A. K. CAPITAL SERVICES LTD.

BUILDING BONDS

ANNUAL REPORT
2015-2016

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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. Vikas S Agarwal [CFO-1] (Resigned w.e.f. May 24, 2015)
Mr. Mahesh Bhootra [CFO-2] (Appointed w.e.f. May 24, 2015)

COMPANY SECRETARY
Ms. Kanchan Singh Mehta
(ACS No.: A24596)

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

BANKERS
Bank of India
HDFC Bank
Federal Bank
Punjab National Bank

REGISTRAR AND SHARE TRANSFER AGENT
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078
Tel: +91-22-25946970 | Fax: +91-22-25946969 | 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
Tel: +91-22-66349300 | Fax: +91-22-66100594 | Website: www.akcapindia.com

CORPORATE OFFICE
30-39, 3rd Floor, Free Press House, Free Press Journal Marg, 215 Nariman Point, Mumbai – 400 021
Tel: +91-22-67546500 | Fax: +91-22-66100594 | Website: www.akcapindia.com

DIRECTORS' REPORT

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

The Directors of your Company present the 23rd Annual Report on the business, operations and state of affairs of your Company along with the audited statement of accounts for the financial year 2015-16.

FINANCIAL HIGHLIGHTS

A summary of the financial performance of the Company, both on consolidated and standalone basis, for the financial year 2015-16 as compared to the previous financial year is given below:

Consolidated financial highlights of A. K. Capital Services Limited and its subsidiaries

(₹ in Crore except per share data)

Particulars	2015-16	2014-15
Total income	245.62	254.67
Total expenditure	186.15	195.57
Profit before tax	**59.47**	**59.10**
Provision for taxes	17.60	17.64
Profit after tax	**41.87**	**41.46**
Less: Share of minority interest and adjustment on account of further investment in Subsidiary Company	0.32	0.32
Profit for the year	**41.55**	**41.14**
Add: Surplus brought forward from previous year	275.05	245.29
Less: Adjustment in accordance with the transitional provisions of the Schedule II of the Act	-	0.54
Less: Transfer of Pre-acquisition profit	0.06	-
Profit available for appropriation	**316.54**	**285.89**
Less: Appropriations		
Proposed dividend	3.96	3.96
Transfer to general reserves	1.90	1.90
Transfer to special reserves	4.34	4.19
Dividend distribution tax	0.81	0.79
Surplus carried to the Balance Sheet	**305.53**	**275.05**
Earnings per equity share (face value ₹ 10/- per share)		
Basic (₹)	62.95	62.34
Diluted (₹)	62.95	62.34

Standalone financial highlights of A. K. Capital Services Limited

(₹ in Crore except per share data)

Particulars	2015-16	2014-15
Total income	71.97	97.66
Total expenditure	44.69	69.97
Profit before tax	**27.28**	**27.69**
Provision for tax	8.71	9.39
Profit after tax	**18.57**	**18.30**
Add: Surplus brought forward from previous year	221.87	210.72
Less: Adjustment in accordance with the transitional provisions of the Schedule II of the Act	-	0.50
Profit available for appropriation	**240.44**	**228.52**
Less: Appropriations		
Proposed dividend	3.96	3.96
Transfer to general reserves	1.90	1.90
Dividend distribution tax	0.81	0.79
Surplus carried to the balance sheet	**233.78**	**221.87**
Earnings per equity share (face value ₹ 10/- per share)		
Basic (₹)	28.14	27.74
Diluted (₹)	28.14	27.74

FINANCIAL PERFORMANCE AND STATE OF AFFAIRS OFTHE COMPANY

The consolidated turnover of your Company stood at ₹ 245.62 Crore for the financial year ended March 31, 2016 as against ₹ 254.67 Crore for the previous year. The consolidated profit before tax is ₹ 59.47 Crore for the current year as against ₹ 59.10 Crore in the previous year. After making provision for tax, the consolidated net profit of your Company is ₹ 41.87 Crore as against ₹ 41.46 Crore in the previous year.

