653	100.00
4	A. K. Capital (Singapore) Pte. Ltd.	80 Robinson Road, #02-00 Sinapore 068898	Company Registration No.: 201320478E	100.00
5	A. K. Capital Finance Private Limited	30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U51900MH2006PTC214277	98.73

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholder		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year (2-1)
		Demat	Physical	Total	% of Total shares (1) *	Demat	Physical	Total	% of Total shares (2) *	
A. Promoters										
1. Indian										
a	Individual /HUF	1,283,232	-	1,283,232	19.44	1,257,232	-	1,257,232	19.05	**(0.39)**
b	Central Govt.	-	-	-	-	-	-	-	-	-
c	State Govt(s)	-	-	-	-	-	-	-	-	-
d	Bodies Corp	2,683,182	-	2,683,182	40.65	2,920,825	-	2,920,825	44.25	**3.60**
e	Banks / FI	-	-	-	-	-	-	-	-	-
f	Any Other	-	-	-	-	-	-	-	-	-
Sub - total (A) (1):-		**3,966,414**	**-**	**3,966,414**	**60.10**	**4,178,057**	**-**	**4,178,057**	**63.30**	**3.20**
2. Foreign										
a	NRI - Individuals	172,275	-	172,275	2.61	198,275	-	198,275	3.00	**0.39**
b	Other - Individuals	-	-	-	-	-	-	-	-	-
c	Bodies Corp	-	-	-	-	-	-	-	-	-
d	Banks /FI	-	-	-	-	-	-	-	-	-
e	Any Other	-	-	-	-	-	-	-	-	-
Sub - total (A) (2):-		**172,275**	-	**172,275**	**2.61**	**198,275**	-	**198,275**	**3.00**	**0.39**
Total Shareholding of Promoter (A) = (A) (1) +(A) (2)		**4,138,689**	**-**	**4,138,689**	**62.71**	**4,376,332**	-	**4,376,332**	**66.31**	**3.60**
B. Public Shareholding										
1. Institutions										
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Banks / FI	-	-	-	-	-	-	-	-	-
c	Central Govt	-	-	-	-	-	-	-	-	-
d	State Govt(s)	-	-	-	-	-	-	-	-	-
e	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f	Insurance Companies	-	-	-	-	-	-	-	-	-
g	FIIs	-	-	-	-	-	-	-	-	-
h	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i	Others (specify)	-	-	-	-	-	-	-	-	-
Sub - total (B) (1):-		-	-	-	-	-	-	-	-	-

** The rounding off of percentage could result into arithmetical differences*

2. Non- Institutions									
a. Bodies Corp	954,085	-	954,085	14.46	752,948	-	752,948	11.41	**(3.05)**
b. Individuals									
I Individuals shareholders holding nominal share capital upto ₹ 1 lakhs	700,691	52,821	753,512	11.42	634,067	52,821	686,888	10.41	**(1.01)**
II Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	636,043	25,000	661,043	10.02	570,790	25,000	595,790	9.03	**(0.99)**
c. Others									
I Non Resident Indian	37,120	-	37,120	0.56	61,988	-`	61,988	0.94	**0.38**
II Clearing Members	1,431	-	1,431	0.02	49,432	-	49,432	0.75	**0.73**
III Hindu Undivided Family	81,157	-	81,157	1.23	76,622	-	76,622	1.16	**(0.07)**
Sub - Total (B) (2):-	**2,383,490**	**77,821**	**2,461,311**	**37.29**	**2,145,847**	**60,387**	**2,223,668**	**33.69**	**(3.60)**
Total Public Shareholding (B)=(B)(1) + (B)(2):-	**2,383,490**	**77,821**	**2,461,311**	**37.29**	**2,145,847**	**60,387**	**2,223,668**	**33.69**	**(3.60)**
C. Shares held by custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**6,522,179**	**77,821**	**6,600,000**	**100.00**	**6,522,179**	**77,821**	**6,600,000**	**100.00**	**-**

Note: Figures in bracket indicates negative changes
The rounding off of percentage could result into arithmetical differences

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Share pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Share pledged/ encumbered to total shares	
1	A. K. Mittal	558,665	8.46	-	558,665	8.46	-	-
2	A. K. Mittal (HUF)	45,900	0.70	-	45,900	0.70	-	-
3	Abhinav Kumar Mittal	236,898	3.59	-	236,898	3.59	-	-
4	Aditi Mittal	149,470	2.26	-	149,470	2.26	-	-
5	Anshu Aggarwal	172,275	2.61	-	198,275	3.00	-	0.39
6	Dinesh Kumar Gupta	52,500	0.80	-	52,500	0.80	-	-
7	Kavita Garg	24,899	0.38	-	24,899	0.38	-	-
8	Sanjiv Kumar	29,100	0.44	-	29,100	0.44	-	-
9	Sanjeev Kumar (HUF)	28,500	0.43	-	28,500	0.43	-	-
10	Shyam Lata Garg	26,000	0.39	-	0	0	-	(0.39)
11	Sneh Lata Mittal	131,300	1.99	-	131,300	1.99	-	-
12	A. K. Capital Markets Limited	979,043	14.83	-	0	0	-	(14.83)
13	A. K. Services Private Limited	966,769	14.65	-	0	0	-	(14.65)
14	Second Leasing Private Limited	737,370	11.17	-	2,920,825	44.25	-	33.08
	Total	**4,138,689**	**62.71**	-	**4,376,332**	**66.31**	-	**3.60**

Note: Figures in bracket indicates negative changes
The rounding off of percentage could result into arithmetical differences

iii. Change in Promoters' Shareholding

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year / end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**A. K. Mittal**				
	At the beginning of the year	558,665	8.46	-	-
		No change in the shareholding during the year			
	At the end of the year	558,665	8.46	-	-
2	**A. K. Mittal (HUF)**				
	At the beginning of the year	45,900	0.70	-	-
		No change in the shareholding during the year			
	At the end of the year	45,900	0.70	-	-
3	**Abhinav Kumar Mittal**				
	At the beginning of the year	236,898	3.59	-	-
		No change in the shareholding during the year			
	At the end of the year	236,898	3.59	-	-
4	**Aditi Mittal**				
	At the beginning of the year	149,470	2.26	-	-
		No change in the shareholding during the year			
	At the end of the year	149,470	2.26	-	-
5	**Anshu Aggarwal**				
	At the beginning of the year	172,275	2.61		
	Acquisition by way of transmission on 08.02.2017	26,000	0.39	198,275	3.00
	At the end of the year	198,275	3.00	198,275	3.00
6	**Dinesh Kumar Gupta**				
	At the beginning of the year	52,500	0.80	-	-
		No change in the shareholding during the year			
	At the end of the year	52,500	0.80	-	-
7	**Kavita Garg**				
	At the beginning of the year	24,899	0.38	-	-
		No change in the shareholding during the year			
	At the end of the year	24,899	0.38	-	-
8	**Sanjiv Kumar**				
	At the beginning of the year	29,100	0.44	-	-
		No change in the shareholding during the year			
	At the end of the year	29,100	0.44	-	-
9	**Sanjiv Kumar (HUF)**				
	At the beginning of the year	28,500	0.43	-	-
		No change in the shareholding during the year			
	At the end of the year	28,500	0.43	-	-
10	**Shyam Lata Garg**				
	At the beginning of the year	26,000	0.39		
	Disposal by way of transmission on 08.02.2017	(26,000)	(0.39)	-	-
	At the end of the year	-	-	-	-

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year / end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
11	**Sneh Lata Mittal**				
	At the beginning of the year	131,300	1.99	-	-
		No change in the shareholding during the year			
	At the end of the year	131,300	1.99	-	-
12	**A. K. Capital Markets Limited**				
	At the beginning of the year	979,043	14.83	-	-
	Inter-se Transfer on 30.03.2017	(979,043)	(14.83)	-	-
	At the end of the year	-	-	-	-
13	**A. K. Services Private Limited**				
	At the beginning of the year	966,769	14.65	-	-
	Market Purchase on 17.03.2017	103,435	1.57	10,70,204	16.22
	Market Purchase on 21.03.2017	100,889	1.53	1,171,093	17.74
	Inter-se Transfer on 30.03.2017	(1,171,093)	(17.74)	-	-
	At the end of the year	-	-	-	-
14	**Second Leasing Private Limited**				
	At the beginning of the year	737,370	11.17	-	-
	Market Purchase on 28.03.2017	33,319	0.51	770,689	11.68
	Inter-se Transfer on 30.03.2017	2,150,136	32.58	2,920,825	44.25
	At the end of the year	2,920,825	44.25	2,920,825	44.25

Note: Figures in bracket indicates negative changes
The rounding off of percentage could result into arithmetical differences
Only increase/ (decrease) shareholding considered in cumulative shareholding

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders (Name of the Shareholder)	Shareholding at the beginning/ end of the year		Date wise Increase/ (Decrease) in Shareholding during the year specifying the Reason for increase /decrease			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	No. of Shares	Reason	No. of shares	% of total shares of the Company
1	A. M. Credit Analysis and Research Ltd.	371,000	5.62	No change in the shareholding during the year				
	At the end of the year	**371,000**	**5.62**					
2	Gajgamini Investments & Finance Pvt. Ltd.	30,067	0.46	08.04.2016	23,236	Purchase	53,303	0.81
				15.04.2016	5,993		59,296	0.90
				29.04.2016	18,654		77,950	1.18
				29.07.2016	117		78,067	1.18
				14.10.2016	65,668		143,735	2.18
				27.01.2017	74,167		217,902	3.30
				03.03.2017	14,964		232,866	3.53
				10.03.2017	36		232,902	3.53
	At the end of the year	**232,902**	**3.53**					

Sr. No.	For Each of the Top 10 Shareholders (Name of the Shareholder)	Shareholding at the beginning/ end of the year		Date wise Increase/ (Decrease) in Shareholding during the year specifying the Reason for increase /decrease			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	No. of Shares	Reason	No. of shares	% of total shares of the Company
3	Vijay Kumar Goel	69,400	1.05	No change in the shareholding during the year				
	At the end of the year	**69,400**	**1.05**					
4	Divya Goel	65,800	1.00	No change in the shareholding during the year				
	At the end of the year	**65,800**	**1.00**					
5	Archana Goel	64,700	0.98	No change in the shareholding during the year				
	At the end of the year	**64,700**	**0.98**					
6	Ankur Goel	59,100	0.90	No change in the shareholding during the year				
	At the end of the year	**59,100**	**0.90**					
7	Annu Garg	53,607	0.81	15.07.2016	(302)	Sale	53,305	0.81
				06.10.2016	(400)		52,905	0.80
				08.11.2016	(600)		52,305	0.79
				24.11.2016	(92)		52,213	0.79
				09.12.2016	(600)		51,613	0.78
				11.01.2017	(200)		51,413	0.78
				13.01.2017	(200)		51,213	0.78
				19.01.2017	(100)		51,113	0.77
				20.01.2017	(200)		50,913	0.77
				24.01.2017	(200)		50,713	0.77
				25.01.2017	(313)		50,400	0.76
				08.03.2017	(100)		50,300	0.76
				15.03.2017	(82)		50,218	0.76
				16.03.2017	(200)		50,018	0.76
				17.03.2017	(100)		49,918	0.76
	At the end of the year	**49,918**	**0.76**					
8	Abhishek	45,600	0.69	No change in the shareholding during the year				
	At the end of the year	**45,600**	**0.69**					
9	Karan Rai	35,190	0.53	No change in the shareholding during the year				
	At the end of the year	**35,190**	**0.53**					
10	Indianivesh Securities Limited	-	-	16.12.2016	60	Purchase	60	0.00
				27.01.2017	14,940		15,000	0.23
				03.02.2017	15,000		30,000	0.45
				10.02.2017	709		30,709	0.47
				17.02.2017	1,991		32,700	0.50
				24.02.2017	58		32,758	0.50
				03.03.2017	(14,688)	Sale	18,070	0.27
				17.03.2017	(17,045)		1,025	0.02
				24.03.2017	31,700	Purchase	32,725	0.50
				31.03.2017	2,141		34,866	0.53
	At the end of the year	**34,866**	**0.53**					

Sr. No.	For Each of the Top 10 Shareholders (Name of the Shareholder)	Shareholding at the beginning/ end of the year		Date wise Increase/ (Decrease) in Shareholding during the year specifying the Reason for increase /decrease			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	No. of Shares	Reason	No. of shares	% of total shares of the Company
11	Shri Shyam Advisory Services Private Limited	74,167	1.12	27.01.2017	(74,167)	Sale	-	-
				17.03.2017	14,975	Purchase	14,975	0.23
				24.03.2017	25		15,000	0.23
	At the end of the year	**15,000**	**0.23**					
12	Dipco Estates Private Limited	171,421	2.60	17.03.2017	(171,421)	Sale	-	-
	At the end of the year	**-**	**-**					
13	Columbine Decorative and Marketing Private Limited (Earlier Name "Namokar Commercial Private Limited")	40,000	0.61	31.03.2017	(40,000)	Sale	-	-
	At the end of the year	**-**	**-**					
14	Gajgamini Investments and Finance Private Limited	65,668	0.99	14.10.2016	(65,668)	Sale	-	-
	At the end of the year	**-**	**-**					

Note: Details have been considered as the date on which beneficiary position was provided by the Depositories/RTA of the Company.
Figures in bracket indicates negative changes
The rounding off of percentage could result into arithmetical differences

v. Shareholding of Directors and Key Managerial Personnel:

A. Directors

Sr. No.	Name of the Directors	Shareholding at the beginning/ end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**A. K. Mittal**				
	At the beginning of the year	558,665	8.46	-	-
		No change in the shareholding during the year			
	At the end of the year	**558,665**	**8.46**	**558,665**	**8.46**
2	**Anshu Aggarwal**				
	At the beginning of the year	172,275	2.61	-	-
	Acquisition by way of transmission on 08.02.2017	26,000	0.39	198,275	3.00
	At the end of the year	**198,275**	**3.00**	**198,275**	**3.00**
3	**Deepak Mittal**				
	At the beginning of the year	-	-	-	-
	At the end of the year	**-**	**-**	**-**	**-**
4	**Subhash Chandra Bhargava**				
	At the beginning of the year	-	-	-	-
	At the end of the year	**-**	**-**	**-**	**-**

Sr. No.	For Each of the Top 10 Shareholders (Name of the Shareholder)	Shareholding at the beginning/ end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	**Subhash Chander Madan**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
6	**Raghubinder Rai**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

B. Key Managerial Personnel

Sr. No.	Name of the Key Managerial Personnel	Shareholding at the beginning/ end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Mahesh Bhootra**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
2	**Tejas Dawda**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,830,871,392	-	27,918,000	1,858,789,392
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,227,869	-	-	1,227,869
Total (i+ii+iii)	**1,832,099,261**	-	**27,918,000**	**1,860,017,261**
Change in Indebtedness during the financial year				
· Addition	2,060,327,383	-	-	2,060,327,383
· Reduction	(52,858,170)	-	-	(52,858,170)
Net Change	**2,007,469,213**	-	-	**2,007,469,213**
Indebtedness at the end of the financial year				
i) Principal Amount	3,836,984,938	-	27,918,000	3,864,902,938
ii) Interest due but not paid	2,357,508	-	-	2,357,508
iii) Interest accrued but not due	226,028	-	-	226,028
Total (i+ii+iii)	**3,839,568,474**	-	**27,918,000**	**3,867,486,474**

Note: Figures in bracket indicates negative changes

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		A. K. Mittal (MD)	Deepak Mittal (WTD)	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,600,000	9,420,174	**19,020,174**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,056,000	-	**1,056,000**
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	**-**
2	Stock option	-	-	**-**
3	Sweat Equity	-	-	**-**
4	Commission	-	-	**-**
	- as % of profit	-	-	**-**
	- others, specify	-	-	**-**
5	Others, please specify	-	-	**-**
	Total (A)	**10,656,000**	**94,20,174**	**20,076,174**
	Ceiling as per the Act			**38,129,187**

B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Subhash Chandra Bhargava	Subhash Chander Madan	Raghubinder Rai	Anshu	
1	Independent Directors					-
	· Fee for attending board/ committee meetings	80,000	80,000	80,000	-	**240,000**
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	-
	Total (1)	**80,000**	**80,000**	**80,000**	-	**240,000**
2	Other Non-Executive Directors					
	· Fee for attending board/ committee meetings	-	-	-	20,000	20,000
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	**20,000**	**20,000**
	Total (B)=(1+2)	**80,000**	**80,000**	**80,000**	**20,000**	**260,000**
	Total Managerial Remuneration (A+B)					**20,336,174**
	Overall Ceiling as per the Act	**The Total Managerial Remuneration is within the ceiling prescribed.**				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sr No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Financial Officer	Company Secretary 1	Company Secretary 2	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,533,604	1,272,961	477,013	**7,283,578**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission -as % of profit -others, specify…	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**5,533,604**	**1,272,961**	**477,013**	**7,283,578**

VII. PENALTIES/ PUNISHMENT/ COMPUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For and on behalf of A. K. Capital Services Limited

Date: July 29, 2017
Place: Mumbai

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Whole-time Director
(DIN: 00043685)

ANNEXURE - 6

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial year	**Name of the Director**	**Ratio**
		Mr. A. K. Mittal	16%
		Mr. Deepak Mittal	14%
2	The percentage increase in remuneration of each director, Chief Financial Officer and the Company Secretary in the Financial year	**Directors:**	
		Mr. A. K. Mittal	-
		Mr. Deepak Mittal	(5%)
		Key Managerial Personnel	
		Mr. Mahesh Bhootra – Chief Financial Officer	13%
		Ms. Kanchan Singh Mehta – Company Secretary*	
		Mr. Tejas Dawda- Company Secretary *	
		*Remuneration Paid to Ms. Kanchan Singh Mehta and Mr. Tejas Dawda is not comparable with previous year figures.	
3	The percentage increase in the median remuneration of employees in the Financial year	During FY 2016-2017, the median remuneration of employees as compared to previous year was reduced by approximately 19% due to high employee turnover	
4	The number of permanent employees on the rolls of Company	There were 71 employees as on March 31, 2017	
5	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in salary of employees other than managerial personnel is (10%) approximately due to high employee turnover. Remuneration of Mr. Mahesh Bhootra, Chief Financial Officer was increased by 13% based on the responsibilities entrusted on him. Remuneration Paid to Ms. Kanchan Singh Mehta And Mr. Tejas Dawda is not comparable with previous year figures. No other KMP's are in receipt of increased remuneration as compared to the previous financial year.	
6	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration is paid as per the Remuneration Policy for the Directors, Key Managerial Personnel and employees.	

For and on behalf of A. K. Capital Services Limited

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Whole-time Director
(DIN: 00043685)

Date: July 29, 2017
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACRO-ECONOMIC

The year gone by has been eventful with many ups & downs from concerns of slowdown in China economy to Brexit event to rise in negative yield assets in some economies to astounding demonetization in India to victory of Trump as US President.

Considering Indian Macro Economic Scenario, FY 2017 was marked by two major domestic policy developments, demonetization of Specified Bank Notes (SBNs) i.e. ₹ 500 and ₹ 1,000 bank notes prevailing as on 8th November 2016 and the passage of the Constitutional amendment and follow-up legislation, paving way for GST implementation. On external sector front, current account deficit remains within comfortable limits. Fiscal consolidation at Central Government level has continued with an improvement in spending quality by shifting expenditures away from current to capital expenditures. However, State Government finances appeared to be under stress in FY 2017. Inflation eased further, which helped RBI ease 50 bps in FY 2017.

The growth environment

On growth front, real GDP seems to have slowed in FY 2017 from FY2016. As per CSO, the second advance estimate of growth for FY 2017 stood at 7.1% as against the upwardly revised 7.9% in FY 2016. On value added basis, real GVA (gross value added) growth estimate for FY 2017 has been revised down to 6.7% from 7.8%. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented. Besides, a good monsoon helped keep agricultural production buoyant. However, private investment has remained anemic.

Overall, the economic fundamentals have fared reasonably well in FY 2017. The economy aims to achieve growth momentum through a) low inflation, b) revival of investment (both public- through budget schemes and private- through GST roll-out, Insolvency & Bankruptcy Code and Abolition of Foreign Investment Promotion Board), and c) pick-up in rural demand.

Industry Structure and Bond Market Development

Credit growth has remained subdued in FY 2017. February 2017 witnessed a mere 3% YoY growth in credit, mainly led by personal loans (12% YoY) and agriculture and allied activities (9% YoY). Services (8% YoY) registered stable growth while industry suffered de-growth in credit uptake by 5% YoY. The RBI starved the economy for expected rate cuts in FY 2017; repo rate was cut only twice totaling 50bps in fear of rising inflation due to global spill overs. As on March 31, 2017, CRR was at 4%, SLR at 20.50%, repo rate at 6.25%, reverse repo at 5.75% and MSF/bank rate at 6.50%. The Indian rupee remained fairly resilient versus other emerging market peers, on account of strong capital inflows and reserve build-up by the RBI followed by demonetisation. The exchange rate during FY 2017 averaged ₹ 67.1 per US$ after touching an all-time high of ₹ 68.8 per US$. Foreign exchange reserves were at US$ 367.93bn as on April 1, 2017.

The bond yields started the year with a marginal downward bias, helped by rate cut in April policy and RBI's accommodative stance. However, the bond market dynamics changed dramatically since mid-June. The Bond rally was initially triggered by news of former RBI Governor Raghuram Rajan's exit on June 18, with the market seeming to interpret the change of guard as a shift towards potentially more dovish RBI regime. The domestic bond rally continued with global rally till around October. However, global yields started hardening post October. November onwards, India rates market saw very divergent dynamics from rest of the world. Even as the global bond sell-off was triggered post the surprise US election outcome, Indian bonds rallied sharply owing to demonetisation of high denomination currency notes. Demonetisation led to consequent increase in banks' deposit base which boosted SLR demand, while strengthening rate cut hopes are amid slow growth and inflation, further helped bonds. The benchmark 10-yr paper yield saw the lows of 6.16% by ~end-November. Mid December onwards, yields started hardening as the demonetisation impact peaked for bonds, while global yields started hardening on Fed's relatively hawkish stance. Bonds further lost momentum after RBI sounded hawkish in December and eventually changed its stance to neutral from accommodative in February – signaling an end to the easing cycle. This unexpected move led to sharp sell-off in bonds. However, due to sudden short squeeze and year-end valuation buying helped bonds ease marginally in March. The benchmark 10-yr paper eased to 6.68% to end the fiscal year, easing around 79bps from end-March FY 2016. The yield spread with repo rate narrowed to 43 bps by end-March 2017.

World Bank has forecasted world growth to be 2.7% in 2017 further strengthening to 2.9% in 2018. India's growth projection is estimated at 7.2% for 2017-18 and 7.5% for 2018-19. Currently all the indicators such as inflation, economic growth, strengthening rupee support the growth of bond markets, in view of the of the listed factors fixed income market is expected to remain positive.

India's total debt outstanding is ₹ 1,03,922 billion comprising 77% of sovereign securities and 23% of corporate bonds. Currently, Government bonds dominate the debt market with an advantage of being more liquid and risk free vis-à-vis corporate bonds. Also, 93% of corporate bonds are privately placed to institutional investors restricting development of healthy secondary markets.

Over 90% of the total amount of corporate bonds raised in H1 of FY 2017 of ₹ 3.2 lakh crores was issued through the private placement route. The popularity may be attributed to the operational flexibility and ease the route offers at the same time it restricts the investor audience. Most of the corporate bonds issued through private placement mode carry a face value of ₹ 10 Lacs which is much higher than the average annual income of citizens of the country. Issuers, regulators and intermediaries need to put their acts together to ensure reach of debt financial products to the larger section of society through public offerings.

The business environment is set to improve with structural reforms; SEBI has released the much awaited guidelines and framework for Real Estate Investment Trusts (REIT) and Infrastructure Investment Trusts (InvIT). The move will provide a positive push to the Indian capital markets; introduce a different asset class, GST, the Insolvency and Bankruptcy Code, and the abolition of the Foreign Investment Promotion Board is also set to support the system.

OUR BUSINESS

A. K. Capital Services Limited **("AK Capital/ Company")** was incorporated as A. K. Capital Services Private Limited on October 5, 1993 under the Companies Act, 1956 with the Registrar of Companies, N.C.T. of Delhi & Haryana, New Delhi **("RoC").** Pursuant to a special resolution passed by the shareholders on September 30, 1994, the Company was converted from a Private Limited Company to a Public Limited Company and consequently the name of the Company was changed to A. K. Capital Services Limited with effect from December 21, 1994. AK Capital received an Order from the Regional Director, Northern Region, Ministry of Corporate Affairs dated March 17, 2016 for approval of shifting of the Registered Office address of the Company. The Registered Office of the Company has been shifted to 403,

4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai 400021 and new Corporate Identification Number (CIN) after change in Registered Office is: L74899MH1993PLC274881.

AK Capital, the flagship company of the A. K. Group, has been registered with SEBI as a Category I Merchant Banker since April 1, 1998 and the registration is valid permanently unless suspended/ cancelled by SEBI. AK Capital is one of the country's leading merchant bankers in the Indian fixed income market through management of private placements as well as public issues. AK Capital is acknowledged for its unmatched management consultancy, advisory services, financial restructuring etc. and is also one of the few merchant bankers who has direct access as counterparty to almost each and every domestic bank / institution. AK Capital is primarily engaged in providing various fee-based services such as fund mobilisation through issue of debt, equity, structured hybrid instruments, etc. for over 200 clients including India's premier central and state Government undertakings, public and private sector banks, financial institutions and private corporates. AK Capital aspires to facilitate making the debt markets accessible to retail investors and relentlessly strives towards fulfilling its vision of "A bond in every hand".

AK Capital has 4 subsidiary companies which conduct their operations through a network of 10 branches spread over 9 cities of India and 1 at Singapore. The group has interests in diversified business fields and the subsidiaries have been incorporated to undertake and specialize each business area.

A. K. Stockmart Private Limited **("AK Stockmart")**, a wholly owned subsidiary of AK Capital incorporated in 2006, is a full service brokerage house registered with SEBI as a stock broker with NSE and BSE, governed by SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 and is also a SEBI registered Depository Participant with CDSL and NSDL. Besides, AK Stockmart is also registered with SEBI in the wholesale debt market segment of NSE. AK Stockmart is into retail distribution, WDM broking, stock broking and depository services. The company plays a dominant role in distribution of tax free and taxable Bonds / NCDs offered through public issue route. AK Stockmart is a strong and well-established player in the bond markets. The company has successfully distributed tax-free bonds of major Government entities such as NHAI, IRFC, PFC, REC, NABARD, IIFCL, IREDA.

AK Stockmart has also distributed debt public issues of private sector companies such as Mahindra Finance, Reliance Home Finance, Dewan Housing Finance, Indiabulls Housing Finance, Shriram Transport Finance, Shriram City Union Finance, Muthoot Finance, Muthoot Fincorp, SREI Equipment, Manappuram Finance etc.