On standalone basis, your Company earned gross income of ₹ 71.97 Crore during the year under review as against ₹ 97.66 Crore reported in the previous year. The profit before tax is ₹ 27.28 Crore as against the ₹ 27.69 Crore during the previous year. After making provision for tax, the net profit of your Company is ₹ 18.57 Crore as against the net profit of ₹ 18.30 Crore in the previous year.

DIVIDEND ON EQUITY SHARES

The Board of Directors are pleased to recommend a final dividend of 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 2015-16. 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 which is being sought at the forthcoming Annual General Meeting and shall be paid to those members whose names appear in the Register of Members as on Monday, September 12, 2016. The Register of Members and Share Transfer Books will remain closed from Tuesday, September 13, 2016 to Saturday, September 17, 2016 both days inclusive. The Annual General Meeting of the Company is scheduled to be held on Saturday, September 17, 2016.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 1.90 Crore to the General Reserve.

SUBSIDIARIES

As on March 31, 2016, your Company had 5 subsidiaries viz. A. K. Stockmart Private Limited, A. K. Capital Corporation Private Limited, A. K. Wealth Management Private Limited, A. K. Capital (Singapore) Pte. Ltd. and A. K. Capital Finance Private Limited.

On consolidated basis, your Company posted consolidated revenue of ₹ 245.62 Crore and a consolidated profit after tax (after minority interest and adjustment on account of further investment in subsidiary company) of ₹ 41.55 Crore.

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.

MATERIAL SUBSIDIARIES

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has one material non listed subsidiary. 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

As on March 31, 2016, the Board of Directors 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 total numbers of Director are 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. Deepak Mittal (DIN: 00043685) though appointed as a Whole Time 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 following persons are the Key Managerial Personnel's (KMP's) of the Company as per the provisions of the Companies Act, 2013 (the Act) as on March 31, 2016:-

Mr. A. K. Mittal	-	Managing Director
Mr. Deepak Mittal	-	Whole-time Director
Mr. Mahesh Bhootra	-	Chief Financial Officer
Ms. Kanchan Singh Mehta	-	Company Secretary

DECLARATION BY INDEPENDENT DIRECTORS

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

EVALUATION OF THE PERFORMANCE OF THE BOARD

The Board has framed an Evaluation Policy (the Policy) for evaluating the performance of the Board, Chairman, Managing Director, Whole-time Director, Independent Directors, Non-Executive Director and its Committees. Based on the same, the performance was evaluated for the financial year ended March 31, 2016. A meeting of the Independent Directors was held during the year under review.

The Policy *inter alia* provides the criteria for performance evaluation such as Board effectiveness, quality of discussion contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging its functions, etc.

NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection of Directors, determining Directors independence and payment of remuneration to Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration 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 have constituted four Committees, viz.

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

Details of all the 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.

AUDIT COMMITTEE OF THE COMPANY

The Company's Audit Committee comprises the following Directors:

Sr.	Name of the Members	DIN	Designation
1	Mr. Subhash Chander Madan	00785025	Chairman (Independent Director)
2	Mr. Raghubinder Rai	00851994	Member (Independent Director)
3	Mr. A. K. Mittal	00698377	Member (Managing Director)

The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Bombay Stock Exchange (BSE).

NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on the Company's policies and business performance apart from other Board matters. The notice for the Board Meeting is given well in advance to all the Directors.

During the financial year 2015-16, five Board Meetings were held on April 16, 2015, May 24, 2015, August 14, 2015, November 7, 2015 and February 11, 2016. The gap between the two board meetings did not exceed 120 days.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) 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 2015-16, the applicable accounting standards have been followed and there are no material departures from the same;
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, 2016 and of the profit of the Company for the financial year 2015-16 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

During the year under review, the Company has not undertaken any activity and initiative on CSR **(Annexure - 2)**

WHISTLEBLOWER POLICY AND ESTABLISHMENT OF VIGIL MECHANISM

In accordance with the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established Vigil Mechanism and also adopted a Whistleblower Policy under the surveillance of the Audit Committee. The Company has adopted work culture which ensures highest standards of professionalism, honesty, integrity, moral and ethical behavior. 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

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 2015-16 no cases in the nature of sexual harassment were reported at any work place of the Company.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORTS

The Management Discussion and Analysis for the financial year 2015-16 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

M/s. Suresh Surana & Associates LLP, Chartered Accountants, (Firm Registration No. 121750W/W-100010), Mumbai, Statutory Auditors of your Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a confirmation from M/s. Suresh Surana & Associates LLP, Chartered Accountants, (Firm Registration No. 121750W/W-100010), to the effect that their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and the rules framed thereunder and that they satisfy the criteria given under Section 141 of the Companies Act, 2013.

The Audit Committee and Board of Directors have recommended the re-appointment of M/s. Suresh Surana & Associates LLP, Chartered Accountants, (Firm Registration No. 121750W/W-100010), as the Statutory Auditors of your Company.

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. The Secretarial Audit Report is appended as **Annexure - 3** to this Report.

PUBLIC DEPOSITS

During the financial year 2015-16, your Company did not invite or accept any public deposits.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS BY THE COMPANY

Details 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 contracts /transactions entered by the Company during the year with related parties were on an arm's length basis. The Company has complied with the provisions of section 188 of the Companies Act, 2013 read with rule of Companies (Meetings of Board and its Powers) Rules, 2014 and the amendments made thereto from time to time.

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 are appended as **Annexure - 4** to this report.

The details of related party transactions carried out by the Company are also set out in note no.31 to the Financial Statements.

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/Policy%20on%20Materiality%20and%20Dealing%20with%20Related%20Party%20Transactions.pdf

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the year under review there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS AND COURTS

During the financial year 2015-16, the Company 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.

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

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption, and research and development are not applicable to the Company.

Your Company has no foreign exchange earnings during the financial year 2015-16. 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 AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 19, 2015 (date of last Annual General Meeting) on the website of the Company (www.akcapindia.com), as also on the Ministry of Corporate Affairs website.

EXTRACT OF ANNUAL RETURN

Pursuant to the requirements under Section 92(3) and Section 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.**

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 23rd 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 express their appreciation for the assistance and co-operation received from the Government Authorities, Regulators, Stock Exchanges, Bankers of the Company, Other Statutory Bodies, etc. during the year under review. 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)

Date: August 12, 2016
Place: Mumbai

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 Listing Agreement (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, KMP's 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, Listing Agreement and/or any other regulations 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 Chairman of the Committee is an Independent Director. The Chairman of the Company (whether executive or nonexecutive) 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 Chairman, 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 WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR, KMP AND SENIOR MANAGEMENT:

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 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:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 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;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 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.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

REMUNERATION DUTIES

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

- 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.
- 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.
- to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- to consider any other matters as may be requested by the Board.
- 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 published on Company's website and accordingly disclosed in the Annual Report as part of Board's report therein.

ANNEXURE - 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[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]

1. 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:

   a) The CSR Policy of the Company contains the activities that can be undertaken by the Company for CSR, composition of CSR Committee, role of CSR Committee, implementation of CSR Policy.

   b) The CSR Policy is hosted on the Company's website viz., http://www.akcapindia.com/WebSiteDocuments/CSR_Policy.pdf

2. The Composition of the CSR Committee:

   a) Mr. Subhash Chander Madan (Chairman & Independent Director)

   b) Mr. A. K. Mittal (Managing Director)

   c) Mr. Deepak Mittal (Whole-time Director)

3. Average net profit of the Company for last three financial years: ₹ 353,495,855

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 7,069,917

5. Details of CSR spent during the financial year.

   a) Total amount to be spent for the financial year: ₹ 7,069,917

   b) Amount unspent, if any: ₹ 7,069,917

   c) Manner in which the amount spent during the financial year: During the year the Company did not find suitable CSR Project and due to paucity of time for evaluation of right project/ programme, thus the Company could not spend the above mentioned amount.

6. 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 the above mentioned amount.***

7. 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

	Subhash Chander Madan	Deepak Mittal
Date: August 12, 2016	Chairman of CSR Committee	Whole time Director
Place: Mumbai	(DIN: 00785025)	(DIN: 00043685)

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, 2016

To,

The Members,

A. K. Capital Services Limited

30-39, Free Press House, 3rd Floor,
Free Press Journal Marg, 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 us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2016, 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, 2016, 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, 1992 till May 14, 2015 and thereafter 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. The Listing Agreement entered by the Company with Stock Exchanges.

ix. 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.