A. K. Capital Finance Private Limited **("AK Capital Finance")**, a subsidiary of AK Capital, is registered with the Reserve Bank of India as a Systematically Important Non Deposit Accepting Non-Banking Financial Company **("NBFC-ND-SI")**. A.K. Capital Finance is engaged in the business of investment and lending activities. The Company primarily operates a hybrid business model, under which the revenue streams comprises of a continual & stable Interest income from its growing Loan book, Fees Income and Treasury based Income from its Investment book. A.K. Capital Finance is amongst one of the few NBFCs having CBLO (Collateralized Borrowing and Lending Obligation) membership given by the Clearing Corporation of India Limited (CCIL) which enables the company to access fund on tap against pledge of SLR securities like G-Secs at very competitive cost. A.K. Capital Finance in its onward lending segment has a strong risk management policies and credit appraisal system in place thereby having maintained Strong Asset Quality, which is reflected by the fact that there is NIL NPA's and ZERO delinquency in its portfolio as on March 31, 2017.

A. K. Wealth Management Private Limited **("AK Wealth")**, incorporated in November 2006 and a wholly owned subsidiary of AK Capital, is registered with SEBI as a Portfolio Management Company. The Company is in process of commencing its operations in providing portfolio management services, private wealth management, asset management, investment advisory and research backed investment solutions to ensure returns commensurate to risk appetite of its clients.

A. K. Capital (Singapore) Pte. Ltd. **("AK Singapore")**, domiciled in Singapore, was incorporated on July 29, 2013 as a wholly owned subsidiary of AK Capital. AK Singapore is registered with Monetary Authority of Singapore as a financial services company and provides financial advisory services to its clients across the globe. It offers cross border funding solutions by identifying potential investors to meet the fund raising needs of its clients. AK Singapore also offers the full range of money market operations in India to meet both the lending and borrowing needs of its clients. The company's research team has conducted in-depth studies of foreign markets and is well-equipped to apply the gained technical information to help accelerate the company's expansion in India and other nascent debt markets.

Execution and other services

AK Capital has marked a glorious journey of over 24 years and has gained expertise as well as recognition in various facets of the corporate bond markets by undertaking and successfully executing various landmark transactions.

AK Capital has been reckoned as a leading arranger for private placement of secured/ unsecured, senior/ subordinated, redeemable, non-convertible debentures/ bonds, perpetual bonds, redeemable preference shares, etc. for a diverse profile of issuers comprising of:

a) Central Public Sector Undertakings;

b) State Government Undertakings;

c) Public and Private Sector Banks;

d) Public Financial Institutions;

e) Private Corporates;

f) Non-Banking Finance Companies;

g) Housing Finance Companies;

h) Infrastructure Finance Companies;

i) Infrastructure Development Funds;

j) Core Investment Companies;

k) Infrastructure Developers; and

l) Manufacturing and Services sector companies.

In FY 2016-17, AK Capital managed 174 assignments of private placement of debt aggregating to ₹1,19,364 crores corresponding to a market share of 24%. On a cumulative basis over past decade, AK Capital has managed 1,236 assignments of private placement of debt aggregating to ₹ 6,59,076 crores corresponding to a market share of 27% (Source: PRIME Database).

1. A. K. Capital has been rated as **No. 1 Lead Manager** in terms of managing public issues of bonds/ debentures over last 5 years (01-Apr-2012 to 31-Mar-2017) having managed 59 public issue of debt assignments aggregating to ₹ 1,04,572 crores corresponding to a market share of 79% (Source: PRIME Database) for country's premier public as well as private sector companies.
2. A. K. Stockmart has been rated as **No. 1 Mobiliser** of subscription in public issues of bonds/ debentures over last 5 years (01-Apr-2012 to 31-Mar-2017) having mobilized ₹ 42,958 crores in 79 public issues of debt corresponding to a market share of 19% (Source: PRIME Database).
3. Besides private placements and public issues of debt, the Company and its subsidiaries have demonstrated its progressive presence in undertaking and executing transactions in the following segments:
   - I. Loan syndication, Project financing, Syndication of short term debt (CPs etc.)
   - II. Managing and Mobilizing Initial Public Offerings ("IPOs")/ Follow-on Public Offerings ("FPOs")/ Qualified Institutional Placements ("QIPs") of equity shares
   - III. Syndication for Venture Capital Funds, Syndication for Infrastructure Development Funds, structured hybrid financial products
   - IV. Asset backed financing, investment and trading in debt securities, loan against property, loan against securities, IPO funding (including debt public issues), real estate funding etc.
   - V. Trading/investment in Government Securities and Corporate Bonds
   - VI. Stock broking, WDM broking and Depository Services
   - VII. Providing portfolio management services, private wealth management, asset management and investment advisory
   - VIII. Retirement fund advisory
   - IX. Global financial advisory, cross border funding solutions, foreign currency bonds
4. The Company and AK Stockmart Pvt Ltd have undertaken and executed maximum number and volume of issues of redeemable non-convertible preference shares for country's top corporate houses.
5. A. K. Capital Services Limited has successfully executed various landmark financial advisory transactions relating to management and arrangement of funds for India's leading public sector undertakings.
6. During FY 2016-17, the Company has emerged as one of the leading arranger of Additional Tier I Perpetual Bonds for leading public sector banks in the country having managed issues aggregating over ₹ 8,000 crores.
7. During FY 2016-17, the Company managed the first ever premature redemption of Perpetual Tier 1 Bonds in the Country by a public sector bank (Central Bank of India) aggregating ₹ 359 crores.
8. During FY 2016-17, the Company managed innovative Debt Service Reserve Account (DSRA) backed debentures structures for Indiabulls Real Estate Ltd. and Future Enterprise Ltd. and GOI special securities backed bond structure for IFCI Ltd.

FINANCIAL PERFORMANCE

Consolidated Financial Highlights

The consolidated total income was ₹ 338.94 crore in FY 2016-17 as compared to ₹ 245.62 crore in FY 2015-16. The Profit after tax and minority interest was ₹ 57.43 crore in FY 2016-17 as compared to ₹ 41.58 crore in FY 2015-16. Basic EPS was ₹ 87.01 and Diluted was ₹ 87.01 in FY 2016-17 as compared to ₹ 63.00 and ₹ 63.00 in FY 2015-16 respectively.

Standalone Financials

The merchant banking fees was ₹ 57.68 crore during FY 2016-17 as compared to ₹ 56.49 crore during FY 2015-16. Merchant banking fee income primarily includes fund raising fees from clients, financial advisory fees and third party referral fees. The merchant banking fees is impacted is due to adverse market conditions in the Indian debt market.

Our treasury operation team manages the funds of the Company with an aim to optimize the yields and maintain the safety of the capital. The Company invests its surplus funds mostly into rated debt securities. The Investment income comprises of income from sale of investments acquired out of its surplus funds and/or to fulfill merchant banking obligations. Investment income for FY 2016-17 was ₹ 35.14 crore as compared to ₹ 11.86 crore in FY 2015-16. The profit after tax for FY 2016-17 was ₹ 24.37 crore as compared ₹18.58 crore in FY 2015-16.

Employee expenses was ₹ 15.59 crore in FY 2016-17 compared to ₹ 17.58 crore in FY 2015-16. Finance cost was ₹ 23.51crore in FY 2016-17 compared to ₹ 11.34 crore in FY 2015-16. Other expenses primarily include rent, taxes, lighting, advertisement and publicity, repairs and maintenance, professional fees, selling expenses, etc. Other expense was ₹ 19.36 crore in FY 2016-17 compared to ₹ 13.83 crore in FY 2015-16.

The Company has maintained a strong and liquid balance sheet. Equity share capital and reserves increased to ₹ 355.51 crore in FY 2016-17 from ₹ 331.14 crore in FY 2015-16 primarily due to ploughing back current year profits back into the business. The Book Value per share rose to ₹ 538.65 in FY 2016-17 from ₹ 501.72 in FY 2015-16. The Non-Current liabilities decreased to ₹ 30.78 crore in FY 2016-17 from ₹ 35.80 crore in FY 2015-16. The Current liabilities increased to ₹ 363.76 crore in FY 2016-17 from ₹ 163.00 crore in FY 2015-16. During the year the net block of fixed assets decreased by ₹ 0.52 crore to ₹ 35.30 crore. The Non-Current assets increased to ₹ 320.39 crore in FY 2016-17 from ₹ 297.65 crore in FY 2015-16. The Current assets increased to ₹ 392.55 crore in FY 2016-17 from ₹ 195.78 crore in FY 2015-16.

Outlook and Strategy

Over the period, AK Capital, along with its subsidiary companies, has emerged as a specialized boutique in domestic corporate bond market encompassing almost all spheres such as investment banking, private placement and public issue of debt, underwriting, market making, financial advisory, retirement trust solutions, retail distribution, portfolio management, financing against debt securities, hybrid debt structuring and syndication, G-Sec trading and broking, venture capital, project financing etc. In its journey of over two decades, AK Capital has pioneered and introduced numerous debt and hybrid debt instruments including perpetual bonds, optionally convertible debentures,

redeemable preference shares, asset backed debentures, escrow based debentures, unsecured structures, rating linked structures, accelerated redemption structures, zero coupon structures, tax paring structures, loss absorbency embedded structures, discretionary coupon structures, covenant embedded structures etc. Besides institutional syndication, AK Capital has also been instrumental in retail penetration of debt instruments through public offerings.

We intend to capitalize on the potential of debt market and act as a catalyst towards building a vibrant and robust corporate bond market. Globally, debt market comprises of large portion of the financial markets. With an outstanding of $40,000 billion, debt market size is almost 1.6 times the size of the equity market in the US. India contributes 2.99% towards the total global GDP, while its share of debt market capital is less than that of 2.00% of the global outstanding debt (Source: IMF) and with an approximate 90% of the total share, equity markets dominate the Indian capital market.

India's total debt outstanding is ₹ 1,03,922 billion (Source: RBI & SEBI), comprising 77% of sovereign securities and 23% of corporate bonds. Currently, Government bonds dominate the debt market with an advantage of being more liquid and risk free vis-à-vis corporate bonds. Also, 93% of corporate bonds are privately placed to institutional investors restricting development of healthy secondary markets. Crowding out by government bonds is one of the potential obstacles to healthy corporate bond markets. A high level of public debt crowds out corporate borrowing by reducing the appetite of financial institutions.

Around 80-90% of debt in India is in form of bank loans. Oversized banking system has led to limited growth of corporate bond market. Mounting NPAs and increased capital requirements under Basel III are expected to limit banks' lending to corporates. In such a situation, bond markets can play a pivotal role in supporting diverse financing requirements of the growing Indian economy. Bond market rates reflect changes in key interest rates by the RBI more efficiently then the bank lending rates. Thus, there is a need for economical capital at interest rates that better reflect monetary policy through tradable bonds.

Currently all the micro and macro-economic factors such as benign inflation, promising economic growth, strengthening rupee, sliding bond yields, industrial recovery etc. support the growth of corporate bond markets.

OPPORTUNITIES AND CHALLENGES:

Opportunities

- Debt markets have witnessed an exponential growth in the Country over last decade which may be seen from the tables given below:

Table-1: Private Placement of Debt (Non-Convertible Debentures/ Bonds)

(₹ in crore)

2016-17		2006-07	
Total no. of Issues	**Amount**	**Total no. of Issues**	**Amount**
2,836	6,91,997	502	92,124
			Growth over last decade : 651%

Table-2: Public Issue of Debt (Non-Convertible Debentures/ Bonds)

(₹ in crore)

2016-17		2008-09*	
No. of Issues	**Amount**	**No. of Issues**	**Amount**
16	29,547	1	1,500
			Growth over the period : 1,870%

* Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, were released by the SEBI vide notification no. LAD-NRO/GN/2008/13/127878 on June 6, 2008. Therefore the period of reference has been taken as FY 2008-09.

- Over past few years, the regulatory authorities have initiated major structural reforms towards building a robust, transparent and vibrant corporate bond markets in India:
  a. Allowing FPIs to transact in corporate bonds directly without involving brokers;
  b. Allowing FPIs to invest in unlisted corporate bonds;
  c. Increase in FPI limits;
  d. Electronic bidding mechanism in private placement for transparent price discovery;
  e. Simplification and rationalization of disclosure requirements for debt public issues;
  f. Re-issuance of debt securities;
  g. Market making in debt securities;
  h. Repo in corporate bonds;
  i. Regulatory framework for issue of Municipal Bonds;
  j. Norms for issuance and listing of Green Bonds;
  k. Government guarantee / Government servicing mechanism to enhance credit rating of PSU bonds;
  l. Fiscal discipline initiatives by cash starved state power utilities through issuance of state government guaranteed UDAY Bonds;
  m. Framework for providing partial credit enhancement by banks to bonds floated by infrastructure companies;
  n. Setting up of dedicated Infrastructure Debt Funds to serve as intermediate vehicle for raising bonds from long terms investors such as provident funds and insurance companies and lending the same to key infrastructure sectors;

o. Framework for credit default swaps (CDS) for corporate bonds;

p. Guidelines on issue of long term bonds by banks for financing of infrastructure and affordable housing;

q. Introduction of delivery versus payment (DvP) system to nullify the risk of settlement in debt securities;

r. Framework for issuance of rupee-denominated Masala bonds by domestic companies from global markets without assuming currency risk;

s. Setting up of dedicated debt trading segment on the exchanges.

Such measures along with growing awareness and acceptability of fixed income securities across investor class are likely to provide impetus to growth of domestic corporate bond markets.

Challenges

- Like any other market:
  (a) corporate bond markets are venerable to market risks originating from volatility in interest rates;
  (b) operations in corporate bond markets may be vulnerable to competition thereby affecting margins;
  (c) besides market risks, increased supply of corporate bonds may be vulnerable to credit risk;
  (d) Growth and performance of domestic corporate bond markets is dependent upon a host of macro-economic factors. India offers high-risk, high-yielding debt investment opportunities to offshore investors. However any significant tightening of monetary policy rates by the global central banks may lead to flight of capital and pose competition to Indian markets.

Human Resource

Management believes that employees are core assets for our business. We understand that our workforce has a life beyond our doors. Our development activities are focussed on creating opportunities that help them achieve the right work-life balance and grow in their respective roles and even beyond them.

Diversity & Inclusion

At AK Group; diversity is our strength. We hire from different cultural and social backgrounds and have a non-discriminatory approach to acquiring talent. Openness and inclusion makes AK Group a place where one would like to work. Our focus is on developing skill, encouraging talent and helping people do the best they can each day. We work with our employees as partners and provide opportunities for high quality learning, get coaching from industry's best and offer a challenging yet rewarding workplace.

We intend to develop and sustain a diverse workforce which strives to meet the unique needs of our diverse client base and the sectors in which we operate.

Employee Programs

We invest in every step of our employees' careers and ensure their long term interests remain closely aligned with those of our clients and shareholders. Our goals are to reinforce the firm's culture, maximize individual potential and expand our employees' professional opportunities and abilities. We hold varied employee engagement activities, organise development workshops and create an environment of openness where learning is always a possibility and asking questions is the norm rather than the exception.

RISK MANAGEMENT

While maximizing returns, AK Capital focuses on capital protection and has therefore enacted adequate risk management systems in its business operations. Timely and effective risk management is of prime importance to our continued success. Our risk sensitivity, risk awareness, risk identification and risk mitigation techniques have enabled us to build strong business foundation. The risk management is overseen by our Board of Directors, Audit Committee, Internal Audit Department and Compliance Department. Operational risk due to increase in competition by entry of newer foreign and domestic financial services companies is mitigated by our strong brand image, wide client base, through knowledge of products and services which distinguishes us from our competitors. We conduct our business with high level of diligence, using best practices in fair and transparent manner and endeavor to disseminate timely information to the clients, investors and regulator to mitigate the reputation risk and regulatory risk.

INTERNAL CONTROL SYSTEM ANDTHEIR ADEQUACY

The Company maintains adequate internal control systems, which is designed to provide assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards of assets, the reliability of financial controls and compliance with applicable laws and regulations.

The Company has implemented suitable controls to ensure all the resources are utilized optimally, financial transactions are reported with accuracy and that there is strict compliance with applicable laws and regulations.

Recognizing the important role of internal scrutiny, the Company has an internal audit function which is empowered to examine the adequacy of, and compliance with, policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process.

SAFE HARBOUR

The statements made in this report describe the Company's objectives and projections that may be forward looking statement within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending in the economic conditions, government policies and other incidental factors which may be beyond the control of the Company.

AK Capital has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed. We are under no obligation to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events and assume no liability for any action taken by anyone on the basis of any information contained herein.

CORPORATE GOVERNANCE REPORT

(A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Code of Corporate Governance is aimed at promoting corporate fairness, transparency, accountability and integrity in the management.

The Company firmly believes in and has consistently practiced good Corporate Governance and continues to lay great emphasis on the broad principles of Corporate Governance. The Company fosters a culture in which high standards of ethical behavior, individual accountability and transparent disclosures are ingrained in all its business dealings and shared by its Board of Directors, management and employees.

The Company creates an environment for the efficient conduct of the business and to enable management to meet its obligations to all its stakeholders, including amongst others, shareholders, clients, employees and the community in which the Company operates. The Company believes that essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the higher echelons of management.

The Report on Corporate Governance, as per the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as the "Listing Regulations") is as under:

(B) BOARD OF DIRECTORS

The Board of Directors ("the Board") of the Company consist of eminent people from various fields and are also conscious of following good governance practices:-

(1) Composition of the Board

The Company has an optimum combination of Executive and Non-executive Directors including one woman Director in conformity with the Companies Act, 2013 and the Listing Regulations. The Board comprises of six Directors of which two are Executive Directors, one is Non-Executive Non-Independent Director (Woman Director) and three are Non-Executive Independent Directors. The Chairman of the Company is Non-Executive Independent Director and 50% of the total number of Directors are Independent Directors.

All the Non-Executive Independent Directors have confirmed to the Board that they qualify to be Independent as per the definition of 'Independent Director' stipulated under the Listing Regulations and Section 149(6) of the Companies Act, 2013 and rules made thereunder. None of the Directors hold directorships in more than 20 companies. None of the Directors are serving as a Member of more than ten committees or as a Chairman of more than five committees across all the public companies in which he acts as Director. Also, Managing Director of the Company does not hold directorships of more than three equity listed companies. The disclosures regarding committee positions in other public companies as on March 31, 2017 have been made by the Directors.

(2) Board Meetings and category of Directors

The Board meets at least once in a quarter and the time gap between two Board Meetings is not more than one hundred and twenty days. The Company Secretary sends a detailed agenda along with other explanatory notes and back up papers to each Director sufficiently before the Board Meetings. In cases, where it is not practicable to circulate any document or if the agenda item is of confidential nature, the same is sent separately or tabled at the Meeting, as the case may be. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the permission of the Chairman and the consent of all the Directors present at the Meeting. The Managing Director of the Company appraises the Board at every meeting on the overall performance of the Company. The Company Secretary records the minutes of the proceedings of each Board Meeting and Committee Meeting. The Board meeting minutes of the Company's subsidiaries and a statement of all significant transactions and arrangements entered into by the subsidiaries are placed before the Board.

During the financial year 2016-17, the Board met four times on the following dates:

May 21, 2016, August 12, 2016, November 7, 2016 and February 4, 2017

The name and category of directors, their relationship with other directors, attendance at the Board Meetings held during the financial year 2016-17 and at the last Annual General Meeting (AGM) held on September 17, 2016, as also the number of directorships and committee positions held by them in all public limited companies as on March 31, 2017 are as under:

Name of Director	Category of Director	Relationship with other Directors	No. of Board Meetings #		Attendance at the last AGM held on September 17, 2016	No. of Directorships and committee membership/ chairmanship		
			Held	Attended		Directorships *	Committee membership **	Committee chairmanship **
Mr. Subhash Chandra Bhargava	Chairman, Non-Executive Independent Director	None	4	4	No	5	9	1
Mr. A. K. Mittal	Promoter, Managing Director, Executive	Spouse of Mrs. Anshu	4	4	Yes	5	1	-
Mr. Deepak Mittal	Whole time Director, Executive	None	4	2	Yes	2	2	-

Name of Director	Category of Director	Relationship with other Directors	No. of Board Meetings #		Attendance at the last AGM held on September 17, 2016	No. of Directorships and committee membership/ chairmanship		
			Held	Attended		Directorships *	Committee membership **	Committee chairmanship **
Mr. Subhash Chander Madan	Non-Executive Independent Director	None	4	4	Yes	2	2	1
Mr. Raghubinder Rai	Non-Executive Independent Director	None	4	4	Yes	2	2	-
Mrs. Anshu	Promoter, Non-Executive Non – Independent Director	Spouse of Mr. A. K. Mittal	4	1	No	1	1	1

Excluding the separate meeting of independent directors, in which non independent directors were not eligible to participate.

* Includes Directorship in A. K. Capital Services Limited and excludes Directorships in private limited companies, foreign companies, companies under Section 8 of the Companies Act, 2013.

** The committees considered for above purpose are those prescribed in the Listing Regulations viz. Audit Committee and Stakeholders Relationship Committee.

** Includes Committee Membership / Committee Chairmanship in A. K. Capital Services Limited and excludes Committee Membership / Committee Chairmanship in private limited companies, foreign companies, companies under Section 8 of the Companies Act, 2013.

(3) Familiarisation Programme for Independent Directors

The Company has in place the Familiarisation Programme for Independent Directors who are appointed from time to time. The Programme aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarise them with the business functionaries and the processes of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Programme may be accessed on the Company's website at link:
http://www.akcapindia.com/WebSiteDocuments/Familiarisation%20Programme%20For%20Independent%20Directors.pdf.

(4) Meeting of Independent Directors

The Independent Directors met on February 4, 2017 without the presence of the Executive, Non-executive Directors and the senior management team of the Company. The meeting was attended by all the Independent Directors. The matters considered and discussed thereat, inter alia, include those prescribed under Schedule IV to the Act and Regulation 25 of the Listing Regulations.

(5) Board Procedure

The tentative annual calendar of the Board Meetings is agreed upon at the beginning of the calendar year. With regard to matters requiring the approval of the Board, all the concerned persons in the Company communicate to the Company Secretary in advance to enable inclusion of such matters in the agenda of the Board Meetings. The detailed agenda is circulated in advance to the Board Members. All major agenda items are backed by comprehensive background information to enable the Board to take the informed decisions. In cases, where it is not practicable to circulate any document or if the agenda item is of confidential nature, the same is sent separately or tabled at the Meeting, as the case may be. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the permission of the Chairman and the consent of all the Directors present at the Meeting. The senior officials of the A. K. Group are invited to the Board Meetings in respect of the items concerning them to provide additional inputs as and when necessary.

The draft minutes of the Board meetings are circulated amongst the Directors for their perusal and comments. Suggestions, if any, received from the Directors are suitably incorporated in the draft minutes, in consultation with the Chairman of the Board. Minutes are signed by the Chairman of the Board at the next Meeting. The Company has an effective post meeting follow-up, review and reporting process for implementation of the decisions taken by the Board and the Committees thereof. Important decisions taken at the Board/ Committee Meetings are communicated to the concerned departments and persons promptly. Status of the decisions/minutes of the previous meetings is placed at the succeeding meetings of the Board/ Committee for noting.

As part of its functions, the Board periodically reviews the items required to be placed before it as per the Listing Regulations and in particular reviews and approves the quarterly/half yearly unaudited financial statements and the audited annual accounts, corporate strategies, business plans, etc. The Company Secretary places a gist of amendments as they take place in various laws applicable to the Company along with the implications of such amendments on the Company, its Directors and employees.

The Board periodically reviews compliance reports of all the laws applicable to the Company. The minutes of the Board Meetings of the unlisted subsidiaries are placed at the Board Meetings on a quarterly basis. The Board minutes are confirmed by the Board Members at the next Meeting. The comments, if any, received from the Directors are incorporated in the minutes, in consultation with the Chairman.

The Board Members interact with the officials of various operating subsidiary companies frequently both at the Meetings and outside the Meetings.

(6) Code of Conduct

The Company has adopted a Code of Conduct ("Code") in accordance with the Listing Regulations which applies to all the Board Members and Senior Management Personnel and all other concerned persons covered under the Code. The Code has been posted on the Company's website www.akcapindia.com. The Board Members and Senior Management Personnel of the Company have confirmed their adherence to the provisions of the Code. The Code further enjoins the Board Members and Senior Management to act in accordance with the highest standard of honesty, integrity, fairness and good faith and diligent in performing their duties. The Code has been circulated to all the Board Members and Senior Management Personnel and all other concerned persons and they have confirmed compliance with the Code. A declaration by the Managing Director of the Company to this effect is annexed to this report as **Annexure I.**

(C) BOARD COMMITTEES

The Board has constituted various Committees to take informed decisions in the best interests of the Company. These Committees monitor the activities falling within their terms of reference.

(1) Audit Committee

The Company has a qualified and independent Audit Committee which has been formed in pursuance of the Listing Regulations and Section 177 of the Companies Act, 2013. The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The Audit Committee consists of three Directors of which two are Non-Executive Independent Directors and one is Executive Director. Mr. Subhash Chander Madan, Chairman of the Audit Committee is a Non-Executive Independent Director. All Members of the Committee possess strong accounting and financial management expertise and knowledge. The constitution and terms of reference of the Committee are wide enough covering matters as specified under Section 177 of the Companies Act, 2013 and the Listing Regulations. The Audit Committee acts as a link between the Auditors (Statutory Auditor and Internal Auditors) and the Board of Directors of the Company.

Terms of Reference

i. Oversight of the Company's financial reporting process and disclosures of financial information to ensure that the financial statements are correct, sufficient and credible;

ii. Monitoring the Statutory Auditors independence, performance and appointment and their remuneration. Also recommend the change in Auditors, if felt necessary;

iii. Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval;

iv. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;

v. Evaluation of internal financial controls and risk management systems;

vi. Reviewing, with the management, performance of statutory auditors and internal auditors, adequacy of the internal control systems;

vii. Discussion with internal auditors of any significant findings and follow up there on;

viii. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

ix. Review, approval and disclosure of any related party transaction;

x. Monitoring end use of the funds of the Company;

xi. To review the functioning of the Whistle Blower/Vigil mechanism; and

xii. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The terms of reference and powers of the Audit Committee also include all items listed under the Listing Regulations and Section 177 of the Companies Act, 2013.

During the financial year 2016-17, four Meetings of Audit Committee were held on the following dates:

May 21, 2016, August 12, 2016, November 7, 2016 and February 4, 2017

The gap between two Audit Committee Meetings was not more than one hundred and twenty days. The Composition, designation and attendance record of the Audit Committee Meetings are as under:

Name of the Member	Designation	Category of the Member	Number of Committee Meetings	
			Held during the Year	Attended
Mr. Subhash Chander Madan	Chairman	Non-Executive Independent Director	4	4
Mr. Raghubinder Rai	Member	Non-Executive Independent Director	4	4
Mr. A. K. Mittal	Member	Executive Director	4	4

Attendees

The Statutory Auditor, Internal Auditor and Chief Financial Officer were invited to attend the Audit Committee Meetings to point out any observations they may have with regards to finance, accounting, operations and other allied matters. The Company Secretary acts as the Secretary to the Audit Committee.

Mr. Subhash Chander Madan, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 17, 2016 The Internal Auditor reports directly to the Audit Committee.

(2) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of three Directors of which two are Non-Executive Independent Directors and one is Non-Executive Non-Independent Director. The Chairman of the Committee is a Non-Executive Independent Director. The Composition of Nomination and Remuneration Committee is in line with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

Terms of Reference

i. Recommend persons to the Board for appointment and removal as Directors, KMPs and Senior Management Personnel and their remuneration.

ii. Carry out performance evaluation of all Directors, Committee, KMP and Senior Management Personnel.

iii. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

iv. Monitoring the Nomination and Remuneration policy.

v. To decide on the commission of the Directors and/or other incentives payable, taking into account the individual's performance as well as that of the Company, if any.

The terms of reference and powers of the Nomination and Remuneration Committee also include all items listed under the Listing Regulations and Section 178 of the Companies Act, 2013.

Meetings

The Nomination and Remuneration Committee met thrice during financial year 2016-17 on August 12, 2016; November 7, 2016 and on February 4, 2017. The Composition, designation and attendance record of the Nomination and Remuneration Committee Meetings are as under:

Name of the Member	Designation	Category of the Member	Number of Committee Meetings Attended	
			Held during the year	Attended
Mr. Raghubinder Rai	Chairman	Non-Executive Independent Director	3	3
Mr. Subhash Chander Madan	Member	Non-Executive Independent Director	3	3
Mrs. Anshu	Member	Non-Executive Non Independent Director	3	1

Nomination and Remuneration Policy

The Board of Directors of the Company have adopted a Nomination and Remuneration Policy ('the Policy') pursuant to Section 178 of the Companies Act, 2013 and the Listing Regulations, inter alia to deal with the manner of selection and removal of Board of Directors, KMPs and Senior Management Personnel and their remuneration. The reference of the Policy is given in the Directors Report.

Criteria for Performance Evaluation of Independent Directors

The key evaluation criteria for performance evaluation of Independent Directors of the Company are given below:

i. Providing effective leadership and strategic guidance to the management;

ii. Understanding the Business, including the Risks and regulatory landscape;

iii. Attendance at and active engagement in the discussion of business performance, competitive landscape and strategies;

iv. Development and monitoring of leadership teams, Compliance focus and insistence on ethical business practices;

v. Nudging for long term focus areas such as Succession Planning, Business Continuity Planning etc.;

vi. Management of conflicts in Board discussion;

vii. Management of Conflict of Interest.

viii. Maintains high level of confidentially

Remuneration of Directors

While deciding on the remuneration to the Directors, the Board and Nomination and remuneration Committee considers the performance of the Company, director's qualification, his/her experience, level of responsibility, past performance and other relevant factors.

Non-Executive Directors

The Company pays ₹ 20,000 (Rupees Twenty Thousand) towards sitting fees to the Non-Executive Directors for every Board Meeting attended. The sitting fees paid to the Non-Executive Directors for the financial year 2016-17 is as under:

Name of the Director	Sitting fees for the Board Meetings paid/payable for the financial year 2016-17 (Amount in ₹)
Mr. Subhash Chandra Bhargava	80,000
Mr. Subhash Chander Madan	80,000
Mrs. Anshu	20,000
Mr. Raghubinder Rai	80,000

Executive Directors

Remuneration to Managing Director and Whole-time Director is fixed by the Nomination and Remuneration Committee which is subsequently approved by Board of Directors and Shareholders.

Details of remuneration paid to the Managing Director and Whole-time Director during the financial year 2016-17 are as under:

Particulars	Mr. A. K. Mittal Managing Director (Amount in ₹)	Mr. Deepak Mittal Whole Time Director (Amount in ₹)
Salary and allowances	9,600,000	9,420,174*
Bonus	-	-
Perquisites	1,056,000	-
Total	**10,656,000**	**9,420,174**
Services Contract	April 1, 2015 to March 31, 2020	April 1, 2015 to March 31, 2020
No. of Stock options granted	N.A.	N.A.
Notice period	N.A.	N.A.
Severance Fee	N.A.	N.A.

* includes performance linked incentives

Shareholding of Directors

The shareholding of the Directors in the Company as on March 31, 2017 are as under:

Sr. No.	Name of the Director	No. of equity shares	% of the total paid up equity share capital of the Company
1	Mr. Subhash Chandra Bhargava	-	-
2	Mr. A. K. Mittal	558,665	8.46
3	Mr. Deepak Mittal	-	-
4	Mr. Subhash Chander Madan	-	-
5	Mr. Raghubinder Rai	-	-
6	Mrs. Anshu	198,275	3.00

(3) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of two Directors of which one is Non-Executive Non-Independent Director and one is Executive Director. Mrs. Anshu, Chairperson of the Committee is a Non-Executive Non-Independent Director who heads the Committee and is primarily responsible to review all matters connected with transfer of shares and redressal of shareholders complaints. It primarily focuses on the grievances of the investors and ensures speedy disposal thereof. The composition of the Committee is in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference and powers of the Stakeholders' Relationship Committee includes all items listed under the Listing Regulations and as per the provisions of the Companies Act, 2013.

Meetings

The Committee met four times during the financial year 2016-17 on the following dates:

April 13, 2016; July 15, 2016, November 11, 2016 and February 18, 2017. The Composition, designation and attendance record of the Stakeholders' Relationship Committee Meetings are as under:

Name of the Member	Designation	Category of the Member	Number of Committee Meetings Attended	
			Held during the year	Attended
Mrs. Anshu	Chairperson	Non-Executive Non Independent Director	4	4
Mr. Deepak Mittal	Member	Whole Time Director	4	4

Company Secretary acts as the Secretary to the Committee and who is also the Compliance Officer of the Company.

Based on the periodical report received from the Company's Registrar and Share Transfer Agent, no complaints were received during the financial year 2016-17. There were no complaints outstanding or any instruments pending for transfer as on March 31, 2017.

(4) Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee) to undertake CSR activities. The CSR Committee comprises of the following Directors as members:

Name of the Member	Designation	Category of the Member
Mr. Subhash Chander Madan	Chairman	Non-Executive Independent Director
Mr. A. K. Mittal	Member	Managing Director
Mr. Deepak Mittal	Member	Whole-time Director

The Company formulated CSR Policy, which is uploaded on the website of the Company. The CSR Committee met twice during financial year 2016-17 on June 7, 2016 and July 15, 2016 and all members of the Committee were present at the Meeting.

Terms of Reference

The terms of reference of the CSR Committee are as follows:

i. Formulating and recommending to the Board, CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

ii. Making recommendation on the amount of expenditure to be incurred on CSR activities;

iii. Instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company.

The terms of reference and powers of the Corporate Social Responsibility Committee also include all items listed under Section 135 of the Companies Act, 2013 and rules made thereunder.

The activities and initiatives undertaken by the Company on CSR during the year are annexed as **Annexure - 2** to the Board's Report.

OTHER COMMITTEES OF THE DIRECTORS

In addition to the above referred Committees, which are constituted pursuant to the Corporate Governance Code, the Board has constituted the following major Committees of the Board and delegated thereto powers and responsibilities with respect to specific purposes.

(1) Banking & Investment Committee

The Board has constituted a Banking and Investment Committee ("the Committee") to delegate powers inter alia, relating to operation of bank accounts, demat account, (including CSGL Accounts), matters relating to investments, disinvestments, to give/make loans, guarantee and security in connection with the loan borrowed by the Company or its group, subsidiary or associate companies.

The Committee comprises of the following members:

Name of the Member	Designation	Category of the Member
Mrs. Anshu	Chairperson	Non-Executive, Non Independent Director
Mr. A. K. Mittal	Member	Executive Director

Terms of Reference of the Committee

The Banking and Investment Committee, inter alia, has the power of opening/operating/closing of bank accounts, demat account & CSGL account, Investments, mainly in debt securities, shares and mutual funds, liquid funds and any other securities, Investments in subsidiaries and group companies and to approve the matters related to giving/ making loans, guarantee and security .

(2) Management Committee

The Management committee was formed to complete ensure smooth functioning of day to day operations of the Company and to facilitate routine dealings of the Company with regulators, tax authorities, government agencies, stock exchanges, semi-government and quasi-judicial bodies and others. The matters dealt by Management committee are of recurring in nature but assumes greater importance in respect of functioning of the Company.

The Committee comprises of the following members:

Name of the Member	Designation	Category of the Member
Mrs. Anshu	Chairperson	Non-Executive, Non Independent Director
Mr. A. K. Mittal	Member	Executive Director

Terms of Reference of the Committee

The Management Committee, inter alia, have the powers to authorise company officials to represent before any government / semi government authorities, institutions, bodies, concerns etc., for making any applications to seek any approvals, sanctions, consents etc, to authorize any director, employee or such other person to represent the Company or make such other necessary applications and/or to file necessary documents, forms, affidavits, indemnity bonds etc., before such authorities as mentioned hereinafter (including but not limited thereto) viz., Income Tax, Sales Tax, Service Tax, Professional Tax, Wealth Tax, ESIC, etc., authority to open branch offices in various cities within India ,to appoint a person to represent at the General Meetings of various other companies and to appoint proxies, with or without power of attorney, to do specific acts or classes of acts, defining the range of their terms of office.

(3) Infrastructure Committee

The Infrastructure Committee of the Company is entrusted with the powers to make decision related to sale/ purchase, to hire, to lease any residential /commercial property for official purpose or to acquire assets and any such property for official purpose.

The Committee comprises of the following members:

Name of the Member	Designation	Category of the Member
Mrs Anshu	Chairperson	Non-Executive, Non Independent Director
Mr. A. K. Mittal	Member	Executive Director
Mr. Subhash Chandra Bhargava	Member	Non-Executive, Non Independent Director

Terms of Reference of the Committee

The Infrastructure Committee inter-alia takes decision pertaining to matters relating to Hiring/Letting, Residential/Commercial accommodation/s on lease for official use, or Acquisition/disposal of fixed assets and commercial property for official purposes or to take institutional finance for acquisition of fixed assets

(D) SUBSIDIARY COMPANIES

Regulations 16(1)(c)of the Listing Regulations defines “material subsidiary” as a subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in immediately preceding accounting year.

During the year under review, the Company has two material subsidiaries whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the listed entity and its subsidiaries in the immediately preceding financial year.

Mr. Raghubinder Rai, Independent Director on the Board of the Company is also a Director on the Board of A. K. Capital Finance Private Limited (material subsidiary) as on March 31, 2017.

Mr. Subhash Chander Madan, Independent Director on the Board of the Company is also a Director on the Board of A. K. Stockmart Private Limited (material subsidiary) as on March 31, 2017.

The financial statements including the particulars of investments made by all the subsidiary companies are reviewed by the Audit Committee.

The Company has a system of placing the minutes and statement of all the significant transactions of all the subsidiary companies at the Meeting of the Board of Directors.

(E) GENERAL BODY MEETINGS

All the resolutions moved at the last Annual General Meeting (AGM) of the Company were passed by e-voting and polling paper with requisite majority of members voted and attending the Meeting. No Extraordinary General Meeting was held during the year.

The Location, date, time and venue of the last three AGM of th company are as follows:

Financial Year	Date	Time	Location/Venue	Whether any Special resolutions passed
2015-16	September 17, 2016	9.00 a.m.	The Resort, 11, Madh-Marve Road, Aksa Beach, Malad (West), Mumbai - 400095	Yes
2014-15	September 19, 2015	9.00 a.m.	Tivoli Garden Resort Hotel, Chattarpur Road, New Delhi	Yes
2013-14	September 20, 2014	9.00 a.m.	Tivoli Garden Resort Hotel, Chattarpur Road, New Delhi	Yes

(F) DISCLOSURES

a. Related Party Transactions

All the Related Party Transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. Transactions with related parties entered into in the normal course of businesses are periodically placed before the Audit Committee of the Board for its approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen or repetitive in nature.

Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, material related party transaction to be reported under Section 188(1) of the Companies Act, 2013, in form AOC-2 are enclosed as **Annexure - 4** to the Board Report.

All Related Party Transactions as required under Accounting Standards AS-18 are reported in note no. 30 of Notes to the consolidated financial statements and note no. 30 of Notes to the standalone financial statements of your Company.

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Materiality and Dealing with Related Party Transactions. It can be accessed on the Company' website at the link:

http://www.akcapindia.com/WebSiteDocuments/AKCSL%20%20Policy%20on%20Materiality%20and%20Dealing%20with%20Related%20Party%20Transactions.pdf

b. Disclosure of Accounting Treatment

In the preparation of the financial statements (standalone and consolidated), the Company has followed the Accounting Standards and policies generally accepted in India.

c. Risk Management

The Company has a well-defined risk management framework in place. It has been established for risk identification, assessment and control to effectively manage risks associated with the business of the Company.

d. Other Disclosures

i. The Company has complied with the corporate governance requirements as prescribed in Regulations 17 to 27, 46(2) (b) to (i) and para C, D and Schedule V of Chapter IV of the Listing Regulations and all other laws applicable to the Company.

ii. No penalty or strictures has been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any other Statutory Authorities, on any matter related to the capital markets, during the last three years.

iii. The Company has adopted a code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and employees of the Company. The Code requires pre-clearance for dealing in shares and prohibits the purchase or sale of shares by the Directors and employees while in possession of unpublished price sensitive information. The Compliance Officer ensures compliance of the said Code by all the Directors, Senior Management and employees likely to have access to price sensitive information.

iv. The Audit Committee has established a Vigil Mechanism and adopted a Whistle-Blower Policy, which provides a formal mechanism for all Directors and employees of the Company to approach the Audit Committee and make protective disclosures to the Committee about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conducts or ethic policy. The Company affirms that no Director or employee has been denied access to the Audit Committee during financial year 2016-17.

v. In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has two material subsidiaries. The Policy for determining the material subsidiaries has been formulated and adopted by the Board. The Policy may be accessed on the Company's website at link:
http://www.akcapindia.com/WebSiteDocuments/Policy%20for%20Determining%20Material%20Subsidiary.pdf

vi. As confirmed by the Independent Directors, they did not have any material pecuniary relationship (other than receiving sitting fees) with the Company during the financial year ended March 31, 2017.

vii. In line with the requirements stipulated by SEBI, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

viii. CEO / CFO Certification

The CEO/Managing Director and the CFO have certified to the Board, the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, with regard to the financial statements. The Certificate is annexed to this report as **Annexure II**.

ix. Compliance Certificate

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from Suresh Surana & Associates LLP (ICAI Registration No.: 121750W/W-100010), Chartered Accountant, Statutory Auditor of the Company, certifying the compliance by the Company with the provisions of the Corporate Governance of the Listing Regulations forms part of this Report.

x. The Company is not exposed to commodity price risk or foreign exchange risk and hedging activities.

(G) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of the Schedule V of the Listing Regulations. The status of compliance with the non-mandatory requirements of this clause has been detailed herein.

Adoption of Non-mandatory requirement:

Part C of Schedule V of the Listing Regulations states that non-mandatory requirements may be implemented at the discretion of the Company. However, disclosures on compliance with non-mandatory requirement and adoption / non-adoption of non-mandatory requirements shall be made in the Corporate Governance Report of the Annual Report. The status of compliance of the non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the Listing Regulations are as follows:

a) The Board:

The Company does not defray any expenses of the Chairman's Office.

b) Shareholder Rights:

The Company's quarterly and half-yearly results are furnished to the Stock Exchanges and are also published in the newspapers and on the website of the Company and therefore results were not separately sent to the Members.

c) Modified opinion(s) in Audit Report:

For the Financial Year ended March, 2017, the Independent Auditors have given unmodified opinion on the Company's Financial Statements. The Company continues to adopt best practices to ensure the regime of unmodified Financial Statements

d) Separate posts of Chairman and Chief Executive Officer (CEO):

The Company has separate posts of Chairman (Non-Executive) and Managing Director.

e) Reporting of the Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

(H) Means of Communication

a) The quarterly/ half yearly and annual financial results of the Company are regularly submitted to the stock exchange where the shares of the Company are listed in accordance with the Listing Regulations and are generally published in an English newspaper (Financial Express) and in a Marathi newspaper (Navshakti)

b) The Company has its own website (www.akcapindia.com) and the information relating to the Company and its services is displayed on its website. The Company's results and official news releases, if any, are displayed on the website of the Company.

c) During the year under review the Company did not have any institutional investors or analysts. Thus, the Company was not required to make any presentations to the institutional investors or analysts.

(I) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year 2016-17 as required under Listing Regulations, is presented in a separate section forming part of this Annual Report.

(J) GENERAL SHAREHOLDERS' INFORMATION

Details of the 24th Annual General Meeting of the Company

Date: September 16, 2017 | Time: 9.00 a.m.

Venue: The Resort, 11, Madh-Marve Road, Aksa Beach, Malad (West), Mumbai - 400 095

Financial year of the Company

The financial year of the Company covers the period from April 1 to March 31.

Tentative Calendar for the financial year 2017-18:

Financial reporting for the	Tentative dates of the Board / General Meeting
First quarter ending on June 30, 2017	On or before August 14, 2017
24th Annual General Meeting	September 16, 2017
Second quarter ending on September 30, 2017	On or before November 14, 2017
Third quarter ending on December 31, 2017	On or before February 14, 2018
Fourth quarter/year ending on March 31, 2018	On or before May 30, 2018

Dividend payment date

The payment of dividend, if any, shall be paid on or before, Friday, October 13, 2017.

Listing of Equity Shares on Stock Exchanges:

The Company's Equity Shares are listed on BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. The Company has paid the requisite annual listing fees for the financial year 2017-18.

Stock code and ISIN

BSE - 530499

Demat International Securities Identification Number (ISIN) in NSDL and CDSL for equity shares: ISIN. INE701G01012

Corporate Identification Number of the Company (CIN)

L74899MH1993PLC274881

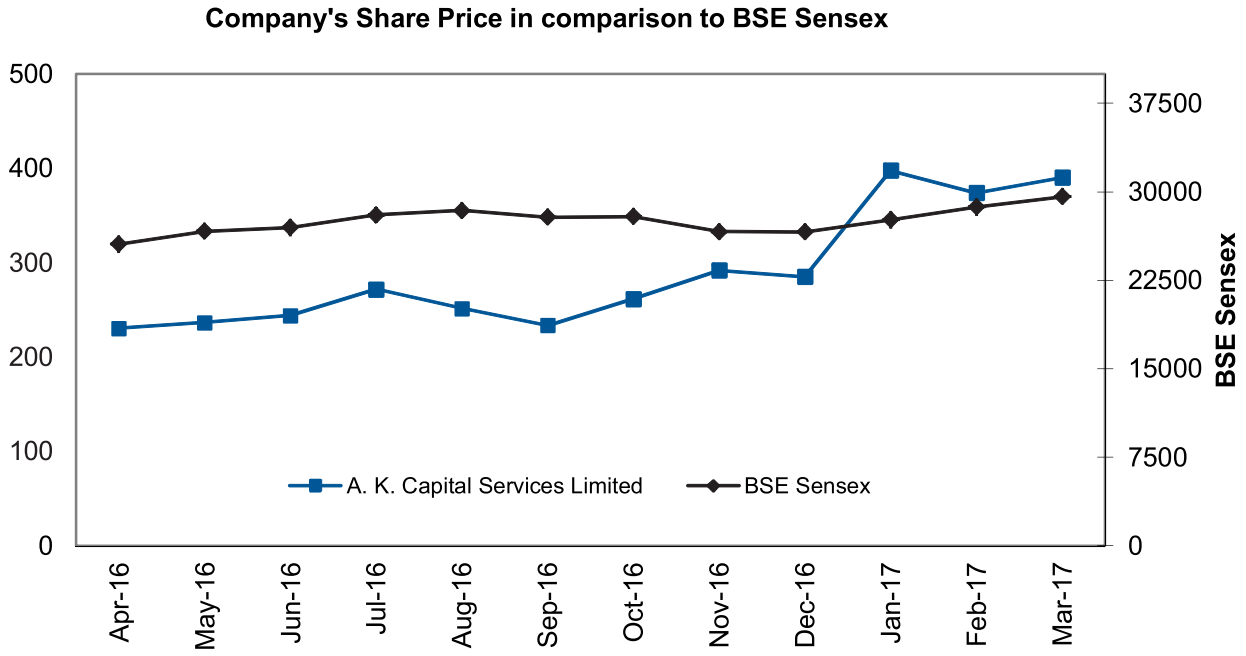
Market Price Data

The table below gives the monthly high and low quotations of shares traded at BSE Limited (BSE) for the financial year 2016-17.

Month	High Price (₹)	Low Price (₹)	No. of Share traded
April 2016	270.00	217.00	70,116
May 2016	250.00	221.50	27,603
June 2016	254.80	211.00	62,733
July 2016	288.80	235.00	56,787
August 2016	282.95	232.00	41,280
September 2016	264.90	212.60	63,307
October 2016	288.80	226.05	131,810
November 2016	308.40	242.50	123,665
December 2016	349.00	271.60	124,027
January 2017	447.20	252.60	270,012
February 2017	425.00	357.25	71,552
March 2017	434.00	361.00	396,646

Performance in Comparison to broad-based indices such as BSE Sensex, CRISIL Index, etc.

The chart below plots the monthly closing price of A. K. Capital Services Limited versus BSE-Sensex for the FY 2016-17.



Registrar and Share Transfer Agent

Upto July 31, 2016

Abhipra Capital Limited
Abhipra Complex, A-387
Dilkhush Industrial Area
G.T. Karnal Road, Azadpur
New Delhi – 110033
Tel: +91 11 42390900
Fax: +91 11 27215530
Email: rta@abhipra.com
Website: www.abhipra.com

From August 1, 2016

Link Intime India Private Limited
C,101,247 Park, L.B.S. Marg, Vikhroli (West)
Mumbai - 400 083
Tel: +91 22 49186270
Fax: +91 22 49186060
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

The Registrar and Share Transfer Agent (RTA) acknowledges and executes the transfer of shares and arranges for issue of dividend Warrants and also undertakes the dematerialization/rematerialisation of equity shares. The Registrar and Share Transfer Agent also accepts, deals with and resolves complaints of shareholders.

The following activities are also handled by RTA:

i. To maintain Master files of all Shareholders on an up to-date basis;

ii. To maintain all statutory and other records relating to share accounting;

iii. To facilitate filing of all statutory returns relating to shares;

iv. To ensure compliance with all formalities relating to shares with reference to Companies Act, Depositories guidelines and other applicable laws;

v. To handle all kinds of correspondence with the Shareholders and Depositories, SEBI, Stock Exchanges, etc., in the proper manner;

vi. To scrutinise and process all kinds of transactions and updates to Shareholders master data;

vii. To reconcile and affect a proper control on the total number of shares, dividend amounts issued, etc. and reconcile dividend amount un-cashed based on paid/unpaid data receipt from the Dividend bankers;

viii. Any other services as may be prescribed by the SEBI.

Share transfer system and half yearly audit of share transfers

The Company's shares are traded on stock exchange in compulsory dematerialized form. The transfers in physical form logged at the Registrar and Share Transfer Agent's office are processed within a period of 15 days, from the date of submission of all the required documents. With a view to expediting the process of share transfers, transmissions, etc., the Stakeholders' Relationship Committee along with the Company Secretary, have been severally empowered to approve the same.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains the certificate from a Practicing Company Secretary on half yearly basis to the effect that the requests for share transfers, sub-division, consolidation, renewal and exchange of certificates comprising equity shares have been processed within the stipulated time period subject to all the documents being in order. A copy of the certificate so received is submitted to the stock exchanges where the Company's shares are listed.

Distribution of Shareholding

Distribution schedule of Equity shareholding of the Company as at March 31, 2017 is as follows:

Category			Number of Shareholders	% of total Shareholders	Total number of shares held	% of total Shareholding
From		To				
1	-	500	2,299	86.62	237,830	3.60
501	-	1,000	148	5.58	114,889	1.74
1,001	-	2,000	79	2.98	115,205	1.75
2,001	-	3,000	27	1.02	64,442	0.98
3,001	-	4,000	19	0.72	66,525	1.01
4,001	-	5,000	21	0.79	98,028	1.48
5,001	-	10,000	20	0.75	148,941	2.26
10,001	-	Above	41	1.54	5,754,140	87.18
		Total	**2,654**	**100.00**	**6,600,000**	**100.00**

Note: The rounding off of percentage could result into arithmetical differences

Equity Shareholding pattern of the Company as at March 31, 2017 is as follows:

Category	Number of shares	% of total Shareholding
Promoter and promoter group		
Indian	4,178,057	63.31
Foreign (NRI)	198,275	3.00
Sub-total (A)	**4,376,332**	**66.31**
Public		
NRIs/Foreign Bodies Corporate	61,988	0.93
Indian Bodies Corporate	752,948	11.41
Individual/HUF	1,359,300	20.60
Clearing Members	49,432	0.75
Sub-total (B)	**2,223,668**	**33.69**
Total Shareholding (A) + (B)	**6,600,000**	**100.00**

Note: The rounding off of percentage could result into arithmetical differences

Dematerialization of shares and liquidity

As on March 31, 2017, 98.82% of the paid-up Equity Share Capital of the Company was held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share as the trading in equity shares of the Company is permitted in dematerialised form.

Quarterly audit of share capital

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary with the objective to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the total issued and listed capital of the Company. The certificate received from the Practicing Company Secretary is submitted to BSE and is also placed before the Board of Directors on a quarterly basis.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

Plant Locations

The Company is in the business of providing financial services; therefore, it does not have any manufacturing plants.

Address for correspondence

For any assistance, request or instruction regarding transfer or transmission of shares, dematerialization of shares, change of address, non-receipt of annual report, interest/dividend warrant and any other query relating to the shares of the Company, the investors may please write to the following address:

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West) Mumbai - 400 083
Tel: +91 22 4918 6270
Fax: +91 22 4918 6060
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

The Company Secretary
A. K. Capital Services Limited
30-39, 3rd floor, Free Press House,
Free Press Journal Marg, 215, Nariman Point
Mumbai – 400021
Tel: +91 22 66349300 | Fax: +91 22 66100594
E-mail: compliance@akgroup.co.in
Website: www.akcapindia.com

For queries relating to the financial statements and investors information, other than those relating to shares/ dividend, please write to:
Mr. Mahesh Bhootra
Chief Financial Officer
A. K. Capital Services Limited
30-39, 3rd floor , Free Press House, Free Press Journal Marg
215, Nariman Point, Mumbai – 400021
Tel: +91 22 67546500 | Fax: +91 22 66100594
E-mail: accounts@akgroup.co.in | Website: www.akcapindia.com

Unclaimed Equity Shares in Demat Suspense Account/ Unclaimed Suspense Account

As per Listing Regulations, 2015, the Company reports the following details in respect of unclaimed equity shares that are kept in demat suspense account/unclaimed suspense account:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2016	NIL	NIL
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	NIL	NIL
Number of shareholders to whom shares were transferred from suspense account during the year;	NIL	NIL
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	NIL	NIL

ANNEXURE - I

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

The Company has adopted a Code of Conduct for Directors and Senior Management, which is posted on the website of the Company. The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct in respect of the financial year 2016-17.