ANNEXURE - 3

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) Re-appointment of Managing Director(s), Whole Time Director(s);

(iii) Shifting of Registered Office;

(iv) 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: August 12, 2016

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 our 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: August 12, 2016

ANNEXURE - 4

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 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.

1. **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, 2016, were at arm's length basis.

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

Transaction no. 1 - Renewal of Rent Agreement of Property located at 101, Kaivanna, New Center Point, Panchvati Circle, Ahmedabad – 380009	
Name(s) of the related party and nature of relationship	Mr. Abhinav Kumar Mittal, Son of Managing Director and Director
Nature of contracts/arrangements/transactions	Renewal of rent agreement (immovable property)
Duration of the contracts / arrangements/transactions	From June 1, 2015 to May 31, 2018 (36 months)
Salient terms of the contracts or arrangements or transactions including the value, if any	1. Deposit - ₹ 1,25,000/- 2. Rent per month - ₹ 12,500/- 3. Accommodation provided for Office use.
Date(s) of approval by the Board, if any	February 7, 2015
Amount paid as advances, if any	NIL

Transaction no. 2 - Renewal of Rent Agreement of Property located at 102, Kaivanna, New Center Point, Panchvati Circle, Ahmedabad – 380009	
Name(s) of the related party and nature of relationship	Mr. Abhinav Kumar Mittal, Son of Managing Director and Director
Nature of contracts/arrangements/transactions	Renewal of rent agreement (immovable property)
Duration of the contracts / arrangements/transactions	From June 1, 2015 to May 31, 2018 (36 months)
Salient terms of the contracts or arrangements or transactions including the value, if any	1. Deposit - ₹ 1,25,000/- 2. Rent per month - ₹ 12,500/- 3. Accommodation provided for office use.
Date(s) of approval by the Board, if any	February 7, 2015
Amount paid as advances, if any	NIL

Transaction no. 3 - Renewal of Rent Agreement of Property located at Office No. 1408, 14th floor, Om Tower, 32, Chowringhee Road, Kolkatta – 700 071	
Name(s) of the related party and nature of relationship	Mr. Abhinav Kumar Mittal, Son of Managing Director and Director
Nature of contracts/arrangements/transactions	Renewal of rent agreement (immovable property)
Duration of the contracts / arrangements/transactions	From July 3, 2015 to July 2, 2018 (36 months)
Salient terms of the contracts or arrangements or transactions including the value, if any	1. Deposit - ₹ 2,75,000/- 2. Rent per month - ₹ 25,000/- 3. Accommodation provided for office use.
Date(s) of approval by the Board, if any	May 24, 2015
Amount paid as advances, if any	NIL

Transaction no. 4 - Renewal of Rent Agreement of Property located at Flat No. 801, 8th Floor, Rishabh Towers, Sayani Road, Elphinstone Road, Mumbai - 400 025.	
Name(s) of the related party and nature of relationship	Mr. Abhinav Kumar Mittal, Son of Managing Director and Director
Nature of contracts/arrangements/transactions	Renewal of rent agreement (immovable property)
Duration of the contracts / arrangements/transactions	From February 8, 2016 to February 7, 2019 (36 months)
Salient terms of the contracts or arrangements or transactions including the value, if any	1. Deposit - ₹ 2,75,000/- 2. Rent per month - ₹ 25,000/- 3. Accommodation provided to employees for residential use.
Date(s) of approval by the Board, if any	November 7, 2015
Amount paid as advances, if any	NIL

Transaction no. 5 - Renewal of Rent Agreement of Property located at Flat No. 802, 8th Floor, Rishabh Towers, Sayani Road, Elphinstone Road, Mumbai - 400 025	
Name(s) of the related party and nature of relationship	Mr. Abhinav Kumar Mittal, Son of Managing Director and Director
Nature of contracts/arrangements/transactions	Renewal of rent agreement (immovable property)
Duration of the contracts / arrangements/transactions	From February 8, 2016 to February 7, 2019 (36 months)
Salient terms of the contracts or arrangements or transactions including the value, if any	1. Deposit - ₹ 3,00,000/- 2. Rent per month - ₹ 27,200/- 3. Accommodation provided to employees for residential use.
Date(s) of approval by the Board, if any	November 7, 2015
Amount paid as advances, if any	NIL

Transaction no. 6 - Renewal of Rent Agreement of Property located at Flat No. 902, 9th Floor, Rishabh Towers, Sayani Road, Elphinstone Road, Mumbai - 400 025	
Name(s) of the related party and nature of relationship	Mr. Abhinav Kumar Mittal, Son of Managing Director and Director
Nature of contracts/arrangements/transactions	Renewal of rent agreement (immovable property)
Duration of the contracts / arrangements/transactions	From February 8, 2016 to February 7, 2019 (36 months)
Salient terms of the contracts or arrangements or transactions including the value, if any	1. Deposit - ₹ 4,00,000/- 2. Rent per month - ₹ 36,600/- 3. Accommodation provided to employees for residential use.
Date(s) of approval by the Board, if any	November 7, 2015
Amount paid as advances, if any	NIL

Transaction no. 7 - Renewal of Rent Agreement of Property located at V-287, Rajouri Garden, New Delhi – 110027	
Name(s) of the related party and nature of relationship	Mrs. Anshu, Non-Executive, Non Independent Director and Spouse of Managing Director
Nature of contracts/arrangements/transactions	Renewal of rent agreement (immovable property)
Duration of the contracts / arrangements/transactions	From February 1, 2016 to January 31, 2019 (36 months)
Salient terms of the contracts or arrangements or transactions including the value, if any	1. Deposit - ₹ 10,00,000/- 2. Rent per month - ₹ 1,00,000/- 3. Accommodation provided for Guest House.
Date(s) of approval by the Board, if any	November 7, 2015
Amount paid as advances, if any	NIL

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: August 12, 2016
Place: Mumbai

ANNEXURE - 5

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2016

[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 Contact no: +91-22-66349300
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	**Upto July 31, 2016** **Abhipra Capital Limited** Abhipra Complex, A-387, Dilkhush Industrial Area, G.T. Karnal Road, Azadpur New Delhi - 110 033 Telephone No.: +91-11-42390909 Fax No.: +91-11-27215530 E-mail: rta@abhipra.com **From August 1, 2016** **Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai - 400 078 Tel: +91-22-2594 6970 Fax: +91-22-2594 6969 E-mail: rnt.helpdesk@linkintime.co.in

** w.e.f. April 5, 2016*

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	*NIC Code of the Product/ service	% to total turnover of the Company
1	Merchant Banking Fees	64990	78.48%
2	Income from Investments	64990	16.48%

** As per NIC 2008*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and address of the Company	Corporate Identity Number (CIN)/ Global Location Number (GLN)	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	A. K. Capital Finance Private Limited 30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U51900MH2006PTC214277	Subsidiary Company	98.65%	2(87)(ii)
2	A. K. Stockmart Private Limited 30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U67120MH2006PTC158932	Subsidiary Company	100.00%	2(87)(ii)
3	A. K. Wealth Management Private Limited 30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U74140MH2006PTC165653	Subsidiary Company	100.00%	2(87)(ii)
4	A. K. Capital Corporation Private Limited 30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400021	U65993MH2006PTC165749	Subsidiary Company	100.00%	2(87)(ii)
5	A. K. Capital (Singapore) Pte. Ltd. 80 Robinson Road #02-00 Singapore 068898	201320478E	Subsidiary Company	100.00%	2(87)(ii)