A. K. Mittal
Managing Director
(DIN: 00698377)

Place: Mumbai
Date: July 29, 2017

ANNEXURE - II

CERTIFICATE FROM THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To the Board of Directors of A. K. Capital Services Limited;

A. We have reviewed financial statements and the cash flow statement for the financial year 2016-17 and that to the best of our knowledge and belief, certify that:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. 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.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.

C. We 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 there have been no deficiencies in the design or operation of such internal controls of which we are aware.

D. We have indicated to the auditors and the Audit committee that there were:

1. no significant change in internal control over financial reporting during the year;
2. no significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. there have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

A. K. Mittal
Managing Director
(DIN: 00698377)

Mahesh Bhootra
Chief Financial Officer

Place : Mumbai
Date : July 29,2017

ANNEXURE - III

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of

A. K. Capital Services Limited

We have examined the compliance of conditions of Corporate Governance by **A. K. Capital Services Limited** ("the Company"), for the financial year ended 31 March 2017, as per regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination of the statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of the Listing Regulations, as applicable.

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.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **Suresh Surana & Associates LLP**
Chartered Accountants
ICAI Registration No.: 121750W/W-10001

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: July 29, 2017

INDEPENDENT AUDITORS' REPORT

To,

The Members of

A. K. CAPITAL SERVICES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of A. K. Capital Services Limited ("the Company") which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, 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 Standalone 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 of these standalone 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 the 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 the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 standalone 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 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 the 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 Company's preparation 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 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31 March, 2017, its profit and its 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, 2016 ("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 the paragraphs 3 and 4 of the Order.
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 purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms 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

INDEPENDENT AUDITORS' REPORT

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

i. The Company does not have any pending litigations which would impact its financial position;

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of account maintained by the Company. Refer Note 34 to the financial statements.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W-100010

(Ramesh Gupta)
PARTNER
Membership No.: 102306
Place: Mumbai;
Dated: May 20, 2017

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)

(I) (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 the fixed assets are verified in a phased manner on yearly basis. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) Considering the nature of business, the Company does not have inventory. In view of this, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3 (iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced or granted any loan covered under Section 185 of the Act. Further, the Company has complied with provisions of Section 186 of the Act, with respect to the loans, guarantee or security and investments made.

(v) The Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Sub-section (1) of Section 148 of the Act.

(vii) (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income tax, service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the 31 March, 2017 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, sales tax, duty of customs, duty of excise and value added tax are not applicable to the Company.

(b) According to information and explanations given to us, there are no dues on account of sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute except the following dues of Income tax:

Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	Nil *	A.Y. 2013-2014	Income Tax Appellate Tribunal

* Disputed demand amounting to ₹ 5,046,460 has been adjusted against the refund order issued for the Assessment year 2014-2015.

(viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions. The Company does not have any loans or borrowings from government and has not issued any debentures during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has utilized the term loan for the purpose it was raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).

(x) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the company or any fraud on the Company by its officers or employees have been noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given 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.

(xii) 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 to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W-100010

(Ramesh Gupta)
PARTNER
Membership No.: 102306
Place: Mumbai;
Dated: May 20, 2017

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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. Capital Services Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone 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.

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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 2017, 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 SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W-100010

(Ramesh Gupta)
PARTNER
Membership No.: 102306
Place: Mumbai;
Dated: May 20, 2017

BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	As at 31.03.2017 ₹	As at 31.03.2016 ₹
I EQUITY AND LIABILITES			
1 Shareholders' funds			
(a) Share capital	2	66,000,000	66,000,000
(b) Reserves and surplus	3	3,489,105,216	3,245,378,635
		3,555,105,216	**3,311,378,635**
2 Non-current liabilities			
(a) Long-term borrowings	4	250,327,777	302,184,106
(b) Deferred tax liabilities (net)	5	45,222,984	46,290,613
(c) Long-term provisions	6	12,213,630	9,550,427
		307,764,391	**358,025,146**
3 Current liabilities			
(a) Short-term borrowings	7	3,534,800,832	1,527,007,100
(b) Trade payables	8	5,566,905	4,803,772
(c) Other current liabilities	9	95,864,744	49,219,949
(d) Short-term provisions	10	1,379,052	49,008,363
		3,637,611,533	**1,630,039,184**
TOTAL		**7,500,481,140**	**5,299,442,965**
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	352,826,973	357,923,964
(ii) Intangible assets		186,524	271,350
(b) Non-current investments	12	3,203,937,426	2,976,468,100
(c) Long-term loans and advances	13	18,019,517	7,012,081
		3,574,970,440	**3,341,675,495**
2 Current assets			
(a) Current investments	14	3,792,278,605	1,752,503,272
(b) Trade receivables	15	29,301,193	73,823,121
(c) Cash and bank balances	16	7,131,907	47,605,175
(d) Short-term loans and advances	17	40,265,219	52,844,661
(e) Other current assets	18	56,533,776	30,991,241
		3,925,510,700	**1,957,767,470**
TOTAL		**7,500,481,140**	**5,299,442,965**
Significant accounting policies	1		

The notes referred above form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

On behalf of the Board of Directors

Ramesh Gupta Partner Membership No. 102306	A. K. Mittal Managing Director (DIN: 00698377)	Deepak Mittal Director (DIN: 00043685)	Mahesh Bhootra Chief Financial Officer	Tejas Dawda Company Secretary (ACS: A27660)
Place: Mumbai Date: May 20, 2017	Place: Mumbai Date: May 20, 2017			

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

		Note No.	Current Year ₹	Previous Year ₹
I	Revenue from operations	19	928,251,096	683,448,735
II	Other income	20	34,432,130	36,287,718
III	**Total revenue (I+II)**		**962,683,226**	**719,736,453**
IV	**EXPENSES**			
	Employee benefits expense	21	155,946,642	175,831,066
	Finance costs	22	235,094,077	113,387,839
	Depreciation / amortisation expenses	11	15,767,857	19,441,325
	Other expenses	23	193,602,958	138,265,384
	Total expenses		**600,411,534**	**446,925,614**
V	**Profit before tax (III-IV)**		**362,271,692**	**272,810,839**
VI	Tax expenses			
	- current tax		117,500,000	90,000,000
	- deferred tax		(1,067,629)	3,491,234
	- Earlier year tax adjustments		2,112,740	(6,434,582)
			118,545,111	87,056,652
VII	**Profit after tax (V-VI)**		**243,726,581**	**185,754,187**
	Basic and Diluted earnings per share	32	36.93	28.14
	Nominal value of equity shares		10.00	10.00
	Significant accounting policies	**1**		

The notes referred above form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

On behalf of the Board of Directors

Ramesh Gupta
Partner
Membership No. 102306

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Director
(DIN: 00043685)

Mahesh Bhootra
Chief Financial Officer

Tejas Dawda
Company Secretary
(ACS: A27660)

Place: Mumbai
Date: May 20, 2017

Place: Mumbai
Date: May 20, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

		Current Year ₹	Previous Year ₹
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit before tax	362,271,692	272,810,839
	Adjustments for		
	Depreciation/ Amortisation	15,767,857	19,441,325
	Loss on sale of fixed assets	406,512	-
	Interest income - others	(4,929,941)	(2,321,728)
	Interest expenses	230,056,155	110,266,089
	Income from investments	(351,442,774)	(118,585,276)
	Deposits / bad debts written-off	6,540,807	-
	Balances written back	(1,852)	(477,157)
	Operating profit before working capital adjustments	**258,668,456**	**281,134,092**
	Adjustments for		
	(Increase)/decrease in trade and other receivables	52,383,380	30,883,327
	Increase/(Decrease) in trade and other payables	(1,426,510)	(20,903,011)
	Cash generated from operations	**309,625,326**	**291,114,408**
	Direct taxes paid	(132,461,290)	(94,531,092)
	Net cash generated from operating activities	**177,164,036**	**196,583,316**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets	(11,294,752)	(8,603,801)
	Sale of fixed assets	302,200	-
	(Purchase) / sale of investments (net)	(2,130,234,968)	(154,979,405)
	Deposits with bank having original maturity of more than three months	-	7,180,974
	Interest income on investments	191,333,943	123,851,359
	Interest income - others	2,019,287	2,321,728
	Net cash used in investing activities	**(1,947,874,290)**	**(30,229,145)**
C	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Proceeds/(repayment) of borrowings (net)	2,006,113,546	34,041,141
	Interest paid	(228,231,218)	(118,162,620)
	Dividend paid	(39,600,000)	(39,600,000)
	Dividend distribution tax paid	(8,061,628)	(7,917,671)
	Net cash generated from financing activities	**1,730,220,700**	**(131,639,150)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(40,489,554)	34,715,021
	Cash and cash equivalents at the beginning of the year	46,509,985	11,794,964
	Cash and cash equivalents at the end of the year	**6,020,431**	**46,509,985**
	Cash and cash equivalents at the end of the year comprise of:		
	Cash on hand	858,814	2,868,572
	Balances with banks in accounts	5,161,617	43,641,413
		6,020,431	**46,509,985**

Notes:
1) 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 Central Government of India.
2) Cash and Cash equivalents for the purpose of cash flow statement comprises cash on hand and cash at bank excluding fixed deposit with original maturity period of more than three months.

The notes referred above form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Membership No. 102306

Place: Mumbai
Date: May 20, 2017

On behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Director
(DIN: 00043685)

Mahesh Bhootra
Chief Financial Officer

Tejas Dawda
Company Secretary
(ACS: A27660)

Place: Mumbai
Date: May 20, 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 1

SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles ('GAAP') in compliance with the provisions of the Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India are also considered, wherever applicable.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of the Accounting Standard (AS) 3 Cash Flow Statements. The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

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:

i) 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.

ii) 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 tangible fixed assets is provided the basis of useful life of fixed assets specified by Schedule II to the Companies Act, 2013.

Leasehold improvements are amortised over the lease period.

ii) Intangible assets

Software being amortised on a straight line basis over its estimated useful life or maximum 5 years, whichever is lower

e) Investments:

i) Non-current 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 fair value determined on an individual investment basis.

f) Revenue recognition:

Revenue from service charges, 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.

Rent income is recognised on accrual basis.

g) 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.

h) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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.

i) 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.

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.

j) Lease:

i) As a Lessee:

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.

ii) As a Lessor:

Assets subject to operating lease are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

k) 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.

l) 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.

m) Provisions and contingent liabilities:

The Company creates a provision when there is a present obligation as 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.

n) 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 MARCH 31, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 2		
SHARE CAPITAL		
Authorised		
33,000,000 (previous year 33,000,000) Equity shares of ₹ 10 each	330,000,000	330,000,000
10,200,000 (previous year 200,000) Redeemable cumulative preference shares of ₹100 each	1,020,000,000	20,000,000
	1,350,000,000	**350,000,000**
Issued, subscribed and paid up		
6,600,000 (previous year 6,600,000) Equity shares of ₹ 10 each fully paid up	66,000,000	66,000,000
	66,000,000	**66,000,000**

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

Equity shares	As at 31.03.2017		As at 31.03.2016	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Shares outstanding at the beginning of the year	6,600,000	66,000,000	6,600,000	66,000,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**6,600,000**	**66,000,000**	**6,600,000**	**66,000,000**

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

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. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of shares held	% of holding	No. of shares held	% of holding
Second Leasing Private Limited	2,920,825	44.25%	737,370	11.17%
A. K. Mittal	558,665	8.46%	558,665	8.46%
A. M. Credit Analysis and Research Limited	371,000	5.62%	371,000	5.62%
A. K. Capital Markets Limited	-	-	979,043	14.83%
A. K. Services Private Limited	-	-	966,769	14.65%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 3		
RESERVES AND SURPLUS		
Capital reserve		
Opening balance	67,500,000	67,500,000
Add: Additions during the year	-	-
Closing balance	**67,500,000**	**67,500,000**
Securities premium account		
Opening balance	344,000,000	344,000,000
Add: Additions during the year	-	-
Closing balance	**344,000,000**	**344,000,000**
General reserve		
Opening balance	496,088,960	477,088,960
Add: Additions during the year	-	19,000,000
Closing balance	**496,088,960**	**496,088,960**
Surplus in statement of profit and loss		
Opening balance	2,337,789,675	2,218,697,116
Add: Profit for the year	243,726,581	185,754,187
Amount available for appropriation	**2,581,516,256**	**2,404,451,303**
Appropriations:		
Proposed dividend*	-	39,600,000
Dividend distribution tax	-	8,061,628
Transfer to general reserves	-	19,000,000
Closing balance	**2,581,516,256**	**2,337,789,675**
	3,489,105,216	**3,245,378,635**

*The Board of Directors of the company in its meeting held on 20 May 2017, have proposed a final dividend of ₹ 6 per equity share having face value of ₹ 10 each for the year ended March 31, 2017. The same is subject to approval of the shareholders in the ensuing annual general meeting.

The proposed dividend, if approved at the 24 th Annual General Meeting will result in cash outflow of ₹ 476,61,628 including corporate dividend tax.

During the previous year, the Company had made provision for the proposed dividend declared by the Board of directors as per the requirements of the pre - revised Accounting Standard - 4 ""Contingencies and events occurring after the balance sheet date"" (AS 4). However, the said requirement has been amended through the notification G.S.R. 364(E) dated March 30, 2016 issued by the Ministry of Corporate Affairs, consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended 31 March 2017.

NOTE - 4		
LONG TERM BORROWINGS		
Secured		
Term loans		
From NBFC*	250,000,000	300,000,000
Vehicle loan		
From a bank**	327,777	2,184,106
	250,327,777	**302,184,106**

* Term loan from NBFC is secured against mortgage of the Company's immovable property together with all structures and appurtenances thereon held by the Company situated at 8th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021.The loan amount is repayable in 12 quarterly installments commencing from the end of third month after the moratorium period of 24 months from the date of first disbursement, with a put and call option at the end of moratorium period and every 6 months thereon with 30 days notice.

** Vehicle loan from bank is repayable in 36 equated monthly installments along with interest from the date of loan. The loan is secured by hypothecation of motor vehicle purchased there against.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 5		
DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities:		
Depreciation	52,179,660	49,672,484
	52,179,660	**49,672,484**
Less; Deferred tax assets:		
Expenses allowable on payment basis (gratuity)	4,326,468	3,381,871
Expenses allowable on section 35D	2,630,208	-
	6,956,676	**3,381,871**
	45,222,984	**46,290,613**
NOTE - 6		
LONG TERM PROVISIONS		
For employee benefits	12,213,630	9,550,427
Gratuity (unfunded)	**12,213,630**	**9,550,427**
NOTE - 7		
SHORT TERM BORROWINGS		
Secured		
Loans repayable on demand		
From banks *	3,309,800,832	1,527,007,100
Secured	225,000,000	-
From a Related Party **		
	3,534,800,832	**1,527,007,100**

* Bank overdraft facilities are secured against pledge of debt securities / Central & State Government securities and personal guarantee of two directors of the Company. The loan is repayable on demand.

**Loan from related party is secured against subservient charge by way of hypothecation / pledge / mortgage over all the Fixed Assets of the Company (excluding the charges already created in favour of existing lenders)

NOTE - 8		
TRADE PAYABLES		
Total outstanding dues of micro, small and medium enterprises (Refer Note 35)	-	-
Total outstanding dues of trade payable other than micro, small and medium enterprises	5,566,905	4,803,772
	5,566,905	**4,803,772**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 9
OTHER CURRENT LIABILITIES

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Current maturities of long-term debt - from banks (Refer note no.4)	1,856,329	1,680,186
Current maturities of long-term debt - from NBFC (Refer note no.4)	50,000,000	-
Interest accrued and due on borrowings	2,357,508	-
Interest accrued but not due on borrowings	226,028	1,227,869
Unpaid dividends*	1,111,476	1,095,190
Statutory dues	5,051,251	11,086,428
Deposits	27,918,000	27,918,000
Employees dues	7,344,152	6,212,276
	95,864,744	**49,219,949**

* During the current year, ₹ 98,602 (previous year ₹ 87,531) has been credited into Investor Education and Protection Fund under Section 205C of the Companies Act, 1956. Further, there are no dues as at 31 March 2017 which needs to be credited into Investor Education and Protection Fund.

NOTE - 10
SHORT TERM PROVISIONS

Provision for employee benefits	287,721	221,506
Gratuity (unfunded)	1,091,331	1,125,229
Leave encashment	**1,379,052**	**1,346,735**
Others	-	39,600,000
Provision for proposed dividend (Refer note 3)	-	8,061,628
Provision for dividend distribution tax (Refer note 3)	**-**	**47,661,628**
	1,379,052	**49,008,363**

NOTE - 11
FIXED ASSETS

(Amount in ₹)

Particulars	Tangible assets									Intangible assets		Total
	Plant and machinery	Computers	Furniture and fixtures	Office equipment	Office buildings	Office premises under lease	Leasehold improvements	Vehicles	Total	Software	Total	
Gross block (at cost)												
As at 1 April 2015	369,060	14,183,201	21,100,187	13,860,825	28,297,389	343,500,152	24,046,303	35,299,397	480,656,514	4,199,471	4,199,471	484,855,985
Additions	-	19,635	130,186	70,552	1,323,116	-	-	6,747,812	8,291,301	312,500	312,500	8,603,801
Deductions/adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2016	**369,060**	**14,202,836**	**21,230,373**	**13,931,377**	**29,620,505**	**343,500,152**	**24,046,303**	**42,047,209**	**488,947,815**	**4,511,971**	**4,511,971**	**493,459,786**
As at 1 April 2016	369,060	14,202,836	21,230,373	13,931,377	29,620,505	343,500,152	24,046,303	42,047,209	488,947,815	4,511,971	4,511,971	493,459,786
Additions	-	333,551	38,921	167,160	10,700,000	-	-	-	11,239,632	55,120	55,120	11,294,752
Deductions/adjustments	-	-	-	(16,495)	-	-	-	(2,020,399)	(2,036,894)	-	-	(2,036,894)
As at 31 March 2017	**369,060**	**14,536,387**	**21,269,294**	**14,082,042**	**40,320,505**	**343,500,152**	**24,046,303**	**40,026,810**	**498,150,553**	**4,567,091**	**4,567,091**	**502,717,644**
Depreciation/amortisation												
As at 31 March 2015	334,514	13,823,848	11,699,793	12,145,439	3,958,011	38,044,166	20,152,458	11,582,455	111,740,684	4,082,463	4,082,463	115,823,147
For the year	5,776	347,694	3,454,434	697,485	549,554	5,754,124	2,920,384	5,553,716	19,283,167	158,158	158,158	19,441,325
Deductions/adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2016	**340,290**	**14,171,542**	**15,154,227**	**12,842,924**	**4,507,565**	**43,798,290**	**23,072,842**	**17,136,171**	**131,023,851**	**4,240,621**	**4,240,621**	**135,264,472**
As at 31 March 2016	340,290	14,171,542	15,154,227	12,842,924	4,507,565	43,798,290	23,072,842	17,136,171	131,023,851	4,240,621	4,240,621	135,264,472
For the year	5,760	131,735	2,552,230	421,899	489,266	5,738,403	973,461	5,315,157	15,627,911	139,946	139,946	15,767,857
Deductions/adjustments	-	-	-	(10,285)	-	-	-	(1,317,897)	(1,328,182)	-	-	(1,328,182)
As at 31 March 2017	**346,050**	**14,303,277**	**17,706,457**	**13,254,538**	**4,996,831**	**49,536,693**	**24,046,303**	**21,133,431**	**145,323,580**	**4,380,567**	**4,380,567**	**149,704,147**
Net block												
At 31 March 2016	28,770	31,294	6,076,146	1,088,453	25,112,940	299,701,862	973,461	24,911,038	357,923,964	271,350	271,350	358,195,314
At 31 March 2017	**23,010**	**233,110**	**3,562,837**	**827,504**	**35,323,674**	**293,963,459**	**-**	**18,893,379**	**352,826,973**	**186,524**	**186,524**	**353,013,497**

Note:

Vehicles include vehicles hypothecated against loan taken having gross block of ₹ 6,747,812 (as at 31.3.2016 ₹ 6,747,812), accumulated depreciation of ₹ 1,589,350 (as at 31.3.2016 ₹ 746,164) and net block of ₹ 5,158,462 (as at 31.3.2016 ₹ 6,001,648).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	Face Value ₹	As at 31.03.2017 Number	As at 31.03.2017 ₹	As at 31.03.2016 Number	As at 31.03.2016 ₹
NOTE - 12					
NON CURRENT INVESTMENTS					
Trade -unquoted-subsidiaries -fully paid up					
Equity shares of A. K. Stockmart Private Limited (wholly owned subsidiary)	10	12,000,000	120,000,000	12,000,000	120,000,000
Equity shares of A. K. Capital Corporation Private Limited (wholly owned subsidiary)	10	2,100,000	21,000,000	2,100,000	21,000,000
Equity shares of A. K. Capital Finance Private Limited	10	22,997,490	2,930,524,000	21,653,740	2,715,524,000
Equity shares of A. K. Wealth Management Private Limited (wholly owned subsidiary)	10	2,250,000	22,500,000	2,250,000	22,500,000
Equity shares of A. K. Capital (Singapore) PTE. Limited (wholly owned subsidiary)	SGD 1	665,000	34,619,326	399,108	19,785,000
			3,128,643,326		**2,898,809,000**
Unquoted - others - fully paid up					
Equity shares of Intelligroup Advisors Private Limited	10	4,600	46,000	4,600	46,000
Equity shares of A.K. Capital Retail Private Limited	10	1,000	10,000	1,000	10,000
Equity shares of A.K. Commodities Private Limited	10	3,000	30,000	3,000	30,000
Equity shares of Sunrise Corporate Services Limited	10	-	-	100,000	1,000,000
Equity shares of India Bond Private Limited	10	800	8,000	800	8,000
Equity shares of Nessa Leisure Limited	10	415,000	68,100,000	415,000	68,100,000
Non trade, unquoted - others					
Units of Urban Infrastructure Venture Capital Limited	100,000	70	7,100,100	70	8,465,100
			75,294,100		**77,659,100**
TOTAL			**3,203,937,426**		**2,976,468,100**
Aggregate amount of unquoted investments			**3,203,937,426**		**2,976,468,100**

Note:
During the year, cost of investment in Urban Infrastructure Venture Capital Limited has been reduced by ₹ 13,65,000 on account of distribution received from Urban Infrastructure Opportunity fund by way of return of capital vide letter dated 04 April 2016, 25 April 2016, 02 August 2016, 08 August 2016 and 23 December 2016 .

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 13		
LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Deposits	589,377	588,877
Other loans and advances		
Advance income tax (Net of Provision ₹ 216,401,544 ; previous year ₹ 291,199,466)	11,408,080	784,607
Capital advances	700,000	-
Loan to an employee	5,008,097	5,013,804
Prepaid expenses	313,963	624,793
	18,019,517	**7,012,081**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 14

CURRENT INVESTMENTS

	Face Value	As at 31.03.2017		As at 31.03.2016	
	₹	Number	₹	Number	₹
Non trade, quoted (fully paid up) - current					
Equity shares					
Shamken Spinners Ltd.	10	8,500	9,010	8,500	9,010
Bonds/ Debentures					
In Subsidiary					
9.60% A.K.Capital Finance Private Limited 2024 (INE197P07052)	100,000	1,240	124,000,000	-	-
9.50% A.K.Capital Finance Private Limited 2022	100,000	200	20,000,000	-	-
9.60% A.K.Capital Finance Private Limited 2024 (INE197P07102)	100,000	200	20,000,000	-	-
In Other Companies					
10.50% Indiabulls Real Estate Limited 2017	1,000,000	150	150,018,400	150	150,000,000
10.50% Indiabulls Real Estate Limited 2018 (INE069I07264)	1,000,000	200	200,834,600	200	200,000,000
10.50% Indiabulls Real Estate Limited 2018 (INE069I07280)	1,000,000	350	350,467,200	200	200,000,000
11.25% Sobha Limited 2018 (INE671H07285)	100,000	350	35,014,000	1,500	150,000,000
11.25% Sobha Limited 2018 (INE671H07293)	100,000	2,300	230,000,000	2,500	250,000,000
11.75% Indiabulls Real Estate Limited 2017	1,000,000	40	40,023,600	23	23,006,800
11.25% Syndicate Bank 2021	1,000,000	16	16,000,000	150	150,000,000
11.80% Indiabulls Real Estate Limited 2018	1,000,000	16	16,003,400	1	1,000,400
12.00% Sobha Limited 2017	100,000	30	3,001,800	30	3,001,800
12.00% Sobha Limited 2018	100,000	365	36,509,400	170	17,000,000
7.00% Industrial Development Bank of India 2019	5,000	155	775,233	155	775,233
9.65% Tourism Finance Corporation of India Limited 2033	1,000,000	1	1,018,974	1	1,018,974
9.15% Indiabulls Housing Finance Limited 2026	1,000	494	489,999	-	-
10.95% Industrial Development Bank of India 2022	1,000,000	15	14,970,000	-	-
11.50% Esskay Fincorp Private Limited 2018	100,000	1,500	150,000,000	-	-
12.50% Esskay Fincorp Private Limited 2018	100,000	1,500	150,000,000	-	-
11.15% Dewan Housing Finance Limited 2018	1,000,000	15	15,462,000	-	-
11.20% Dewan Housing Finance Limited 2022	1,000,000	1	1,083,400	-	-
12.00% United Bank Of India 2022	1,000,000	173	173,000,000	-	-
13.35% Neogrowth Credit Private Limited 2018	100,000	2,500	250,000,000	-	-
11.00% Ashiana Housing Limited 2018	100,000	800	80,000,000	-	-
11.00% Ashiana Housing Limited 2019	100,000	500	50,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07069)	100,000	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07077)	100,000	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07085)	100,000	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07093)	100,000	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07101)	100,000	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07119)	100,000	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07127)	100,000	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07135)	100,000	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2021 (INE128S07143)	100,000	500	50,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07168)	100,000	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07176)	100,000	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07184)	100,000	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07192)	100,000	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07200)	100,000	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07218)	100,000	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07226)	100,000	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07234)	100,000	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2021 (INE128S07242)	100,000	300	30,000,000	-	-
11.50% Bank of India 2026	1,000,000	10	10,649,000	-	-
12.64% Indian School Finance Company Private Limited 2019	100,000	2,500	250,000,000	-	-
9.85% DCB Bank Limited 2026	100,000	1	100,019	-	-
14.00% Mentor Home Loans India Limited 2022	100,000	500	50,000,000	-	-
12.25% Asirvad Microfinance Limited 2018	100,000	845	84,500,000	-	-
12.25% Asirvad Microfinance Limited 2019	100,000	750	75,000,000	-	-
12.80% Asirvad Microfinance Limited 2018 (INE516Q08075)	100,000	333	33,476,490	-	-
12.80% Asirvad Microfinance Limited 2018 (INE516Q08091)	100,000	303	30,460,590	-	-
12.80% Asirvad Microfinance Limited 2019	100,000	333	33,476,490	-	-
13.00% Asirvad Microfinance Limited 2022	1,000,000	150	150,000,000	-	-
9.75% Future Enterprises Limited 2021	1,000,000	11	11,000,000	-	-
9.80% Future Enterprises Limited 2023	1,000,000	30	30,000,000	-	-
12.00% Sobha Limited 2019	100,000	3,500	350,905,000	-	-
11.45% Vistaar Financial Services Private Limited 2019	1,000,000	150	150,000,000	-	-
11.60% Bank of Maharashtra 2021	1,000,000	4	4,030,000	-	-
0.00% Indiabulls Real Estate Limited 2016	1,000,000	-	-	243	243,000,000
10.50% Indiabulls Housing Finance Limited 2017	1,000,000	-	-	3	3,001,400
11.00% Aspire Home Finance Corporation Limited 2021	1,000,000	-	-	50	50,000,000
11.75% Sunteck Reality Limited 2017	100,000	-	-	500	50,000,000
11.75% Sunteck Reality Limited 2018	100,000	-	-	100	10,000,000
7.35% National Highway Authority of India 2031	1,000	-	-	3,240	3,341,885
7.64% Indian Railway Finance Corporation Limited 2031	1,000	-	-	185,000	189,292,000
7.69% National Highway Authority of India 2031	1,000	-	-	55,586	57,053,470
8.60% LIC Housing Finance Limited 2020	1,000,000	-		1	1,002,300
TOTAL			**3,792,278,605**		**1,752,503,272**
Aggregate amount of quoted investments					
Equity			**9,010**		**9,010**
Bonds			**3,792,269,595**		**1,752,494,262**
Aggregate market value of quoted investments					
Equity			**9,010**		**9,010**
Bonds*			**3,792,269,595**		**1,752,494,262**

* Bonds are valued at cost as the market value is not available.(Refer note no. 27)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 15		
TRADE RECEIVABLES		
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they are due for payment	29,301,193	72,997,282
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	825,839
	29,301,193	**73,823,121**
NOTE - 16		
CASH & BANK BALANCES		
Cash and cash equivalents		
a) Cash on hand	858,814	2,868,572
b) Balances with banks		
- in current account	4,822,566	43,151,296
- debit balance of bank overdraft facility	339,051	174,996
c) In other deposit accounts		
- original maturity Less than 3 months *	-	315,121
	6,020,431	**46,509,985**
Other bank balances:		
In Earmarked accounts- unpaid dividend accounts	1,111,476	1,095,190
	1,111,476	1,095,190
	7,131,907	**47,605,175**
* (Under lien in favour of the trustees of MFL Securitization Trusts)		
NOTE - 17		
SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Loans and advances to related parties		
Deposits with directors and relative	10,662,000	10,662,000
Loans and advances to others		
Loans and advances to other parties	11,061,441	16,067,688
Deposits	14,717,270	23,029,190
Prepaid expenses	3,452,449	2,979,455
Balances with government authorities	372,059	106,328
	40,265,219	**52,844,661**
NOTE - 18		
OTHER CURRENT ASSETS		
Current maturities of long term loans and advances to employees	5,707	5,090
Interest receivable on investments / deposits	52,777,987	29,678,847
Advance recoverable in cash or kind or for value to be received	839,428	-
Other receivables*	2,910,654	1,307,304
	56,533,776	**30,991,241**

* In the previous year, receivable from A.K. Stockmart Private Limited, which is wholly owned subsidiary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	Current Year ₹	Previous Year ₹
NOTE - 19		
REVENUE FROM OPERATIONS		
Sale of services	576,808,322	564,863,459
Income from investments	351,442,774	118,585,276
	928,251,096	**683,448,735**
NOTE - 20		
OTHER INCOME		
Rent income	29,313,900	27,981,791
Interest income	4,929,941	2,321,728
Other non operating income	188,289	5,984,199
	34,432,130	**36,287,718**
NOTE - 21		
EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	152,893,078	173,216,844
Contribution to provident fund	782,669	697,406
Staff welfare expenses	2,270,895	1,916,816
	155,946,642	**175,831,066**
NOTE - 22		
FINANCE COST		
Interest expenses	229,586,885	108,377,393
Others borrowing costs	5,037,922	3,121,750
Interest on income tax	469,270	1,888,696
	235,094,077	**113,387,839**
NOTE - 23		
OTHER EXPENSES		
Electricity expenses	823,979	1,157,365
Rent expenses	41,046,664	42,864,068
Repairs and maintenance:		
- building	4,172,212	5,587,647
- others	767,886	701,490
Rates and taxes	3,816,992	2,107,804
Travelling expenses	12,019,831	11,004,180
Auditor's remuneration:		
As auditor	362,500	262,500
for other services	78,500	80,500
Professional fees	6,862,351	2,110,109
Legal fees	9,837,909	797,819
Printing and stationary expenses	2,989,040	3,772,737
Bad debts	6,540,807	-
Advertisement expenses	2,215,618	4,111,924
Business promotion expenses	3,402,963	4,348,714
Selling expenses	71,690,138	37,187,246
Loss on sale of fixed assets	406,512	-
CSR expenditure (Refer Note - 33)	8,000,000	-
Miscellaneous expenses	18,569,056	22,171,281
	193,602,958	**138,265,384**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 24	As at 31.03.2017 ₹	As at 31.03.2016 ₹
CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)		
Corporate guarantee given to a bank in respect of working capital facility, cash credit and term loan facility taken by a subsidiary company	1,750,000,000	2,750,000,000
Total	**1,750,000,000**	**2,750,000,000**

NOTE - 25	Current Year ₹	Previous Year ₹
DETAILS OF SALES OF SERVICES		
Merchant banking fees	572,964,723	560,348,598
Brokerage received	3,843,599	4,514,861
Total	**576,808,322**	**564,863,459**

NOTE - 26

Consequent to the adoption of Accounting Standard 15 (AS 15 Revised 2005) on employee benefits, the following disclosures have been made as required by the standards :

1) Retirement benefits in the form of Provident fund are defined contribution scheme and the contributions are charged to the statement of profit and loss of the current year when the contribution to the respective fund is due. There are no other obligations other than the contribution payable to the respective fund.

2) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

	Current Year ₹	Previous Year ₹
Change in present value of obligation		
Present value of obligation as at 1 April	9,771,933	12,811,387
Interest cost	781,755	1,024,911
Service cost	1,511,354	1,201,517
Benefits paid	(1,740,348)	(6,034,968)
Actuarial (gain)/loss on obligation	2,176,657	769,086
Present value of obligation as at year end	12,501,351	9,771,933
Amount recognised in the balance sheet		
Present value of obligation, as at year end	12,501,351	9,771,933
Fair value of plan assets as at year end	-	-
Assets recognised in the balance sheet	-	-
Liabilities recognised in the balance sheet	12,501,351	9,771,933
Net gratuity cost		
Current service cost	1,511,354	1,201,517
Interest cost	781,755	1,024,911
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be recognised	2,176,657	769,086
Net gratuity cost (Included in salaries and wages)	4,469,766	2,995,514
Assumptions used in accounting for the gratuity plan		
Mortality	IALM (2006-08)	LIC (2006-08)
Discount rate	7.55%	8%
Salary escalation rate	5%	5%
Expected rate of return on plan assets	-	-

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 27

THE DETAILS OF SECURITIES PLEDGED WITH THE BANK ARE AS UNDER:

	As at 31.03.2017		As at 31.03.2016	
	Number	₹	Number	₹
10.50% Indiabulls Real Estate Limited 2017	150	150,018,400	150	150,000,000
10.50% Indiabulls Real Estate Limited 2018 (INE069I07264)	200	200,834,600	200	200,000,000
10.50% Indiabulls Real Estate Limited 2018 (INE069I07280)	350	350,467,200	200	200,000,000
11.25% Sobha Limited 2018 (INE671H07285)	350	35,014,000	1,500	150,000,000
11.25% Sobha Limited 2018 (INE671H07293)	2,300	230,000,000	2,500	250,000,000
11.75% Indiabulls Real Estate Limited 2017	40	40,023,600	23	23,006,800
12.00% Sobha Limited 2017	30	3,001,800	30	3,001,800
11.25% Syndicate Bank 2021	16	16,000,000	150	150,000,000
9.65% Tourism Finance Corporation of India Limited 2033	1	1,018,974	1	1,018,974
12.00% Sobha Limited 2018	365	36,509,400	170	17,000,000
11.80% Indiabulls Real Estate Limited 2018	16	16,003,400	1	1,000,400
11.60% Bank of Maharashtra 2021	4	4,030,000	-	-
12.80% Asirvad Microfinance Limited 2019	333	33,476,490	-	-
12.80% Asirvad Microfinance Limited 2018 (INE516Q08075)	333	33,476,490	-	-
12.80% Asirvad Microfinance Limited 2018 (INE516Q08091)	303	30,460,590	-	-
11.45% Vistaar Financial Services Private Limited 2019	150	150,000,000	-	-
9.80% Future Enterprises Limited 2023	30	30,000,000	-	-
9.75% Future Enterprises Limited 2021	11	11,000,000	-	-
12.25% Asirvad Microfinance Limited 2018	845	84,500,000	-	-
12.25% Asirvad Microfinance Limited 2019	750	75,000,000	-	-
9.60% A.K.Capital Finance Private Limited 2024 (INE197P07052)	1,220	122,000,000	-	-
9.50% A.K.Capital Finance Private Limited 2022	200	20,000,000	-	-
9.60% A.K.Capital Finance Private Limited 2024 (INE197P07102)	200	20,000,000	-	-
7.00% Industrial Development Bank of India 2019	155	775,233	-	-
11.15% Dewan Housing Finance Limited 2018	15	15,462,000	-	-
10.95% Industrial Development Bank of India 2022	15	14,970,000	-	-
11.00% Ashiana Housing Limited 2019	500	50,000,000	-	-
12.00% Sobha Limited 2019	3,500	350,905,000	-	-
11.00% Ashiana Housing Limited 2018	800	80,000,000	-	-
11.50% Esskay Fincorp Private Limited 2018	1,500	150,000,000	-	-
12.50% Esskay Fincorp Private Limited 2018	1,500	150,000,000	-	-
13.00% Asirvad Microfinance Limited 2022	150	150,000,000	-	-
12.64% Indian School Finance Company Private Limited 2019	2,500	250,000,000	-	-
13.35% Neogrowth Credit Private Limited 2018	2,500	250,000,000	-	-
14.00% Mentor Home Loans India Limited 2022	500	50,000,000	-	-
11.50% Bank of India 2026	10	10,649,000	-	-
12.00% United Bank Of India 2022	173	173,000,000	-	-
11.20% Dewan Housing Finance Limited 2022	1	1,083,400	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07069)	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07077)	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07085)	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07093)	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07101)	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07119)	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07127)	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07135)	250	25,000,000	-	-
11.45% Five Star Business Finance Limited 2021 (INE128S07143)	500	50,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07168)	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07176)	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07184)	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2019 (INE128S07192)	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07200)	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07218)	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07226)	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2020 (INE128S07234)	150	15,000,000	-	-
11.45% Five Star Business Finance Limited 2021 (INE128S07242)	300	30,000,000	-	-
0.00% Indiabulls Real Estate Limited 2016	-	-	243	243,000,000
10.50% Indiabulls Housing Finance Limited 2017	-	-	3	3,001,400
11.00% Aspire Home Finance Corporation Limited 2021	-	-	50	50,000,000
11.75% Sunteck Reality Limited 2017	-	-	500	50,000,000
11.75% Sunteck Reality Limited 2018	-	-	100	10,000,000
7.00% Industrial Development Bank of India 2019	-	-	155	775,233
7.35% National Highway Authority of India 2031	-	-	2,940	3,032,451
7.64% Indian Railway Finance Corporation Limited 2031	-	-	185,000	189,292,000
7.69% National Highway Authority of India 2031	-	-	55,550	57,016,520
8.60% LIC Housing Finance Limited 2020	-	-	1	1,002,300
Total		**3,789,679,577**		**1,752,147,878**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 28		
EXPENDITURE IN FOREIGN CURRENCY		
Travelling expenses	775,139	390,832
Total	**775,139**	**390,832**

NOTE - 29

SEGMENT REPORTING

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

NOTE - 30

RELATED PARTY DISCLOSURES

I **Related party relationships:**

Subsidiaries

A. K. Stockmart Private Limited (wholly owned)
A. K. Wealth Management Private Limited (wholly owned)
A. K. Capital Corporation Private Limited (wholly owned)
A. K. Capital (Singapore) PTE Ltd. (Wholly owned)
A. K. Capital Finance Private Limited

Key managerial personnel

Mr. A.K. Mittal- Managing Director
Mr. Deepak Mittal- Whole Time Director

Relative of key management personnel

Mrs. Anshu
Mr. Abhinav Kumar Mittal

Enterprise in which key management personnel is having significant influence

A. K. Services Private Limited

Enterprise in which relative of key management personnel is having significant influence

M Square Automobile Private 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 relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year, except where control exist, in which case the relationships have been mentioned irrespective of transactions with the relatives.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

II Details of related party transactions are as follows:	Current Year ₹	Previous Year ₹
Transactions with related parties:		
Investments in share capital		
A.K.Capital Finance Private Limited	215,000,000	300,000,000
A.K. Capital (Singapore) PTE. Limited	14,834,326	-
Directors remuneration (including perquisites)		
A. K. Mittal	10,656,000	10,656,000
Deepak Mittal	9,420,174	9,897,885
Brokerage expense		
A. K. Stockmart Private Limited	1,908,727	383,110
Demat charges		
A. K. Stockmart Private Limited	38,737	36,212
Purchase of Car		
M Square Automobile Private Limited	-	6,747,812
Repairs and Maintenance charges paid for car		
M Square Automobile Private Limited	345,092	291,758
Interest expenses		
A.K.Services Private Limtied	7,877,734	-
Rent expense		
A. K. Mittal	3,408,000	3,908,000
Anshu	1,728,000	2,028,000
Abhinav Kumar Mittal	2,169,600	2,669,600
Director's sitting fees		
Anshu	20,000	60,000
Interest Income on Investment in Non Convertible Debentures		
A. K. Capital Finance Private Limited	950,400	-
Loan Taken during the year		
A.K.Services Private Limtied	225,000,000	-
Application in Non Convertible Debentures		
A.K.Capital Finance Private Limited	180,000,000	-
Balances with related parties:		
Balance receivables		
A. K. Stockmart Private Limited	-	1,307,304
Balance payable		
A. K. Stockmart Private Limited	47,794	-
M Square Automobile Private Limited	291,283	-
Rent deposit given outstanding as at year end		
A. K. Mittal	6,250,000	6,250,000
Anshu	2,450,000	2,450,000
Abhinav Kumar Mittal	1,962,000	1,962,000
Accured interest income on investment in Non-Convertible Debentures		
A. K. Capital Finance Private Limited	870,444	-
Loan Taken outstanding as at year end		
A.K.Services Private Limtied	225,000,000	-
Investment in Non Convertible Debentures		
A.K.Capital Finance Private Limited	164,000,000	-
Corporate guarantee given to a bank in respect of working capital demand loan taken by a subsidiary company		
A. K. Capital Finance Private Limited	1,750,000,000	2,750,000,000

Note: Transaction amount is excluding taxes, wherever applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 31
LEASES

i Where the company is lessee:

The Company has taken various office premises under operating lease that are renewable on a periodic basis at the option of both the lessor and lessee.

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

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Not later than one year	2,023,780	825,000
Later than one year and not later than five years	-	-

Notes:
The amount of minimum lease payments with respect to operating lease recognised in the statement of profit and loss for the year is ₹ 41,046,664 (previous year ₹ 42,864,068)
Above disclosure is for leases entered after 1 April 2001, as per Accounting Standard (AS) - 19 'Leases' as notified by Central Government of India.

ii Where the company is lessor:

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

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Not later than one year	-	6,432,773

The amount of minimum lease income with respect to operating lease recognised in the statement of profit and loss for the year is ₹ 29,313,900 (previous year ₹ 27,981,791).

NOTE - 32
EARNINGS PER SHARE

	Current Year ₹	Previous Year ₹
Net profit after tax as per statement of profit and loss (₹)	243,726,581	185,754,187
Weighted average number of equity shares outstanding during the year for basic and diluted earnings per share (No.)	6,600,000	6,600,000
Basic and diluted earnings for the year (₹)	36.93	28.14
Nominal value of share (₹)	10.00	10.00

NOTE - 33
CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education, promoting gender equality, empowering women, setting up homes and ensuring environmental sustainability.

Particular			Amount ₹
Gross amount required to be spent by the company during the year (including previous years' shortfall of ₹ 7,416,287)			13,135,875
Amount spent during the year	**In Cash ₹**	**Yet to be Paid in Cash ₹**	**Total ₹**
(i) Construction/acquisition of any asset	-	-	-
(ii) Donation for promoting education	-	8,000,000	8,000,000
(iii) Donation for promoting preventive health care and sanitation	-	-	-
(iii) Donation for empowering woman and setting up homes	-	-	-
Short fall in CSR Expenditure			**5,135,875**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 34

DISCLSOURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Description	Specified Bank Notes (Amount in ₹)	Other Denomination Notes (Amount in ₹)	Total (Amount in ₹)
Closing cash in hand as on November 08,2016	900,000	2,331,060	3,231,060
(+) Permitted receipts*	-	416,000	416,000
(-) Permitted payments	(900,000)	(1,120,135)	(2,020,135)
(-) Amount Deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	1,626,925	1,626,925

* Permitted receipts indicates cash withdrawn from bank
For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

NOTE - 35

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.

NOTE - 36

There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with Accounting Standard (AS) – 28 'Impairment of Assets'.

NOTE - 37

In the opinion of the management, diminution in the value of long term investments in shares (other than group companies) is of temporary in nature in accordance with Accounting Standard - 13 "Accounting for Investments". Accordingly, carrying amount of such long term investment is not reduced to recognise such decline.

NOTE - 38

Income from investments includes interest income ₹ 232,290,797 (previous year ₹118,855,191).

NOTE - 39

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 depreciation and all known liabilities is adequate and not in excess of the amount reasonably stated.

NOTE - 40

Previous year figures have been regrouped or rearranged, wherever considered necessary, to conform with the current year's presentation.

Signatures to 1 to 40

The notes referred above form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Membership No. 102306

Place: Mumbai
Date: May 20, 2017

On behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Director
(DIN: 00043685)

Mahesh Bhootra
Chief Financial Officer

Tejas Dawda
Company Secretary
(ACS: A27660)

Place: Mumbai
Date: May 20, 2017

INDEPENDENT AUDITORS' REPORT

To,
The Members of
A. K. CAPITAL SERVICES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of A. K. Capital Services Limited (hereinafter referred to as "the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 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 consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

a) We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 372,005,096 as at March 31, 2017, total revenues of ₹ 890,995,393 and net cash inflows amounting to ₹ 5,580,138 for the year then ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b) Our opinion on the consolidated financial statements, and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

1. 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 purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

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

i. There were no pending litigations which would impact the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. Further, there is no amounts required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India.

iv. The Holding and its subsidiary companies incorporated in India has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the holding and its subsidiary companies incorporated in India. Refer Note 38 to the consolidated financial statements.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W-100010

(Ramesh Gupta)
PARTNER
Membership No.: 102306
Place: Mumbai
Date: May 20, 2017

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)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of A. K. Capital Services Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 respective companies 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") issued by the ICAI 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the respective Company's internal financial controls system over financial reporting.

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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 2017, 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 ICAI.

Other Matters

Our aforesaid report under Section 143(3)(If the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it related to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W-100010

(Ramesh Gupta)
PARTNER
Membership No.: 102306
Place: Mumbai
Date: May 20, 2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	As at 31.03.2017 ₹	As at 31.03.2016 ₹
I EQUITY AND LIABILITES			
1 Shareholders' funds			
(a) Share capital	2	66,000,000	66,000,000
(b) Reserves and surplus	3	4,712,681,775	4,140,855,136
		4,778,681,775	**4,206,855,136**
Minority interest		**51,572,440**	**47,721,447**
2 Non-current liabilities			
(a) Long-term borrowings	4	3,774,599,505	1,625,528,142
(b) Deferred tax liabilities (net)	5	49,094,547	50,249,819
(c) Long-term provisions	6	25,211,285	17,128,241
		3,848,905,337	**1,692,906,202**
3 Current liabilities			
(a) Short-term borrowings	7	15,506,747,133	11,917,919,433
(b) Trade payables	8	37,156,902	220,054,267
(c) Other current liabilities	9	821,382,041	387,542,757
(d) Short-term provisions	10	15,165,560	76,036,706
		16,380,451,636	**12,601,553,163**
TOTAL		**25,059,611,188**	**18,549,035,948**
II ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		502,244,233	458,674,371
(ii) Intangible assets		950,626	1,302,663
(b) Goodwill on consolidation		18,278,776	18,717,427
(c) Non-current investments	12	1,650,228,486	1,030,625,233
(d) Long-term loans and advances	13	990,345,891	1,042,085,361
(e) Other non-current assets	14	22,400,000	22,400,000
		3,184,448,012	**2,573,805,055**
2 Current Assets			
(a) Current investments	15	9,532,660,241	8,250,276,772
(b) Inventories	16	9,248,292,560	5,062,318,055
(c) Trade receivables	17	220,823,673	488,243,697
(d) Cash and bank balances	18	97,352,246	107,892,802
(e) Short-term loans and advances	19	1,794,979,136	1,458,983,975
(f) Other current assets	20	981,055,320	607,515,592
		21,875,163,176	**15,975,230,893**
Total		**25,059,611,188**	**18,549,035,948**
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

On behalf of the Board of Directors

Ramesh Gupta	A. K. Mittal	Deepak Mittal	Mahesh Bhootra	Tejas Dawda
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
Membership No. 102306	(DIN: 00698377)	(DIN: 00043685)		(ACS: A27660)

Place: Mumbai
Date: May 20, 2017

Place: Mumbai
Date: May 20, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

		Note No.	Current Year ₹	Previous Year ₹
I	Revenue from operations	21	3,351,895,274	2,415,841,622
II	Other income	22	37,544,907	40,383,981
III	**Total revenue (I+II)**		**3,389,440,181**	**2,456,225,603**
IV	**EXPENSES**			
	Employee benefits expense	23	409,208,986	370,925,968
	Finance costs	24	1,064,999,308	810,424,892
	Depreciation / amortisation expenses	11	26,468,681	27,335,831
	Other expenses	25	992,892,024	647,226,155
	Contingent provision against standard assets		3,637,233	5,610,142
	Total expenses		**2,497,206,232**	**1,861,522,988**
V	**Profit before tax (III-IV)**		**892,233,949**	**594,702,615**
VI	**Tax expenses**			
	- current tax		318,533,149	177,703,882
	- deferred tax		(1,155,272)	5,252,179
	- prior period tax adjustment		(3,349,262)	(6,970,461)
			314,028,615	175,985,600
VII	**Profit after tax and before minority interest (V-VI)**		**578,205,334**	**418,717,015**
	Share of minority interest		(3,948,430)	(2,915,362)
IX	**Profit for the year**		**574,256,904**	**415,801,653**
X	**Earnings per share (₹):**			
	Basic earnings per share		87.01	63.00
	Diluted earnings per share		87.01	63.00
	Nominal value of equity shares		10	10
	Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

On behalf of the Board of Directors

Ramesh Gupta
Partner
Membership No. 102306

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Director
(DIN: 00043685)

Mahesh Bhootra
Chief Financial Officer

Tejas Dawda
Company Secretary
(ACS: A27660)

Place: Mumbai
Date: May 20, 2017

Place: Mumbai
Date: May 20, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Current Year ₹	Previous Year ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	**892,233,949**	**594,702,615**
Adjustments for		
Depreciation / amortisation	26,468,681	27,335,831
Loss/(profit) on sale of fixed assets (net)	409,088	1,293,893
Interest income	(1,273,662,820)	(984,917,248)
Interest income - others	(7,899,117)	(6,274,879)
Interest expenses	1,057,107,313	791,334,522
General provision for standard assets	3,637,233	5,610,142
Income from investments	(430,728,135)	(195,590,459)
Dividend income on current investments	(3,463,557)	(1,268,276)
Dividend income on non current investments	(1,470,275)	(7,158,172)
Bad debts written-off	6,941,834	-
Balances written back	(1,852)	(539,131)
Operating profit before working capital adjustments	**269,572,342**	**224,528,838**
Adjustments for		
(Increase)/decrease in trade and other receivables	(266,701,849)	(1,993,110,846)
(Purchase)/ sale of inventory	(4,955,590,841)	(2,491,651,995)
Increase/(decrease) in trade and other payables	(181,560,723)	180,025,915
Cash generated from operations	**(5,134,281,071)**	**(4,080,208,088)**
Direct taxes paid	(362,939,115)	(173,498,012)
Net cash generated from operating activities	**(5,497,220,186)**	**(4,253,706,100)**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(71,181,940)	(24,889,123)
Sale of fixed assets	386,346	3,653,752
(Purchase) / sale of investments (net)	(918,164,385)	(1,580,659,596)
Deposits with bank with more than 3 months maturity	(21,536,283)	12,180,974
Dividend income on current investments	3,463,557	1,268,276
Dividend income on non current investments	1,470,275	7,158,172
Interest income on current investments	1,375,568,912	1,090,581,210
Interest income - others	10,094,695	5,126,090
Net cash generated from/(used in) investing activities	**380,101,177**	**(485,580,245)**
C CASH FLOW FROM OPERATING ACTIVITIES		
Proceeds/(repayment) of borrowings (net)	6,165,963,290	5,621,582,566
Interest paid	(1,033,275,778)	(794,692,038)
Dividend paid	(39,600,000)	(39,600,000)
Dividend distribution tax paid	(8,061,628)	(7,917,671)
Net cash generated from/(used in) financing activities	**5,085,025,884**	**4,779,372,857**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(32,093,125)	40,086,512
Cash and cash equivalents at the beginning of the year	106,797,612	66,711,100
Cash and cash equivalents at the end of the year	**74,704,487**	**106,797,612**
Cash and cash equivalents at the end of the year comprise of:		
Cash on hand	2,994,830	5,712,697
Balances with banks accounts	71,709,657	101,084,915
	74,704,487	**106,797,612**

Notes:
1) 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 Central Government of India.
2) Cash and Cash equivalents for the purpose of cash flow statement comprises cash on hand and cash at bank excluding fixed deposit with original maturity period of more than three months.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Membership No. 102306

Place: Mumbai
Date: May 20, 2017

On behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Director
(DIN: 00043685)

Mahesh Bhootra
Chief Financial Officer

Tejas Dawda
Company Secretary
(ACS: A27660)

Place: Mumbai
Date: May 20, 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 1

SIGNIFICANT ACCOUNTING POLICIES:

1) Basis of preparation of consolidated financial statements:

The consolidated financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles ('GAAP') in compliance with the provisions of the Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India are also considered, wherever applicable.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of the Accounting Standard (AS) 3 Cash Flow Statements. The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

The consolidated financial statements comply with the Accounting Standard (AS)-21 'Consolidated Financial Statements' notified under the Companies (Accounting Standards) Rules 2014. The consolidated financial statements are presented in Indian rupees.