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	1,251,398	-	1,251,398	18.96	1,283,232	-	1,283,232	19.44	**0.48**
b	Central Govt.	-	-	-	-	-	-	-	-	-
c	State Govt(s)	-	-	-	-	-	-	-	-	-
d	Bodies Corp	2,681,182	-	2,681,182	40.62	2,683,182	-	2,683,182	40.65	**0.03**
e	Banks / FI	-	-	-	-	-	-	-	-	-
f	Any Other	-	-	-	-	-	-	-	-	-
Sub - total (A) (1):-		**3,932,580**	**-**	**3,932,580**	**59.58**	**3,966,414**	**-**	**3,966,414**	**60.10**	**0.51**
2. Foreign										
a	NRI - Individuals	172,275	-	172,275	2.61	172,275	-	172,275	2.61	-
b	Other - Individuals	-	-	-	-	-	-	-	-	-
c	Bodies Corp	-	-	-	-	-	-	-	-	-
d	Banks /FI	-	-	-	-	-	-	-	-	-
e	Any Other	-	-	-	-	-	-	-	-	-
Sub - total (A) (2):-		**172,275**	-	**172,275**	**2.61**	**172,275**	-	**172,275**	**2.61**	**-**
Total Shareholding of Promoter (A) = (A) (1) +(A) (2)		**4,104,855**	**-**	**4,104,855**	**62.19**	**4,138,689**	-	**4,138,689**	**62.71**	**0.51**
B. Public Shareholding										
1. Institutions										
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Banks / FI	-	-	-	-	-	-	-	-	-
c	Central Govt	-	-	-	-	-	-	-	-	-
d	State Gov(s)	-	-	-	-	-	-	-	-	-
e	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f	Insurance Companies	-	-	-	-	-	-	-	-	-
g	FIIs	-	-	-	-	-	-	-	-	-
h	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
I	Others (specify)	-	-	-	-	-	-	-	-	-
Sub - total (B) (1):-		-	-	-	-	-	-	-	-	-

2. Non- Institutions									
a. Bodies Corp	993,991	-	993,991	15.06	954,085	-	954,085	14.46	**(0.60)**
b. Individuals									
I Individuals shareholders holding nominal share capital upto ₹ 2 lakhs	671,943	53,121	725,064	10.99	853,507	52,821	906,328	13.73	**2.74**
II Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	635,697	25,000	660,697	10.01	456,190	25,000	481,190	7.29	**(2.72)**
c. Others									
I Non Resident Indian	35,654	-	35,654	0.54	37,120	-`	37,120	0.56	0.02
II Clearing Members	12,180	-	12,180	0.18	1,431	-	1,431	0.02	(0.16)
III Hindu Undivided Family	67,559	-	67,559	1.02	81,157	-	81,157	1.23	0.21
Sub - Total (B) (2):-	**2,417,024**	**78,121**	**2,495,145**	**37.81**	**2,383,490**	**77,821**	**2,461,311**	**37.29**	**(0.52)**
Total Public Shareholding (B)=(B)(1) + (B)(2):-	**2,417,024**	**78,121**	**2,495,145**	**37.81**	**2,383,490**	**77,821**	**2,461,311**	**37.29**	**(0.52)**
C. Shares held by custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**6,521,879**	**78,121**	**6,600,000**	**100.00**	**6,522,179**	**77,821**	**6,600,000**	**100.00**	**-**

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	NIL	558,665	8.46	NIL	-
2	A K Mittal (HUF)	45,900	0.70	NIL	45,900	0.70	NIL	-
3	Abhinav Kumar Mittal	236,898	3.59	NIL	236,898	3.59	NIL	-
4	Aditi Mittal	149,470	2.26	NIL	149,470	2.26	NIL	-
5	Anshu Aggarwal	172,275	2.61	NIL	172,275	2.61	NIL	-
6	Dinesh Kumar Gupta	52,500	0.80	NIL	52,500	0.80	NIL	-
7	Kavita Garg	24,899	0.38	NIL	24,899	0.38	NIL	-
8	Sanjiv Kumar	29,100	0.44	NIL	29,100	0.44	NIL	-
9	Sanjeev Kumar (HUF)	28,500	0.43	NIL	28,500	0.43	NIL	-
10	Shyam Lata Garg	26,000	0.39	NIL	26,000	0.39	NIL	-
11	Sneh Lata Mittal	131,300	1.99	NIL	131,300	1.99	NIL	-
12	A. K. Capital Markets Limited	979,043	14.83	NIL	979,043	14.83	NIL	-
13	A. K. Services Private Limited	966,769	14.65	NIL	966,769	14.65	NIL	-
14	Second Leasing Private Limited	737,370	11.17	NIL	737,370	11.17	NIL	-
	Total	**4,138,689**	**62.71**	**NIL**	**4,138,689**	**62.71**	**NIL**	**-**