2) Principles of consolidation:

a) The consolidated financial statements include the financial statements of A.K. Capital Services Limited, the parent company (hereinafter referred to as the 'Holding Company') and its subsidiaries (collectively referred to as the 'Group').

The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the parent company and the subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post acquisition increase in the relevant reserves of the subsidiaries.

ii) Transactions relating to statement of profit and loss of the acquired subsidiaries have been included in the consolidated statement of profit and loss from the effective date of acquisition.

b) The excess of the cost of acquisition of investments in the subsidiaries over the acquired portion of equity in the subsidiaries is recognised in the financial statements as 'goodwill'. The excess of acquired portion of equity in subsidiaries over the cost of acquisition of investments in the subsidiaries is recognised in the financial statements as 'capital reserve'.

c) Minority interest in the net assets of consolidated subsidiaries consists of:

- the amount of equity attributable to minorities at the date on which investment in subsidiary is made; and
- the minorities' share of movements in equity since the date the parent and subsidiary relationship came into existence.

d) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

e) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible.

3) 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.

4) Depreciation and amortisation:

Tangible assets:

Depreciation on tangible assets of Companies incorporated in India (other than A. K. Stockmart Private Limited and A. K. Wealth Management Private Limited) is provided on straight line basis as per the useful life of fixed assets specified by Schedule II to the Companies Act, 2013.

In case of a foreign subsidiary i.e. A. K. Capital (Singapore) Pte. Ltd., depreciation on tangible assets has been provided on a straight-line method based on their estimated useful lives, after taking into account their estimated residual values.

In case of A. K. Stockmart Private Limited and A. K. Wealth Management Private Limited, depreciation on tangible assets has been provided on the basis of useful life of fixed assets specified by Schedule II to the Companies Act, 2013.

Leasehold improvements are amortised over the lease period.

Intangible assets

Software is amortised on a straight line basis over its estimated useful life or 5 years, whichever is lower.

5) Investments:

i) Non-current investments are valued at cost. Provision is made for diminution in the values where the decline is other than temporary.

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

6) Inventory:

Inventory is valued at lower of cost or net realisable value. Bonds are valued at cost as their market value is not available. The cost of inventory is inclusive of transaction charges, brokerage and service tax etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

7) Revenue recognition:

i. Revenue from service charges, fees and commission is recognised when the contract has been completed.
ii. Brokerage income is recognised based on contracts notes.
iii. Trading income is recognised on the date of sale of securities.
iv. Investment income is recognised on the date of sale of shares and securities.
v. Advisory fees is recognised upon the completion of the service rendered.
vi. Interest income is recognised on accrual basis.
vii. Rent income is recognised on accrual basis.
viii. Dividend income from investments is recognised when the shareholders' rights to receive have been established.

8) 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.

The translation of functional currency of overseas subsidiary into Indian Rupees is performed for assets and liabilities (excluding share capital and opening reserves & surplus) using the exchange rate as at the balance sheet date and for revenues, costs and expenses (except depreciation) using average of exchange rates during the reporting year. Share capital, opening reserves and surplus are carried at historical cost. Depreciation is translated at the rates used for the translation of the values of the assets on which depreciation is calculated. Resultant currency translation exchange gain / loss is disclosed as "Translation Reserve" in reserves and surplus. Contingent liabilities are translated at the closing rate.

9) 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.

10) 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.

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 certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

11) Lease:

i) **As a Lessee:**

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.

ii) **As a Lessor:**

Assets subject to operating lease are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

12) 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.

13) 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.

14) Provisions and contingent liabilities:

The Company creates a provision when there is a present obligation as 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.

In case of a subsidiary company, i.e. A. K. Capital Finance Private Limited, the General Provision @ 0.35% (previous year 0.30%) on Standard Assets is made as per RBI notification.

15) 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 MARCH 31, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 2		
SHARE CAPITAL		
Authorised		
33,000,000 (Previous year 33,000,000) Equity shares of ₹ 10 each	330,000,000	330,000,000
10,200,000 (previous year 200,000) Redeemable cumulative preference shares of ₹100 each	1,020,000,000	20,000,000
	1,350,000,000	**350,000,000**
Issued, subscribed and paid up		
6,600,000 (previous year 6,600,000) Equity shares of ₹ 10 each fully paid up	66,000,000	66,000,000
	66,000,000	**66,000,000**

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

Equity shares	As at 31.03.2017		As at 31.03.2016	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Shares outstanding at the beginning of the year	6,600,000	66,000,000	6,600,000	66,000,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**6,600,000**	**66,000,000**	**6,600,000**	**66,000,000**

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

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. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of shares held	% of holding	No. of shares held	% of holding
Second Leasing Private Limited	2,920,825	44.25%	737,370	11.17%
A. K. Mittal	558,665	8.46%	558,665	8.46%
A. M. Credit Analysis and Research Limited	371,000	5.62%	371,000	5.62%
A. K. Capital Markets Limited	-	-	979,043	14.83%
A. K. Services Private Limited	-	-	966,769	14.65%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 3		
RESERVES AND SURPLUS		
Special reserve*		
Opening balance	156,800,230	113,556,620
Add: Additions / Adjustments during the year	62,071,906	43,243,610
Closing balance	**218,872,136**	**156,800,230**
Capital reserve		
Opening balance	67,500,000	67,500,000
Add: Additions during the year	-	-
Closing balance	**67,500,000**	**67,500,000**
Securities premium account		
Opening balance	365,199,790	364,570,665
Add: Additions / Adjustments during the year	535,344	629,125
Closing balance	**365,735,134**	**365,199,790**
General reserve		
Opening balance	496,088,960	477,088,960
Add: Additions during the year	-	19,000,000
Closing balance	**496,088,960**	**496,088,960**
Translation Reserve	(2,162,013)	(72,963)
Surplus		
Opening balance	3,055,339,119	2,750,541,421
Add: Profit for the year	574,256,904	415,801,653
Less: Transfer of Pre-acquisition profit	748,564	936,327
Amount available for appropriation	**3,628,847,459**	**3,165,406,747**
Appropriations		
Proposed dividends (Refer Note 43)	-	39,600,000
Dividend distribution tax (Refer Note 43)	-	8,061,628
Transfer to special reserves*	62,199,901	43,406,000
Transfer to general reserves	-	19,000,000
Closing balance	3,566,647,558	3,055,339,119
	4,712,681,775	**4,140,855,136**

*Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-banking Finance Company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purpose specified by the RBI.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 4		
LONG TERM BORROWINGS		
Secured		
Term loans		
From banks*	1,325,000,000	1,254,250,000
From non-banking financial company (NBFC)**	313,236,766	368,837,120
Vehicle loans		
From banks***	10,362,739	2,441,022
Redeemable Non-Convertible Debentures ****	2,126,000,000	-
	3,774,599,505	**1,625,528,142**

* Loan against receivables from bank is repayable in 8 to 16 quarterly installments along with interest from the date of loan. The loans are secured by Pari- passu first charge by way of hypothecation/assignment of assets financed including current and future receivables of a Subsidiary Company.

** (a) Term loan from NBFC is secured against mortgage of the Holding Company's immovable property together with all structures and appurtenances thereon held by the Holding Company situated at 8th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021.The loan amount is repayable in 12 quarterly installments commencing from the end of third month after the moratorium period of 24 months from the date of first disbursement, with a put and call option at the end of moratorium period and every 6 months thereon with 30 days notice.

** (b) Housing loan from NBFC is repayable in 180 equated monthly installments along with interest from the date of loan. The loans are secured by mortgage of premises at Delhi, purchased there against.

*** Vehicle loans from banks are repayable in 36 to 60 equated monthly installments along with interest from the date of loan. The loans are secured by hypothecation of motor vehicle purchased there against.

**** Secured by a first charge over the "business assets" of the Company and a Pari-passu charge over the immovable property of the Company. However, the Company is in process of creating charge on the same.

NOTE - 5		
DEFERRED TAX (ASSEST)/ LIABILITIES (NET)		
Deferred tax liabilities:		
Timing difference arising on account of:		
Depreciation	59,727,175	55,505,596
	59,727,175	**55,505,596**
Less; Deferred tax assets:		
Timing difference arising on account of:		
Expenses allowable on payment basis (gratuity)	8,002,420	5,172,441
Expenses disallowed under section 35D	2,630,208	83,336
	10,632,628	5,255,777
	49,094,547	**50,249,819**
Refer note 44		
NOTE 6		
LONG TERM PROVISIONS		
For employee benefits		
Gratuity (unfunded)	22,025,182	14,187,704
Others		
Contingent provision against standard assets	3,186,103	2,940,537
	25,211,285	**17,128,241**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 7		
SHORT TERM BORROWINGS		
Secured		
Loans repayable on demand		
Working capital demand loan from banks*	8,279,436,800	6,172,919,433
Working capital demand loan from a related party**	225,000,000	-
Working capital demand loan from Clearing Corporation of India Limited***	4,195,000,000	5,745,000,000
Repo Account****	1,828,600,600	-
Unsecured		
Commercial Paper	978,709,733	-
	15,506,747,133	**11,917,919,433**

* (a) Working capital demand loan is secured against pledge/ lien on government securities and other debt securities, corporate guarantee of the Holding Company and demand promissory note. The above loan is repayable on demand.

* (b) Loan against receivables is secured by Pari- passu first charge by way of hypothecation/ assignment of assets financed including current and future receivables of a Subsidiary Company.

* (c) Bank overdraft facilities are secured against pledge of debt securities / Central & State Government securities and personal guarantee of two directors of the Holding Company. The loan is repayable on demand.

**Loan from related party is secured against subservient charge by way of hypothecation / pledge / mortgage over all the Fixed Assets of the Company (excluding the charges already created in favour of existing lenders)

*** Loan from Clearing Corporation of India Limited is secured against lien on government securities and Cash Deposit.

**** Secured against corporate debt securities under repo transaction.

NOTE - 8		
TRADE PAYABLES		
Total outstanding dues of micro, small and medium enterprises	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	37,156,902	220,054,267
	37,156,902	**220,054,267**

The Group 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.

NOTE - 9		
OTHER CURRENT LIABILITIES		
Current maturities of long-term debt - from banks (Refer note 4)	683,935,132	308,423,875
Current maturities of long-term debt - from NBFC (Refer note 4)	54,702,017	2,149,047
Interest accrued and due on borrowings	8,932,003	2,980,343
Interest accrued but not due on borrowings	12,258,399	4,899,471
Creditors for capital goods	48,445	-
Unpaid dividends*	1,111,476	1,095,190
Statutory dues	12,123,743	24,053,776
Deposits	27,918,000	27,918,000
Employees dues	19,969,496	15,860,094
Payable to exchange / clearing house (net)	381,520	156,933
Other payables	1,810	6,028
	821,382,041	**387,542,757**

* During the year, ₹ 98,602 (Previous year ₹ 87,531) has been credited into Investor Education and Protection Fund under Section 205C of the Companies Act, 1956. Further, there are no dues as at 31 March 2016 which needs to be credited into Investor Education and Protection Fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 10		
SHORT TERM PROVISIONS		
Provision for employee benefits		
Gratuity (unfunded)	1,466,818	912,415
Leave encashment	2,854,453	2,376,013
	4,321,271	3,288,428
Others		
Provision for taxation (Net of Advance Tax ₹ 1,611,858; previous year ₹ 202,845,053)	2,122,044	19,756,072
Provision for proposed dividend (Refer note 43)	-	39,600,000
Provision for dividend distribution tax (Refer note 43)	-	8,061,628
Contingent provision against standard assets	8,722,245	5,330,578
	10,844,289	72,748,278
	15,165,560	**76,036,706**

NOTE - 11

FIXED ASSETS

Amount in ₹

Particulars	Tangible assets									Intangible assets	
	Plant and machinery	Computers	Furniture and fixtures	Office equipment	Office premises *	Office premises given on lease	Leasehold Improvements	Vehicles **	Total	Software	Total
Gross block (at cost)											
As at 1 April 2015	**369,060**	**23,024,220**	**24,626,057**	**16,563,344**	**105,337,489**	**343,500,152**	**24,046,303**	**52,473,917**	**589,940,542**	**13,758,668**	**13,758,668**
Additions	-	128,435	1,093,173	443,742	1,323,116	-	-	21,382,181	24,370,647	518,475	518,475
Deductions/adjustments	-	-	-	-	-	-	-	7,557,200	7,557,200	-	-
As at 31 March 2016	**369,060**	**23,152,655**	**25,719,230**	**17,007,086**	**106,660,605**	**343,500,152**	**24,046,303**	**66,298,898**	**606,753,989**	**14,277,143**	**14,277,143**
As at 1 April 2016	**369,060**	**23,152,655**	**25,719,230**	**17,007,086**	**106,660,605**	**343,500,152**	**24,046,303**	**66,298,898**	**606,753,989**	**14,277,143**	**14,277,143**
Additions	-	926,474	3,355,317	940,553	29,597,500	-	-	35,046,153	69,865,997	615,943	615,943
Deductions/adjustments	-	12,969	175,010	19,408	-	-	-	2,020,399	2,227,786	-	-
As at 31 March 2017	**369,060**	**24,066,160**	**28,899,537**	**17,928,231**	**136,258,105**	**343,500,152**	**24,046,303**	**99,324,652**	**674,392,200**	**14,893,086**	**14,893,086**
Depreciation/amortisation											
As at 1 April 2015	**334,514**	**19,919,696**	**12,575,486**	**13,014,120**	**5,255,721**	**38,044,166**	**20,152,458**	**15,453,301**	**124,740,244**	**11,587,578**	**11,587,578**
For the year	5,776	1,309,540	4,269,161	1,291,447	1,837,022	5,754,124	2,920,384	8,561,475	25,948,929	1,386,902	1,386,902
Deductions/adjustments	-	-	53,752	-	-	-	-	2,663,307	2,609,555	-	-
As at 31 March 2016	**340,290**	**21,229,236**	**16,790,895**	**14,305,567**	**7,092,743**	**43,798,290**	**23,072,842**	**21,351,469**	**148,079,618**	**12,974,480**	**12,974,480**
As at 1 April 2016	**340,290**	**21,229,236**	**16,790,895**	**14,305,567**	**7,092,743**	**43,798,290**	**23,072,842**	**21,351,469**	**148,079,618**	**12,974,480**	**12,974,480**
For the year	5,760	1,005,756	3,445,425	1,069,018	1,780,980	5,738,403	973,461	11,481,898	25,500,701	967,980	967,980
Deductions/adjustments	-	7,883	95,785	10,787	-	-	-	1,317,897	1,432,352	-	-
As at 31 March 2017	**346,050**	**22,227,109**	**20,140,535**	**15,363,798**	**8,873,723**	**49,536,693**	**24,046,303**	**31,515,470**	**172,147,967**	**13,942,460**	**13,942,460**
Net block											
At 31 March 2016	**28,770**	**1,923,419**	**8,928,335**	**2,701,519**	**99,567,862**	**299,701,862**	**973,461**	**44,947,429**	**458,674,371**	**1,302,663**	**1,302,663**
At 31 March 2017	**23,010**	**1,839,051**	**8,759,002**	**2,564,433**	**127,384,382**	**293,963,459**	**-**	**67,809,182**	**502,244,233**	**950,626**	**950,626**

* Office premises include building hypothecated against loan taken having gross block of ₹ 77,040,100 (as at 31.3.2016 ₹ 77,040,100), accumulated deprecation of ₹ 3,869,126 (as at 31.3.2016 ₹ 2,585,178) net block of ₹ 73,170,974 (as at 31.3.2016 ₹ 74,454,922)

** Vehicles include vehicles hypothecated against loan taken having gross block of ₹ 24,995,301 (as at 31.3.2016 ₹ 8,195,004), accumulated depreciation of ₹ 3,318,671 (as at 31.3.2016 ₹ 1,016,708) and net block of ₹ 21,676,630 (as at 31.3.2016 ₹ 7,178,296).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 12		
NON - CURRENT INVESTMENT		
Equity shares		
- Quoted	11,397,132	579,770,274
- Unquoted	132,094,004	133,094,000
Units of Funds	7,100,100	8,465,100
Government Securities*	-	309,295,859
Bonds*	1,499,637,250	-
	1,650,228,486	**1,030,625,233**
*Bonds / Government securities pledge with banks / Clearing Corporation of India Ltd is ₹ 500,000,000 (previous year ₹ 309,295,859)		
NOTE - 13		
LONG-TERM LOANS AND ADVANCES		
Secured, considered good		
Loans and advances to related parties	100,000,000	532,500,000
Loans and advances to others *	810,315,075	447,678,890
Unsecured, considered good		
Capital advance	700,000	-
Advance income tax (Net of Provision ₹ 504,480,329 previous year ₹ 304,199,466)	36,140,843	18,296,397
Loan to an employee	5,008,097	5,013,804
Security deposits	37,651,037	37,922,557
Prepaid expenses	530,839	673,713
*Pledge with bank is ₹ 211,130,400 (previous year ₹ Nil)	**990,345,891**	**1,042,085,361**
NOTE - 14		
OTHER NON-CURRENT ASSETS		
Other bank balances		
Bank deposits with more than 12 months maturity *	22,400,000	22,400,000
* Pledged against margin money, guarantees or security deposit with stock exchanges and security against borrowings ₹ 22,400,000 (previous year ₹ 22,400,000).	**22,400,000**	**22,400,000**
NOTE - 15		
CURRENT INVESTMENT		
Equity Shares	9,010	9,010
Mutual Funds	513,523	-
Government Securities*	5,903,868,113	6,497,773,500
Bonds*	3,628,269,595	1,752,494,262
	9,532,660,241	**8,250,276,772**
*Bonds / Government securities pledge with banks / Clearing Corporation of India Ltd is ₹ 9,693,547,690 (previous year ₹ 8,249,921,378).		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 16		
INVENTORIES		
Preference shares	-	447,310,828
Commercial Paper	244,513,500	-
Bonds*	9,003,779,060	4,615,007,227
	9,248,292,560	**5,062,318,055**
*Bonds pledged / lent with the bank / repo transactions is ₹ 6,594,648,478 (previous year ₹ 4,511,597,104).		
NOTE - 17		
TRADE RECEIVABLES		
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they are due for payment	220,554,559	487,147,581
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	269,114	1,096,116
	220,823,673	**488,243,697**
NOTE - 18		
CASH AND BANK BALANCES		
Cash and cash equivalents:	2,994,830	5,712,697
Cash on hand	1,534,175	-
Cheques on hand		
Balances with banks in	69,836,431	100,594,798
- current accounts	339,051	174,996
- debit balance of Bank overdraft facility		
In other deposit accounts	-	315,121
- original maturity Less than 3 months *		
	74,704,487	106,797,612
Other bank balances:		
- Earmarked balances (unpaid dividend accounts)	1,111,476	1,095,190
- Bank deposits with original maturity more than 3 months*	21,536,283	-
	22,647,759	1,095,190
	97,352,246	**107,892,802**
* (Under lien in favour of the trustees of MIFL Securitisation Trusts)		
NOTE - 19		
SHORT TERM LOANS AND ADVANCES		
Secured, considered good		
Loans and advances to others	1,596,695,762	1,262,262,976
Loans and advances to related parties	50,000,000	-
Unsecured, considered good		
Loans and advances to others	50,000,000	69,399,977
Unsecured, considered good		
Loans and advances to related parties :		
Deposits with directors and relatives	35,662,000	35,662,000
Loans and advances to others	11,122,367	16,147,771
Deposits	22,388,404	50,774,795
Prepaid expenses	9,573,509	20,888,956
Balances with government authorities	19,537,094	3,847,500
	1,794,979,136	**1,458,983,975**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
NOTE - 20		
OTHER CURRENT ASSETS		
Secured, considered good		
Current maturities of long term loans and advances to other parties (Refer Note 13)	712,051,026	418,284,510
Interest accrued but not due on loans to related party	-	275,918
Interest accrued but not due on loans to others	74,177,746	22,514,228
Interest accrued and due on loans to related party	2,689,348	-
Interest accrued and due on loans to others	6,456,107	29,375
Unsecured, considered good		
Current maturities of long term loans and advances to employees	5,707	5,090
Advances recoverable in cash or kind or for value to be received	3,164,553	641,838
Interest accrued but not due on loans to others	-	4,092,506
Interest accrued and due on fixed deposits	286,478	2,482,056
Interest receivable on investments	81,426,240	29,678,847
Other receivable	2,910,654	1,307,304
Receivable from stock exchange	168,114	17,676,862
Interest accrued but not due on current investments	97,719,347	110,527,058
	981,055,320	**607,515,592**

	Current Year ₹	Previous Year ₹
NOTE - 21		
REVENUE FROM OPERATIONS		
Sale of services (Refer note no. 33)	791,943,005	894,997,950
Income from trading in shares and securities (Refer note no. 34)	61,380,066	17,082,297
Brokerage	789,247,416	314,827,220
Interest income	1,273,662,820	984,917,248
Income from investments	430,728,135	195,590,459
Dividend income on current investments	3,463,557	1,268,276
Dividend income on non- current investments	1,470,275	7,158,172
	3,351,895,274	**2,415,841,622**
NOTE - 22		
OTHER INCOME		
Rent income	29,313,900	27,981,791
Interest income	7,899,117	6,274,879
Other non-operating income	331,890	6,127,311
	37,544,907	**40,383,981**
NOTE - 23		
EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	402,197,690	364,550,000
Contribution to provident and other funds	3,466,736	3,375,066
Staff welfare expenses	3,544,560	3,000,902
	409,208,986	**370,925,968**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	Current Year ₹	Previous Year ₹
NOTE - 24		
FINANCE COSTS		
Interest expenses	1,046,586,366	788,327,776
Other borrowing costs	7,891,995	19,090,370
Interest on income tax	10,520,947	3,006,746
	1,064,999,308	**810,424,892**
NOTE - 25		
OTHER INCOME		
Brokerage expenses	658,543,407	226,239,576
IPO Marketing fees	13,250,375	31,197,663
Sub arranger fees	17,125,000	161,123,549
Electricity expenses	4,862,238	5,203,338
Rent expenses	62,452,389	62,442,789
Repairs and maintenance		
- building	4,172,212	5,587,647
- others	3,745,523	2,348,760
Rates and taxes	11,443,374	10,081,100
Travelling expenses	21,679,302	24,341,867
Auditor's remuneration:		
as auditor	927,970	684,959
for other services	311,346	281,230
Professional fees	15,482,505	9,504,525
Printing and stationary expenses	5,829,262	7,441,824
Bad debts	6,941,834	-
Advertisement expenses	2,215,618	4,111,924
Business promotion expenses	9,977,660	12,192,182
Incentive expenses	89,467,640	40,097,459
Loss on sale of fixed assets (net)	409,088	1,293,893
CSR expenditure (Refer Note 37)	18,000,000	-
Miscellaneous expenses	46,055,281	43,051,870
	992,892,024	**647,226,155**

NOTE - 26

The audited financial statements of foreign subsidiary (i.e. A. K. Capital (Singapore) PTE. Limited) has been prepared in accordance with Generally Accepted Accounting Principles of Singapore. The difference in accounting policies of the Holding company and it's subsidiary, if any, are not material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 27
THE SUBSIDIARY COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Sr. No.	Name of the Subsidiaries	Country of incorporation	Extent of holding (%)	Reporting currency	Effective date of becoming subsidiary
1	A. K. Stockmart Private Limited	India	100.00 (100.00)	Indian Rupees	20-Feb-06
2	A. K. Capital Corporation Private Limited	India	100.00 (100.00)	Indian Rupees	29-Jan-07
3	A. K. Wealth Management Private Limited	India	100.00 (100.00)	Indian Rupees	12-May-10
4	A. K. Capital (Singapore) PTE. Limited	Singapore	100.00 (100.00)	Singapore Dollar	29-Jul-13
5	A. K. Capital Finance Private Limited	India	98.73 (98.65)	Indian Rupees	4-Sep-08

NOTE - 28
DIFFERENCES IN ACCOUNTING POLICY FOR DEPRECIATION:

Depreciation on tangible assets relating to the subsidiary companies, A. K. Stockmart Private Limited and A. K. Wealth Management Private Limited has been provided on Written Down Value Method as against Straight Line Method followed by the Holding Company. Depreciation for the year on tangible assets includes ₹ 2,786,652 (previous year ₹ 2,014,276) calculated on such basis. The impact of the difference in the accounting policy has not been calculated, as the depreciation amount itself is not significant. The net block included in the consolidated financial statements in this respect as at 31 March 2017 is ₹14,076,382 (as at 31 March 2016 ₹ 15,514,097).

NOTE - 29
LEASES

A. Where the Group is lessee:

The Group has taken various residential and office premises under operating lease that are renewable on a periodic basis at the option of both the lessor and lessee.

The future minimum lease payments, in respect of non cancelable operating lease are as follows: "

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Not later than one year'	14,580,871	7,361,301
Later than one year but less than five year	660,000	4,703,372

The amount of lease payments with respect to the lease recognised in the statement of profit and loss for the year is ₹ 50,190,934 (previous year ₹ 67,938,197)

The above disclosure is for leases entered after 1 April 2001, as per Accounting Standard (AS) - 19 'Leases' as notified by the Central Government of India.

B. Where the Company is lessor:

The future minimum lease payments receivable are as follows:

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Not later than one year'	-	6,432,773

The amount of minimum lease income with respect to the lease recognised in the statement of profit and loss for the period is ₹ 29,313,900 (previous year ₹ 27,981,791).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 30
RELATED PARTIES AND THEIR RELATIONSHIPS:

A. Related parties and their relationships:

Key Management Personnel

Mr. A. K. Mittal
Mr. Deepak Mittal
Ms. Aditi Mittal
Mr. Abhinav Kumar Mittal
Ms. Sneh Lata Mittal
Mr. Ankit Gupta

Relative of Key Management Personnel

Mrs. Anshu
A.K.Mittal HUF
Mrs. Purvi Jain

Enterprise in which key management personnel is having significant influence

A. K. Services Private Limited
M Square Automobile Private Limited
Second Leasing Private Limited

Enterprise in which relative of key management personnel is having significant influence

Goodwill Capital Services Private Ltd
M. Square Advisors Private Limited
A.K.Capital Markets Limited

Note:

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 relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year except where control exists.

	Current Year ₹	Previous Year ₹
B. Transactions with related parties		
Remuneration to Key Management Personnel (including perquisites)		
A. K. Mittal	23,163,267	20,256,000
Deepak Mittal	9,420,174	9,897,885
Abhinav Kumar Mittal	7,200,000	7,200,000
Aditi Mittal	3,000,000	3,000,000
Ankit Gupta	2,922,743	2,899,160
Sneh Lata Mittal	600,000	600,000
Remuneration to Relative of Key Management Personnel		
Anshu	8,073,432	8,524,492
Directors Sitting fees		
Anshu	20,000	60,000
Brokerage Received		
A K Mittal HUF	-	9,000
Anshu	-	13,014
Abhinav Kumar Mittal	-	8,000
Purvi Jain	99,693	4,013
A. K. Services Private Limited	100,092	19,160
Second Leasing Private Limited	12,661	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 30 (Contd.)

	Current Year ₹	Previous Year ₹
Demat Charges Received		
A. K. Capital Markets Limited	1,867	1,300
A. K. Mittal	500	2,159
Aditi Mittal	500	1,508
A K Mittal HUF	-	995
Anshu	500	913
Abhinav Kumar Mittal	7,000	3,844
Purvi Jain	1,598	1,390
A. K. Services Private Limited	20,430	5,458
Second Leasing Private Limited	1,517	1,733
M Square Automobile Private Limited	800	-
M. Square Advisors Private Limited	467	-
Purchase of Securities (excluding accrued interest)		
A.K.Services Private Limited	308,075,490	-
Goodwill Capital Services Private Limited	82,078,800	-
Sale of Securities (excluding accrued interest)		
A.K.Services Private Limited	43,956,400	-
Brokerage Paid		
A.K.Services Private Limited	17,234,709	-
M Square Automobile Private Limited	9,282,067	-
Interest Income on Loan given		
A.K.Services Private Limited	548,219	140,548
Second Leasing Private Limited	3,057,534	-
M Square Automobile Private Limited	8,919,452	-
Goodwill Capital Services Private Limited	16,028,710	166,027
Loan Given during the year		
A.K.Services Private Limited	-	227,500,000
Second Leasing Private Limited	100,000,000	-
M Square Automobile Private Limited	230,000,000	-
Goodwill Capital Services Private Limited	300,000,000	305,000,000
Repayment of Loan given during the year		
A.K.Services Private Limited	227,500,000	-
Second Leasing Private Limited	100,000,000	-
M Square Automobile Private Limited	180,000,000	-
Goodwill Capital Services Private Limited	505,000,000	-
Deposit given during the year		
Aditi Mittal	10,000,000	-
Deposit repaid during the year		
Abhinav Kumar Mittal	10,000,000	-
Non Convertible Debentures issued to		
A.K.Services Private Limited	100,000,000	-
Loan taken during the year		
A.K.Services Private Limited	225,000,000	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 30 (Contd.)

	Current Year ₹	Previous Year ₹
Interest Expenses on borrowings		
A.K.Services Private Limited	7,912,583	-
Rent paid		
A. K. Mittal	7,208,000	6,558,000
Anshu	3,528,000	3,528,000
Abhinav Kumar Mittal	2,369,600	5,019,600
Aditi Mittal	2,000,000	-
Repairs and Maintenance charges paid for car		
M Square Automobile Private Limited	491,182	350,071
Purchase of Car		
M Square Automobile Private Limited	15,892,500	21,382,181
Outstanding Balance of loan given		
A.K.Services Private Limited	-	227,500,000
M Square Automobile Private Limited	50,000,000	-
Goodwill Capital Services Private Limited	100,000,000	305,000,000
Non-Convertible Debentures held at the end of the year		
A.K.Services Private Limited	5,300,000	-
Outstanding Balance of Loan taken		
A.K.Services Private Limited	225,000,000	-
Interest Accrued but not due on Non-Convertible Debentures		
A.K.Services Private Limited	34,849	-
Interest Accrued but not due on Loan Given (net of TDS)		
A.K.Services Private Limited	-	126,493
Goodwill Capital Services Private Limited	2,689,348	149,425
Rent deposit given outstanding as at year end		
A. K. Mittal	16,250,000	16,250,000
Anshu	7,450,000	7,450,000
Abhinav Kumar Mittal	1,962,000	11,962,000
Aditi Mittal	10,000,000	-
Balance Payable as at year end		
Purvi Jain	557,335	-
Second Leasing Private Limited	923	-
M Square Automobile Private Limited	360,477	-
Receivable as at year end		
A. K. Capital Markets Limited	575	572
Anshu	575	-
Aditi Mittal	575	806
A. K. Mittal	575	1,377
Abhinav Kumar Mittal	575	1,718
A. K. Services Private Limited	2,579	229
Second Leasing Private Limited	-	629

Note - Transaction amount is excluding taxes wherever applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 31

DISCLOSURE UNDER (AS)- 15 (REVISED 2005):

Consequent to the adoption of Accounting Standard 15 (AS 15 Revised 2005) on employee benefits, the following disclosures have been made as required by the standards:

Retirement benefits in the form of Provident fund are defined contribution scheme and the contributions are charged to the statement of profit and loss of the current year when the contribution to the respective fund is due. There are no other obligations other than contribution payable to the respective fund.

The following table sets out the unfunded status of the gratuity plan and the amount recognized in the financial statements as at year end:

		Gratuity (Unfuded)	
		Current Year ₹	Previous Year ₹
a.	**Change in present value oaf obligation**		
	Present value of obligation as at beginning of the year	15,100,119	19,058,315
	Interest cost	1,208,010	1,558,638
	Service cost	4,195,196	2,807,724
	Benefits paid	(1,878,345)	(8,689,648)
	Actuarial (gain)/loss on obligation	4,867,020	365,090
	Present value of obligation as at year end	23,492,000	15,100,119
b.	**Amount recognized in the Balance Sheet**		
	Present value of obligation, as at year end	23,492,000	15,100,119
	Fair value of plan assets as at year end	-	-
	Assets recognised in the balance sheet	-	-
	Net liabilities recognized in the Balance Sheet	23,492,000	15,100,119
C.	**Expense recognized during the year**		
	Current service cost	4,195,196	2,807,724
	Interest cost	1,208,010	1,558,638
	Expected return on plan assets	-	-
	Net Actuarial (gain)/loss to be recognized	4,867,020	365,090
	Net gratuity cost (Included in salaries and wages)	10,270,226	4,731,452
	Assumptions used in accounting for the gratuity plan	**% (p.a.)**	**% (p.a.)**
	Mortality rate	IALM (2006-08)	LIC (2006-08)
	Discount rate	7.55	8.00
	Salary escalation rate	5.00	5.00
	Expected rate of return on plan assets	0.00	0.00

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTE - 32

(a) Additional information as required under Schedule III to the Companies act 2013, of enterprises consolidated as Subsidiary Companies:

Particulars	Net Assets		Share profit & loss	
	As % of Consolidated net assets	Amount ₹	As % of Consolidated profit & loss	Amount ₹
Parent Company :				
A. K. Capital Services Limited	74.40%	3,555,105,216	42.44%	243,726,581
Subsidiary Companies:				
a) Indian				
1. A.K. Stockmart Private. Limited.	4.58%	218,994,244	2.77%	15,893,673
2. A. K. Capital Corporation Private Limited	0.77%	36,953,973	0.45%	2,581,089
3..A. K. Wealth Management Private Limited	0.66%	31,632,806	0.48%	2,772,663
4. A. K. Capital Finance Private Limited	84.98%	4,060,822,035	54.14%	310,900,004
b) Foreign				
1. A. K. Capital (Singapore) PTE. Limited	0.78%	37,158,615	0.29%	1,654,773
Minority Interests in all subsidiaries	-1.08%	(51,572,440)	-0.69%	(3,948,430)

Note: Amount of net assets and net profit or loss are before considering inter-company elimination.

NOTE 32 (Contd.)

(b) Salient Features of Financial Statements of Subsidiary Companies as per Companies Act, 2013 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 :

Part "A" : Subsidiaries

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1	A.K. Stockmart Private Limited	INR	120,000,000	98,994,244	261,983,359	42,989,115	11,397,132	856,514,601	20,822,783	4,929,110	15,893,673	-	100%
2	A. K. Capital Corporation Private Limited	INR	21,000,000	15,953,973	38,354,671	1,400,698	-	4,027,502	3,870,674	1,289,585	2,581,089	-	100%
3	A. K. Wealth Management Private Limited	INR	22,500,000	9,132,806	33,309,018	1,676,212	513,523	11,822,456	4,023,500	1,250,837	2,772,663	-	100%
4	A. K. Capital (Singapore) PTE. LTD	INR	34,619,322	2,539,293	38,358,048	1,199,433	-	18,630,834	1,947,922	293,149	1,654,773	-	100%
		SGD *	704,884	95,395	826,111	25,832	-	384,502	37,482	6,050	31,432	-	
5	A. K. Capital Finance Private Limited	INR	232,937,500	3,827,884,535	20,525,248,882	16,464,426,847	7,467,405,363	1,536,158,058	498,620,827	187,720,823	310,900,004	-	98.73%

*** As at 31 March 2017 : 1 SGD= ₹ 46.4321**

1. Name of subsidiaries which are yet to commence operations : **None**

2. Names of subsidiaries which have been liquidated or sold during the year: **None**

Part "B": Associates and Joint Ventures

The Company doesn't have any Associates and Joint ventures

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 33
DETAILS OF SALE OF SERVICES:

	Current Year ₹	Previous Year ₹
Merchant banking fees	572,964,723	560,348,598
Advisory fees	69,189,416	221,803,835
Service charges	362,159	228,739
Syndication and other fees	149,426,707	112,616,778
Total	**791,943,005**	**894,997,950**

NOTE - 34
INCOME FROM TRADING IN SHARES AND SECURITIES:

Sales of shares and securities	100,204,361,182	56,898,045,102
Add: Closing inventories	9,248,292,660	5,062,318,055
Add: Transfer to Non Current Investment	950,010,000	-
Less: Opening inventories	5,062,318,055	2,570,666,060
Less: Transfer from Non Current Investment	180,393,664	-
Less: Purchases	105,098,572,057	59,372,614,800
Total	**61,380,066**	**17,082,297**

NOTE - 35
SEGMENT INFORMATION:

The Group operates in a single business i.e. "Investment and Financial Activity". Accordingly, no separate disclosures for primary business segment are required. The Group is considered to be operating in one geographical segment i.e. within India, as the total revenue / assets / result of an overseas subsidiary is less than specified percentage as per Accounting Standard on Segment Reporting AS-17.

NOTE - 36
EARNINGS PER SHARE (EPS)

	Current Year ₹	Previous Year ₹
Net profit after tax after adjusting minority interest	574,256,904	415,801,653
Weighted average number of equity shares outstanding at the year end (No.)	6,600,000	6,600,000
Basic and diluted earnings per share (₹)	87.01	63.00
Nominal value of share (₹)	10	10

NOTE - 37
CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education, promoting gender equality, empowering women and ensuring environmental sustainability.

Particluar	₹
Gross amount required to be spent by the Group during the year (including previous years shortfall of ₹ 11,907,116)	22,816,569

	Amount spent during the year	In Cash ₹	Yet to be Paid in Cash ₹	Total ₹
(i)	Construction/acquisitionof any asset	-	-	-
(ii)	Donation for promoting education	18,000,000	-	18,000,000
(iii)	Donation for promoting preventive health care and sanitation	-	-	-
(iii)	Donation for empowering woman and setting up homes	-	-	-
	Total	-	-	18,000,000
	Short fall in CSR Expenditure (net of excess of ₹ 319,306)			**4,816,569**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 38

DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the holding company and its subsidiaries incorporated in India, had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

Description	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on November 08,2016	1,075,000	5,571,704	6,646,704
(+) Permitted receipts*	-	979,000	979,000
(-) Permitted payments	(900,000)	(2,093,635)	(2,993,635)
(-) Amount Deposited in Banks	(175,000)	-	(175,000)
Closing cash in hand as on December 30, 2016	-	4,457,069	4,457,069

* Permitted receipts indicates cash withdrawn from bank

For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S.O. 3407(E), dated the 8th November,2016.

NOTE - 39

There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with Accounting Standard (AS) – 28 'Impairment of Assets'.

NOTE - 40

In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

NOTE - 41

Income from investments includes interest income ₹ 232,290,797 (previous year ₹ 118,855,191)

NOTE - 42

In the opinion of the management, diminution in the value of long term investments in shares is of temporary in nature in accordance with Accounting Standard - 13 "Accounting for Investments". Accordingly, carrying amount of such long term investment is not reduced to recognise such decline.

NOTE - 43

The Board of Directors of the holding company in its meeting held on 20 May 2017, have proposed a final dividend of ₹ 6 per equity share having face value of ₹10 each for the year ended March 31, 2017. The same is subject to approval of the shareholders in the ensuing annual general meeting.
The proposed dividend, if approved at the 24 th Annual General Meeting will result in cash outflow of ₹ 476,61,628 including corporate dividend tax. During the previous year, the Company had made provision for the proposed dividend declared by the Board of directors as per the requirements of the pre - revised Accounting Standard - 4 ""Contingencies and events occurring after the balance sheet date"" (AS 4). However, the said requirement has been amended through the notification G.S.R. 364(E) dated March 30, 2016 issued by the Ministry of Corporate Affairs, consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended 31 March 2017.

NOTE - 44

Deferred tax assets of A. K. Capital Finance Private Limited has not created on long term capital loss because there is no virtual / reasonable certainty.

NOTE - 45

During the year, A. K. Capital Finance Private Limited has converted its Non-current investments being equity shares amounting to ₹ 477,166,272 to Inventories at ₹180,393,664. Necessary impact of the same has been made in the Statement of Profit and Loss in accordance with the applicable accounting standards and the provisions of Para 10 of "Non-Banking Financial Company – Systematically Important Non – Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016".

NOTE - 46

Previous year figures have been regrouped or rearranged, wherever considered necessary, to conform with the current year's presentation.

Signatures to 1 to 46

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Membership No. 102306

Place: Mumbai
Date: May 20, 2017

On behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Director
(DIN: 00043685)

Mahesh Bhootra
Chief Financial Officer

Tejas Dawda
Company Secretary
(ACS: A27660)

Place: Mumbai
Date: May 20, 2017

Notes:



A. K. CAPITAL SERVICES LTD.

BUILDING BONDS

Registered Office: 403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg,
212, Nariman Point, Mumbai – 400021

A. K. CAPITAL SERVICES LTD.

BUILDING BONDS

Registered Office: 403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai – 400021
Corporate Office: 30-39, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400021
Website: www.akcapindia.com | **CIN:** L74899MH1993PLC274881

NOTICE

Notice is hereby given that the 24th Annual General Meeting (AGM) of the Members of A. K. Capital Services Limited ("the Company") will be held on Saturday, September 16, 2017 at 9.00 a.m. at The Resort, 11, Madh-Marve Road, Aksa Beach, Malad (West), Mumbai - 400 095, to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt:**

   a) The Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2017, together with the Report of the Board of Directors and the Auditors thereon; and

   b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2017, together with the Report of the Auditors thereon.

2. **To declare a final dividend at the rate of ₹ 6/- (Rupees Six only) per equity share of ₹ 10/- (Rupees Ten) each fully paid-up of the Company for the Financial Year 2016-17.**

3. **To appoint a Director in place of Mr. A. K. Mittal (DIN: 00698377), who retires by rotation and being eligible, offers himself for re-appointment.**

4. **To consider and approve appointment of Statutory Auditor and fix their remuneration.**

   To consider and if thought fit, to pass with or without modification, the following resolutions as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142, and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint M/s. PYS & Co. LLP, Chartered Accountants (Firm Registration No.: 012388S/S200048), as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of Twenty-Ninth AGM of the Company at such remuneration plus applicable taxes as applicable and reimbursement of out of pocket expenses in connection with the statutory audit as may be decided by the Board of Directors of the Company and the said appointment shall be placed every year for ratification by the members from Twenty-Fifth AGM to Twenty-Eighth AGM of the Company."

SPECIAL BUSINESS:

5. **To ratify and approve Related Party Transactions with A. K. Capital Finance Private Limited, Subsidiary of the Company**

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

   "RESOLVED THAT pursuant to the provisions of the Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to ratify/ approve all existing contracts / arrangements/ agreements and to enter into contract(s)/transaction(s)/ arrangements with A. K. Capital Finance Private Limited (AKCFPL), a subsidiary and hence a related party within the meaning of as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for availing/ making of loans, giving/ providing of guarantee/ security or making of investments in the securities of AKCFPL and/or the purchase and/or sale of any securities and/or providing/availing of services, on such terms and conditions as the Board in its absolute discretion may deem fit, the value of which either singly or all taken together may exceed ten per cent of the annual consolidated turnover and/or assets, liabilities, revenue or expense of the Company, provided that the aggregate amount/value of all such transactions/contracts/arrangements that may be entered into by the Company with AKCFPL and remaining outstanding at any one point in time shall not exceed ₹ 1,000 Crore (Rupees One Thousand Crore) during a Financial Year.

   RESOLVED FURTHER THAT subject to applicable provision of laws for the time being in force the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual, in relation to the above and be authorized to approve aforesaid transactions and the terms & conditions thereof.

   RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion pursuant to the above Resolution."

6. **Adoption of new set of Articles of Association of the Company**

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

   "RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Listing Agreement as entered into by the Company with BSE Limited ("BSE") and subject to all necessary approvals, consents, permissions and/or sanctions as may be necessary and subject to any such conditions and modifications as may be prescribed or imposed by any one or more of them while granting any such approvals, consents, permissions or sanctions agreed to, by the Board of Directors of the Company, the draft copy of Articles of Association (as circulated along with notice of this meeting), be and are hereby approved and adopted in substitution of the existing Articles of Association of the Company.

   RESOLVED FURTHER THAT any one Director of the Company or the Company Secretary or Chief Financial Officer (CFO) of the Company be and is hereby authorized severally to do all acts, deeds, things and to make, sign, negotiate and execute take all such

steps to give effect to this resolution including filing e-forms, for the purpose of compliance under the Companies Act, 2013 and to furnish a certified true copy of the resolutions as and when required."

7. Issuance of commercial paper of nominal value aggregating up to ₹ 300 crores within the borrowing limits set forth under Section 180 of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 read with Rules notified thereunder, regulations, guidelines, provisions laid down by the Reserve Bank of India, Securities and Exchange Board of India (in force from time to time), subject to the provisions of the Memorandum and Articles of Association of the Company and other applicable regulations as may be amended and applicable from time to time, approval of the shareholders of the Company be and is hereby accorded to borrow from time to time, by way of issuance of Commercial Papers ("CPs") of nominal value aggregating up to ₹ 300 crores (Rupees Three Hundred Crores), in one or more tranche(s) on such terms and conditions as the Board may deem fit and appropriate from time to time.

RESOLVED FURTHER THAT the said limit of ₹ 300 crores (Rupees Three Hundred Crores) shall be within the overall borrowing limit approved by the shareholders under Section 180(1) (c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company or any other Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution, be and is hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of CPs, including but not limited to number of issue(s) / tranche(s), face value, issue price, discount on issue, size, timing, amount, yield, arrangement fee, listing, allotment, dematerialization and other terms and conditions of issue of CPs as they may, in their absolute discretion, deemed necessary.

RESOLVED FURTHER THAT any one Director of the Company or the Company Secretary or Chief Financial Officer (CFO) of the Company be and is hereby authorized severally to do all acts and take all such steps to give effect to this resolution including but not limited to filing e-forms, for the purpose of compliance under the Companies Act, 2013 and to furnish a certified true copy of the resolution as and when required."

8. Issuance of secured/ unsecured, redeemable, non-convertible debentures of nominal value aggregating up to ₹ 500 crores within the borrowing limits set forth under Section 180 of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, and other applicable regulations as may be amended and applicable from time to time, approval of the shareholders of the Company be and is hereby given to offer or invite subscriptions for secured/ unsecured, redeemable, non-convertible debentures (NCDs) of nominal value aggregating up to ₹ 500 Crores (Rupees Five Hundred Crore), in one or more tranche(s), on private placement basis, from such persons and on such terms and conditions as the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any other Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) may, from time to time, determine and consider proper and most beneficial and to the best interest of the Company including, without limitation, as to when the said NCDs are to be issued, the consideration for the issue, mode of payment, coupon rate, redemption period, premium/discount,yield, security, utilization of the issue proceeds and all matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company or any other Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and are hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of NCDs including but not limited to number of issues/ tranches, face value, issue price, issue size, timing, amount, security, coupon/interest rate(s), yield, redemption price, listing, allotment and other terms and conditions of issue NCDs as they may, in their absolute discretion, deemed necessary.

RESOLVED FURTHER THAT any one Director of the Company or the Company Secretary or Chief Financial Officer (CFO) of the Company be and is hereby authorized severally to do all acts and take all such steps to give effect to this resolution including filing e-forms, for the purpose of compliance under the Companies Act, 2013 and to furnish a certified true copy of the resolution as and when required."

9. Issuance of non-convertible redeemable preference shares of nominal value aggregating up to ₹ 100 crores

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

"RESOLVED THAT in accordance with the provisions of Sections 42, 55, 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Rules made thereunder including but not limited to Companies (Prospectus and Allotment of Securities) Rules, 2014 as may be amended from time to time, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and the prevailing statutory guidelines in this behalf and subject to all necessary consents, permissions and approvals from all such authorities and institutions as may be relevant and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting any such consents, permissions and approvals and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) as it thinks fit in the interest of the Company, approval of the shareholders of the Company be and is hereby given to create, issue, offer and allot non-convertible redeemable preference shares ("NCRPS"), whether cumulative or non-cumulative of face value of ₹ 100/- (Rupees One Hundred) each, aggregating up to a nominal amount not exceeding ₹ 100 Crores (Rupees One Hundred Crores) at such price, to such person(s) including but not limited to qualified institutional buyers, companies and bodies corporate, mutual funds, banks, insurance companies, trusts, individuals, hindu undivided families, partnership firms, limited liability partnerships etc., whether or not such persons/entities/investors are shareholders of the Company for such period and on such terms as may be permitted in accordance with the prevailing rules/ guidelines in this behalf and as determined by the Board in conformity with the relevant provisions of the Act and the Articles of Association of the Company, wherever applicable and as the Board may deem advisable in the prevailing market situations.

RESOLVED FURTHER THAT in accordance with provisions of Section 43 of the Act, the NCRPS shall be non-participating, carrying a preferential right vis-a-vis equity shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall carry voting rights in accordance with the provisions of Section 47(2) of the Act.

RESOLVED FURTHER THAT if the aforesaid proposed transaction(s) is construed as related party transaction(s) under any applicable law(s), then said transaction(s), be and is hereby approved by the shareholders without being required to seek any further consent or approval from shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board is hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of NCRPS including but not limited to face value, nature of issue, premium on issue, issue price, issue size, timing, amount, rate(s) of dividend, yield, redemption premium, redemption price, listing, allotment, dematerialization, number of tranche(s) and other terms and conditions of issue NCRPS as they may, in their absolute discretion, deem necessary.

RESOLVED FURTHER THAT for giving effect to this Resolution, the Board of Directors of the Company or any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution be and is hereby authorized to take such steps and to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue, allotment, and utilization of the issue proceeds of the shares, to prescribe the forms of application, enter into an agreement or other instruments and to take such actions or to give such directions as may be necessary or desirable and to obtain any approval, permission, sanction which may be necessary or desirable, as they may deem fit and to pay fees, remuneration, expenses relating thereto, with power to settle all questions, difficulties that may arise in regard to such issue and allotment as it may in its discretion deem fit in best interest of the Company.

RESOLVED FURTHER THAT any one Director of the Company or Chief Financial Officer (CFO) of the Company or the Company Secretary be and is hereby severally authorized to furnish a certified true copy of the resolution as and when required."

10. Shifting of Register of Members of the Company

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

"RESOLVED THAT pursuant to Section 94 of the Companies Act, 2013 ("the Act") and in supersession of the Special Resolution passed at the 23rd Annual General Meeting of the Company held on September 17, 2016, the Company hereby approves that the Registers of Members, Indices of Members, copies of all Annual Returns prepared by the Company under Section 88(1) of the Act together with copies of Certificates and Documents required to be annexed thereto and other related books have, with effect from February 27, 2017, been kept and maintained at the new registered office of the Company's Registrars & Share Transfer Agents ("R&T Agents"), M/s. Link Intime India Private Limited, at C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083 and/or at such places within Mumbai where the R&T Agents may have their office from time to time and/or at the Registered Office of the Company at 403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai - 400 021.

RESOLVED FURTHER THAT the Registers, Indices, Returns, Books, Certificates and Documents of the Company required to be maintained and kept open for inspection by the Members and/ or any person entitled thereto under the Act, be kept open for inspection, at the place where they are kept, to the extent, in the manner and on payment of the fees, if any, specified in the Act, between the hours of 11.00 a.m. and 1.00 p.m. on any working day (excluding Saturday) and except when the registers and books are closed under the provisions of the Act or the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of the Board) be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution.

RESOLVED FURTHER THAT any one Director of the Company or Chief Financial Officer (CFO) of the Company or the Company Secretary be and is hereby severally authorized to furnish a certified true copy of the resolution as and when required."

For and on behalf of the Board of Directors

A. K. Capital Services Limited

A. K. Mittal
Managing Director
(DIN: 00698377)

Place: Mumbai
Date: July 29, 2017

Registered Office:
403, 4th Floor, East Wing, Tulsiani Chambers
Free Press Journal Marg
212, Nariman Point
Mumbai – 400021

CIN : L74899MH1993PLC274881

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE VALID, THE PROXY FORM MUST BE DULY FILLED IN ALL RESPECTS AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE MEETING IS ENCLOSED IN THE ANNUAL REPORT.**
2. Pursuant to the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and rules made thereunder a person can act as proxy on behalf of the members not exceeding 50 (fifty) in number and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Ordinary Business/Special Business to be transacted at the Meeting in respect of item nos. 4 to 10 is annexed hereto and forms part of Notice.
4. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting (AGM).
5. The Register of Members and the Share Transfer Book of the Company will remain closed from Saturday, August 19, 2017 to Thursday, August 24, 2017, (both days inclusive) for the purpose of payment of the final dividend and Annual General Meeting for the Financial Year 2016-17.
6. Final dividend for the Financial Year 2016-17 as recommended by the Board of Directors, if declared at the ensuing AGM, will be paid:
   a) to those Members, holding shares in physical form, whose names appear on the Register of Members of the Company, at the close of business hours on Friday, August 18, 2017, after giving effect to all valid transfers in physical form lodged on or before Friday, August 18, 2017, with the Company and/or its Registrar and Share Transfer Agent; and
   b) in respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by depositories at the close of business hours on Friday, August 18, 2017.
7. Details under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard 2 on General Meeting, in respect of the Directors seeking re-appointment at the AGM, forms integral part of the Notice. The Director has furnished the requisite declarations for his re-appointment.
8. Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Share Transfer Agent of the Company i.e. Link Intime India Private Limited having their office at C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083, quoting their folio number. Members holding shares in dematerialized form are requested to immediately notify change in their address, National Automated Clearing House (NACH) mandate, bank accounts details, to their respective depository participants.
9. Members desirous of getting any information about the contents of the Annual Report are requested to write to the Company at its Registered Office at least 10 days before the date of the AGM to enable the Company to keep the information ready at the AGM.
10. Members are requested to;
    a) Bring their copies of Annual Report and the attendance slip duly completed and signed at the AGM.
    b) Quote their respective folio numbers or DP ID and Client ID numbers for easy identification of their attendance at the Meeting.
11. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
12. Electronic copy of the Notice of the 24th AGM of the Company inter alia indicating the process and manner of e-voting along with Annual Report, Attendance Slip and Proxy Form is also being sent to all the members who hold shares in dematerialized mode and whose email IDs are registered with the Depository Participants for communication purposes unless any member has requested a hard copy of the same. For those members who have not registered their email address, physical copies of the Notice of the 24th AGM of the Company inter alia indicating the process and manner of e-voting along with the Annual Report, Attendance Slip and Proxy Form is being sent through permitted mode.
    a) In case, you are holding shares in demat form and you have not registered your email id with the Depository Participant, you are requested to register your email id with the Depository Participant at the earliest, so as to enable the Company to use the same for serving documents to you electronically.
    b) In case, you are holding shares in physical form and you have not registered your email id, you are requested to fill the "Email Registration Form" and send it to the Company's Registered Office address or email it to compliance@akgroup.co.in. The email registration form is available at our website www.akcapindia.com.
13. Members desirous of receiving the dividend through National Automated Clearing House (NACH) can fill the "NACH Mandate Form" and send it to the Company's Registered Office address or email it to compliance@akgroup.co.in. The NACH Mandate Form is available at our website www.akcapindia.com
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the RTA if not submitted earlier.
15. All documents referred to in the accompanying Notice and Explanatory Statement will be available for inspection at the Registered Office of the Company during normal business hours on working days up to the date of the 24th AGM of the Company.
16. Members are entitled to make nomination in respect of the shares held by them in physical form. Members desirous of making nomination may send their request in Form SH.13 in duplicate to the Registrars and Share Transfer Agents (RTA) of the Company. Members may obtain a blank Form SH13 upon request to the Company or its RTA.
17. Members holding the Equity Shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.

18. Members wishing to claim dividend, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's Registered Office. Members are requested to note that dividend not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund as per Section 124 of the Companies Act, 2013. Pursuant to provisions of Section 124 of the Companies Act Shares on which dividend remains unpaid for 7 consecutive years will be transferred to the IEPF.

    Pursuant to the applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, the details of unclaimed dividend is available at our website www.akcapindia.com

19. Voting through electronic means:

    a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Regulation 44 of the Listing Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services. The facility of casting votes by the members using an electronic voting system from place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL). Remote e-voting is optional and Members shall have the option to vote either through remote e-voting or in person through ballot paper at the AGM. The Members who had cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

    b) The instructions for shareholders voting electronically are as under:

        i) The remote e-voting period shall commence on Wednesday, September 13, 2017 (9.00 a.m. IST) and close on Friday, September 15, 2017 (5.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in electronic form, as on the cut-off date i.e. Saturday, September 9, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by member, the same shall not be allowed to change it subsequently or cast the vote again. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

        ii) The shareholders should log on to the remote e-voting website at www.evotingindia.com

        iii) Click on Shareholders / Members

        iv) Enter your User ID:

            a. For CDSL: 16 digits beneficiary ID

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

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

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

        vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

        vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN Field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

        viii) After entering these details appropriately, click on "SUBMIT" tab.

        ix) Members holding shares in physical form will then directly reach the company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

        x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

        xi) Click on the Electronic Voting Sequence Number ("EVSN") of "A. K. Capital Services Limited".

        xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

        xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

        xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

        xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

        xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

        xvii) If Demat account holder has forgotten the changed login password then enter the User ID and the image verification code

and click on FORGOT PASSWORD & enter the details as prompted by the system.

xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same

xx) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

III. Other Instructions:

a) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on cut-off date of September 9, 2017.

b) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., September 9, 2017 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

c) Any person who becomes a member of the Company after dispatch of the Notice and holds shares of the Company as on the cut-off date i.e. September 9, 2017 and whose PAN is not registered with the Company may obtain the login Id and password by sending request at helpdesk.evoting@cdslindia.com.

d) Mr. Mayank Arora (Membership No A33328 and CoP No. 13609) proprietor of M/s. Mayank Arora & Co., Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the voting and e-voting process in a fair and transparent manner.

e) The Scrutinizer's shall after the conclusion of voting at the AGM, will first count the votes cast at the Meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company, within two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

f) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.akcapindia.com and on the website of CDSL www.evotingindia.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

20. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the AGM.

21. The Notice of 24th AGM along with Annual Report, Attendance slip & Proxy Form for the Financial Year 2016-17 will also be available on the website of the Company at www.akcapindia.com. The physical copy will also be available at the Company's Registered Office for inspection during the normal business hours on working days.

22. Route Map showing directions to reach to the venue of the 24th AGM is given along with the AGM notice.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statements set out all the material facts relating to the Ordinary Business /Special Business mentioned in the accompanying Notice:

Item No. 4

Section 139 of the Companies Act, 2013 ("the Act") which became effective from April 1, 2014, read with the Rules made thereunder provides for mandatory rotation of statutory auditors. In terms of Section 139(2) of the Act, the maximum tenure of the audit firm is restricted to two consecutive terms of 5 years each. The rules also lay down the transitional period for which the existing auditors who have completed 10 years before the Act becoming effective can continue to act as statutory auditors.

M/s. Suresh Surana & Associates LLP., have been the Statutory Auditors of the Company for more than 10 years and will be completing the transitional period at the conclusion of the Twenty Fourth Annual General Meeting (AGM) of the Company scheduled to be held on September 16, 2017. The Audit Committee and the Board of Directors of the Company at their respective meetings held on July 29, 2017, have considered and recommended, the appointment of M/s. PYS & Co. LLP, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the Twenty Fourth AGM till the conclusion of the Twenty Ninth AGM to the Members of the Company, subject to ratification of shareholders at every subsequent AGM.

M/s. PYS & Co. LLP, have consented to act as the Statutory Auditors of the Company and have also provided their written confirmation that their appointment, if made, would be in accordance with the provisions of Section 139(1) of the Act read with Companies (Audit and Auditors) Rules, 2014 and that they further satisfy the criteria provided under Section 141 of the Act. They have also confirmed that they hold a valid certificate issued by the "Peer Review Board" of the Institute of Chartered Accountants of India in accordance with the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Board recommends passing of the Ordinary Resolution set out at item no. 4 of the Notice.

None of the Directors/Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the Ordinary Resolutions set out at item no. 4 of the Notice.

Item No. 5

A. K. Capital Finance Private Limited, subsidiary is a Non-Banking Finance Company registered with Reserve Bank of India and engaged in lending and investment activities. Currently, the Company holds 98.73% of the total share capital in A. K. Capital Finance Private Limited.

The Company being holding Company of A. K. Capital Finance Private Limited, (Related Party) has made investments by subscribing its securities, given Corporate Guarantee/ Securities and have availed/ rendered services to Related Party during the FY 2016-17, the details of the same are also covered in the note 30 of the standalone financial statements of the Company.

Pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain consent of the Board and prior approval of the members by resolution in case certain Related Party Transactions exceed such sum as is specified in the Rules. The aforesaid provisions are not applicable in respect of transactions entered into by the Company in the ordinary course of business on an arm's length basis.

However, pursuant to Regulation 23(4) of SEBI LODR, 2015, approval of the shareholders through Ordinary Resolution is required for all 'material' Related Party Transactions (RPT) even if they are entered into in the ordinary course of business on an arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The Company may enter into transaction with related party in the nature of Loan/Inter-corporate Deposits / Corporate Guarantee /Security, Investments, purchase and/ or sale of securities, transfer of assets, providing/availing of services, etc , during the current financial year, even though are in the ordinary course of business and on an arm's length basis, are estimated to exceed 10% of the annual consolidated turnover of the Company as per the audited financial statements of the Company for the year ended March 31, 2017:

Name of the Related Party	Nature of Relationship	Nature of Transaction	Amount
A. K. Capital Finance Private Limited	Subsidiary	Loan/Inter-corporate Deposits Corporate Guarantee/Security, Investments, purchase and/ or sale of securities, transfer of assets, providing/availing of services, etc.	Up to ₹ 1,000 Crore

Mr. A. K. Mittal, Mr. Deepak Mittal, Mrs. Anshu, and Mr. Raghubinder Rai, Directors and Mr. Mahesh Bhootra, Chief Financial Officer of the Company are interested in the above transactions between the Company and A. K. Capital Finance Private Limited.

In view of the above, it is proposed to obtain the members' approval for the transactions which may be entered into by the Company with A. K. Capital Finance Private Limited from time to time during 2017-18.

The above transactions, which are enabling in nature, have been approved by the Audit Committee of the Company at its meeting held on May 20, 2017, in terms of the requirements of Regulation 23(4) of the Listing Regulations.

The Board commends passing of the Ordinary Resolutions set out at item no. 5 of the Notice.

Except the above Directors, Key Managerial Personnel and their Relatives, none of the other Directors/Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the Ordinary Resolutions set out at item no. 5 of the Notice.

Item No. 6

The existing Articles of Association ("Existing AoA") of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to the specific provisions of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 (the "Act"). The Act is now largely in force with the Rules enacted thereon.

Hence, with the new Act coming into force and considering most of the sections under the Companies Act, 2013 been notified by the Ministry of Corporate Affairs it is expedient to replace existing AoA by adopting new set of AoA.

The provisions and clauses contained in new AoA are majorly based on the Table F of the Schedule I of the Act which set out the model Articles of Association for a company limited by shares.

The proposed new draft AoA is also available for inspection at the registered office of the Company on all working days except Saturday's between 10.00 a.m. to 5.00 p.m. up to the date of the AGM and will also be available for inspection at AGM.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

The Board of Directors of the Company recommends the Special Resolution as set out in Item no.6 of this Notice for approval of the shareholders.

Item No. 7

In order to augment resources inter alia, to expand its operations and its working capital requirements, the Company may offer or invite subscription for issuance of Commercial Papers ("CPs") of nominal value aggregating up to ₹ 300 crores (Rupees Three Hundred Crores), in one or more tranche(s) on such terms and conditions as the Board may deem fit and appropriate from time to time.

The Board of Directors of the Company at its meeting held on July 29, 2017 has, subject to the approval of shareholders in the general meeting proposed to issue CPs on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any and as may be finalized by the Board and/or Committee of Directors thereof. The issue price of CP shall be determined by the Board keeping into consideration various economic factors, tenure and other relevant factors.

Accordingly, consent of the shareholders is sought for passing a Special Resolution as set out under this item of the Notice. This resolution enables the Board of Directors of the Company or any other Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution to offer or invite subscription for CPs aggregating up to ₹ 300 crores (Rupees Three Hundred Crores), in one or more series or tranche(s), as deemed fit, and within the overall borrowing limits of the Company, as approved by the shareholders from time to time and as per the details specified in the said Special Resolution. The Board of Directors of the Company or any other Committee thereof shall decide, inter alia, other terms and conditions for such fund raising.

The Board of Directors of the Company recommends the Special Resolution as set out in Item no.7 of this Notice for approval of the shareholders.

The Directors or Key Managerial Personnel of the Company or their respective relatives may be deemed to be concerned or interested in the said resolution to the extent of the Commercial Papers that may be subscribed by them or by the companies or firms in which they are interested.

Item No. 8

The Company in the ordinary course of its business, is required to borrow monies from time to time, including by way of loans, issue of debentures/bonds or other debt instruments, on private placement basis or otherwise. The inter-mix of borrowings depends upon factors interalia including market conditions, tenor and cost of funds, and security available.

The Board of Directors of the Company at its meeting held on July 29, 2017 has, subject to the approval of shareholders in the general meeting proposed to issue non-convertible debentures on private placement basis, at such terms and conditions and at such yield(s) in compliance with the requirements of regulatory authorities, if any and as may be finalized by the Board and/or Committee of Directors thereof. The amount to be raised by way of issue of non-convertible debentures (''NCDs") shall aggregate up to ₹ 500 Crores (Rupees Five Hundred Crore), in one or more tranche(s), on private placement basis, from such persons and on such terms and conditions as the Board of Directors of the Company or any other Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution may, from time to time, determine and consider proper and most beneficial and to the best interest of the Company including, without limitation, as to when the said NCDs are to be issued, the consideration for the issue, mode of payment, coupon rate, redemption period, premium/discount,yield, security, utilization of the issue proceeds and all matters connected therewith or incidental thereto.

Consent of the shareholders is therefore sought in connection with the aforesaid issue of debentures from time to time and they are requested to authorize the Board (including any Committee of the Board) to issue NCDs on private placement basis up to ₹ 500 Crores (Rupees Five Hundred Crore) as stipulated above, in one or more tranche(s).

The Board of Directors of the Company recommends the Special Resolution as set out in Item no. 8 of this Notice for approval of the shareholders.

The Directors or Key Managerial Personnel of the Company or their respective relatives may be deemed to be concerned or interested in the said resolution to the extent of the Non-Convertible Debentures that may be subscribed by them or by the companies or firms in which they are interested.

Item No. 9

Pursuant to Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, an Explanatory Statement relating to the Special Resolution is given as under:

The Company has plans to expand its operations and therefore needs to augment its long term capital base and in the course of which, the Board of Directors of the Company may need to raise further funds to meet the expansion plans and augment the long term capital base and working capital requirements through the issue of further securities. Accordingly, in terms of Sections 42, 55 and 62 of the Companies Act, 2013 (the "Act") and other applicable provisions, if any, read with the Companies (Share Capital & Debentures) Rules, 2014, consent of the shareholders is being sought by way of special resolution for the issue of Non-convertible Redeemable Preference Shares ("NCRPS"), whether Cumulative or Non-Cumulative of face value of ₹100/- each, aggregating to nominal amount not exceeding ₹ 100 Crores (Rupees One Hundred Crore) at such price and on the terms and conditions set out hereunder.

The material facts concerned with and relevant to the Issue of the preference shares are as given below:

Issue size	Upto ₹ 100 crore (Rupees One Hundred Crore) divided into 1 Crore Preference Shares of ₹ 100 each in one or more tranches
Nature of shares	It shall be in the nature of Cumulative or Non-Cumulative and shall be Non-Convertible and Non-Participating.
Objective of Issue	To expand its operations and augment the long term capital base and working capital requirements of the Company.
Manner of Issue	NCRPS will be issued and offered on a private placement basis in accordance with the provisions of Section 42 of the Act and the Rules made there under
Issue Price and basis for determining price	NCRPS will be issued at par / or at premium, depending upon market and other relevant conditions.
Terms of Issue dividend	NCRPS will carry a dividend rate as may be decided by the Board in the best interest of the Company. Other terms to be determined by the Board.
Terms of Redemption	Redemption at par or at premium within a maximum period of 20 years from the date of allotment.
Manner and modes of Redemption	The proposed NCRPS shall be redeemed in accordance with the provisions of the Companies Act, 2013 or any such other applicable law, rules, regulations as may be applicable.
Expected dilution in equity share capital upon conversion of preference shares	Not Applicable, since the proposed NCRPS are Non-Convertible in nature.

The Equity Shareholding Pattern of the Company as on June 30, 2017 is as under:

Category	Number of shares	% of total Shareholding
Promoter and promoter group		
Indian	4,178,057	63.31
Foreign (NRI)	198,275	3.00
Sub-total (A)	**4,376,332**	**66.31**
Public		
NRIs/Foreign Bodies Corporate	65,618	0.99
Indian Bodies Corporate	730,812	11.07
Individuals/HUF	1,353,873	20.52
Clearing Members	73,365	1.11
Sub-total (B)	**2,223,668**	**33.69**
Total Shareholding (A) + (B)	**6,600,000**	**100.00**

The Board of Directors of the Company recommends the Special Resolution as set out in Item no. 9 of this Notice for approval of the shareholders.

The issue of Preference shares has been authorized by the Articles of Association of the Company. The Directors or Key Managerial Personnel of the Company or their respective relatives may be deemed to be concerned or interested in the said resolution to the extent of the Preference shares that may be subscribed by them or by the companies or firms in which they are interested.

Item No. 10

A.K. Capital Services Limited ("the Company") has appointed M/s. Link Intime India Private Limited as its Registrars & Share Transfer Agents effective from August 1, 2016 in place of M/s. Abhipra Capital Limited. The Members passed a Special Resolution at the Company's 23rd Annual

General Meeting for maintaining Registers of Members at the office of its new Registrars & Share Transfer Agents.

In February 2017, M/s. Link Intime India Private Limited shifted its Registered Office from C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 to C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083. Therefore, it is proposed that the Registers of Members, Indices of Members, copies of all Annual Returns prepared by the Company under Section 88(1) of the Act together with copies of Certificates and Documents required to be annexed thereto and other related books, effective February 27, 2017, be kept and maintained at the new Registered Office of the Company's Registrars & Share Transfer Agents (R&T Agents), M/s. Link Intime India Private Limited, at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083 and/or at such places within Mumbai where the R&T Agents may have their office from time to time and/or at the Registered Office of the Company at 403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai- 400 021

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No. 10 of this Notice.

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval of the shareholders.

For and on behalf of the Board of Directors

A. K. Capital Services Limited

A. K. Mittal
Managing Director
(DIN: 00698377)

Place: Mumbai
Date : July 29, 2017

Registered Office:
403, 4th Floor, East Wing, Tulsiani Chambers,
Free Press Journal Marg,
212, Nariman Point, Mumbai – 400021

CIN : L74899MH1993PLC274881

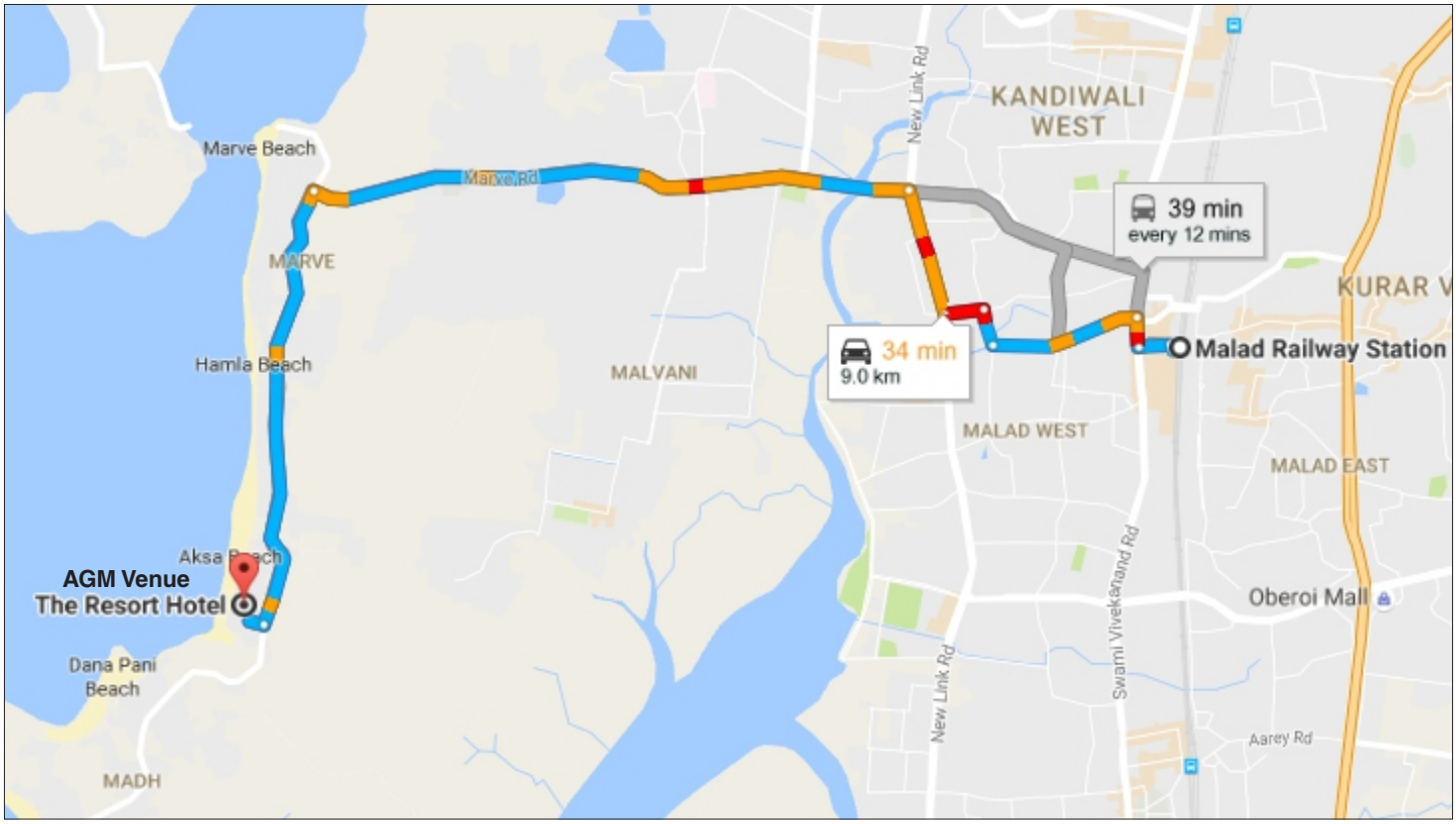
BRIEF RESUME OF DIRECTOR SEEKING RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING (IN PURSUANCE WITH REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2:-(INFORMATION AS ON JULY 29, 2017)

Name of the Director	Mr. A. K. Mittal (DIN: 00698377)
Date of Birth/Age	62 Years
Date of first appointment on the Board	05/10/1993
Experience and Expertise in functional area	Over 15 years' experience as a practicing Chartered Accountant and over 25 years of experience in financial Service Industry. Expertise in handling cross-functional activities in the Debt markets, Investment Advisory, Financial Services, Fund & Fee based activities.
Qualifications	Chartered Accountant, LLB, M.A. (Eco), B.Sc.
Terms and Condition of re-appointment along with Remuneration sought to be paid and last drawn remuneration	As per terms & conditions mentioned in the resolutions passed by the members of the Company at the 22nd AGM of the Company.
Directorships held in other companies (All companies)	A. K. Capital Finance Private Limited A. K. Wealth Management Private Limited A. K. Capital Corporation Private Limited A. K. Capital (Singapore) Pte. Ltd.
Memberships/ Chairmanships of the Committees of Board/ other Companies *	Member – Audit Committee of A. K. Capital Services Limited
No. of Shares held in the Company (Shareholding)	558,665 equity shares representing 8.46% of the paid up share capital of the Company
Relationship with other Director, Manager & KMP	Spouse of Mrs. Anshu, Non-executive Director of the Company
No. of Board Meeting attended during the financial year 2016-17	4 (Four)

Note: In accordance with the Articles of Association of the Company and the provisions of the Section 152 of the Companies Act, 2013, Mr. A. K. Mittal (DIN: 00698377) though appointed as a Managing Director for a fixed term of 5 years with effect from April 1, 2015, will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment to enable compliance by the Company with the provisions of Section 152 of the Companies Act, 2013.

** Only Audit Committee and Stakeholder Relationship Committee Chairmanship/Membership has been considered.*

Route map for Twenty Fourth Annual General Meeting Venue:



FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L74899MH1993PLC274881

Name of the Company: **A. K. CAPITAL SERVICES LIMITED**

Registered Office: 403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai – 400021

Tel: +91 (022) 6634 9300 | **Fax:** +91 (022) 6610 0594 | **Website:** www.akcapindia.com

Name of the member(s) : _____

Registered address : _____

E-mail Id: _____ Folio No / Client Id : _____ DP ID : _____

I/We, being the member(s) of _____ share(s) of A. K. Capital Services Limited, hereby appoint:

1. Name: _____
   Address: _____
   E-mail Id: _____ Signature: _____ or failing him/ her
2. Name: _____
   Address: _____
   E-mail Id: _____ Signature: _____ or failing him/ her
3. Name: _____
   Address: _____
   E-mail Id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **TWENTY FOURTH ANNUAL GENERAL MEETING** of the Company, to be held on the **Saturday, 16th day of September 2017 at 9.00 a.m.** at The Resort, 11, Madh-Marve Road, Aksa Beach, Malad (West), Mumbai - 400 095 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
1	To consider and adopt: a) The Audited Financial Statements of the Company for the Financial Year ended March 31, 2017, together with the Report of the Board of Directors and the Auditors thereon; and b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2017, together with the Report of the Auditors thereon.
2	Declare a final dividend at the rate of ₹ 6/- (Rupees Six) per equity share of ₹ 10/- (Rupees Ten) each fully paid-up of the Company for the Financial Year 2016-17.
3	To appoint a Director in place of Mr. A. K. Mittal (DIN: 00698377), who retires by rotation and being eligible, offers himself for re-appointment.
4	To consider and approve appointment of Statutory Auditors and fix their remuneration
5	To ratify and approve Related Party Transactions with A. K. Capital Finance Private Limited, Subsidiary of the Company
6	Adoption of new set of Articles of Association of the Company
7	Issuance of commercial paper of nominal value aggregating up to ₹ 300 crores within the borrowing limits set forth under Section 180 of the Companies Act, 2013
8	Issuance of secured/ unsecured, redeemable, non-convertible debentures of nominal value aggregating up to ₹ 500 crores within the borrowing limits set forth under Section 180 of the Companies Act, 2013
9	Issuance of non-convertible redeemable preference shares of nominal value aggregating up to ₹100 crores.
10	Shifting of Register of Members of the Company.

Signed this ____ day of _____ 2017

Signature of Shareholder(s) _____

Affix ₹ 1/- Revenue Stamp

Signature of Proxy holder(s) _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.

A. K. CAPITAL SERVICES LIMITED

(**CIN:** L74899MH1993PLC274881)
Registered Office: 403, 4th Floor, East Wing, Tulsiani Chambers
Free Press Journal Marg, 212, Nariman Point, Mumbai – 400021
Tel: +91 (022) 6634 9300 | **Fax:** +91 (022) 6610 0594 | **Website:** www.akcapindia.com

ATTENDANCE SLIP

Twenty Fourth Annual General Meeting

(To be handed over at the entrance of the Meeting hall)

I/We certify that I am a registered shareholder / proxy for the registered Shareholder of the Company and hereby record my/our presence at the **TWENTY FOURTH ANNUAL GENERAL MEETING** of the Company on **Saturday, September 16, 2017 at 9.00 a.m.** at The Resort, 11, Madh-Marve Road, Aksa Beach, Malad (West), Mumbai - 400 095 and at any adjournment thereof.

Full name of the Shareholder : _____

DP ID: _____ Client ID: _____

Folio No: _____ No. of share(s) held: _____

Full name of the Proxy : _____

(To be filled in if the valid proxy has been duly lodged with the Company)

Signature(s) of the Shareholder/Proxy _____

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	User ID	* Default PAN

*Only Members who have not updated their PAN with the Company /Depository Participant shall use Default PAN in the PAN Field.

Note:

1. For electronic voting kindly log-on to e-voting website www.evotingindia.com. Please read the instructions given at Note no. 19 of the Notice of Twenty Fourth Annual General Meeting carefully before voting electronically.
2. The e-voting period shall commence on September 13, 2017 (9.00 a.m. IST) and end on September 15, 2017 (5.00 p.m. IST). The voting module shall be disabled by CDSL for voting thereafter.