iii. Change in Promoters' Shareholding – No Change

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 Share Holders)	Shareholding at the beginning of the year		Date wise Increase/ (Decrease) in Shareholding during the year specifying the Reason for increase /decrease			Shareholding at the en of the year	
		No. of Shares	% of the total shares of the company	*Date	No. of Shares	Reason	No. of Shares	% of the total shares of the company
1	A. M. Credit Analysis and Research Ltd.	371,000	5.62	NIL	NIL	NIL	371,000	5.62
2	Dipco Estates Private Limited	171,421	2.60	NIL	NIL	NIL	171,421	2.60
3	Namokar Commercial Private Limited	71,467	1.08	10.04.2015	(31,467)	Market Sale	40,000	0.61
4	Vijai Kumar Goel	69,400	1.05	NIL	NIL	NIL	69,400	1.05
5	Damani Estate And Finance Private Limited	68,000	1.03	22.05.2015	(26,684)	Market sale	8,000	0.12
				29.05.2015	(11,349)			
				05.06.2015	(10,159)			
				19.06.2015	(5,427)			
				26.06.2015	(3,000)			
				03.07.2015	(3,381)			
6	Divya Goel	65,800	1.00	NIL	NIL	NIL	65,800	1.00
7	Gajgamini Investments And Finance Private Limited	65,735	1.00	29.05.2015	20,000	Market Purchase	65,668	0.99
				10.07.2015	(7000)	Market sale		
				17.07.2015	(13,067)			
8	Archana Goel	64,700	0.98	NIL	NIL	NIL	64,700	0.98
9	JNJ Holdings Pvt. Ltd.	50,000	0.76	17.04.2015	(3,000)	Market sale	1	0.00
				24.04.2015	(11,142)			
				01.05.2015	(2,000)			
				08.05.2015	(8,831)			
				03.07.2015	(6,419)			
				10.07.2015	(7,028)			
				14.08.2015	(1,213)			
				09.10.2015	(7,273)			
				16.10.2015	(3,093)			
10	Abhishek	45,600	0.69	NIL	NIL	NIL	45,600	0.69
11	Shri Shyam Advisory Services Private Limited	34,167	0.52	24.04.2015	40,000	Market Purchase	74,167	1.12
12	Karan Rai	35,190	0.53	NIL	NIL	NIL	35,190	0.53

* Data taken from weekly shareholding received from Registrar and Transfer Agent (RTA).

v. Shareholding of Directors and Key Managerial Personnel:

A. Directors

1. **A. K. Mittal – No Change**
2. **Anshu – No Change**
3. **No other Directors hold any shares in the Company**

B. None of the Key Managerial Personnel hold any share in the Company.

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	1,796,830,251	-	27,918,000	1,824,748,251
II) Interest due but not paid	10,741,518	-	-	10,741,518
III) Interest accrued but not due	271,578	-	-	271,578
Total (I+II+III)	**1,807,843,347**	-	**27,918,000**	**1,835,761,347**
Change in Indebtedness during the financial year				
· Addition	1,301,107,889	-	27,918,000	**1,329,025,889**
· Reduction	(1,276,851,975)	-	(27,918,000)	**(1,304,769,975**
Net Change	**24,255,914**	-	-	**24,255,914**
Indebtedness at the end 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**

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 Mital (WTD)	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	9,600,000	9,897,885	**19,497,885**
	(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**	**9,897,885**	**20,553,885**
	Ceiling as per the Act			**29,230,872**

(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	100,000	100,000	40,000	-	**240,000**
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	
	Total (1)	**100,000**	**100,000**	**40,000**	-	**240,000**

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	
2	Other Non-Executive Directors					-
	· Fee for attending board/ committee meetings	-	-	-	60,000	**60,000**
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**60,000**	**60,000**
	Total (B)=(1+2)	**100,000**	**100,000**	**40,000**	**60,000**	**300,000**
	Total Managerial Remuneration (A+B)					**20,853,885**
	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 1	Chief Financial Officer 2	Company Secretary	Total Amount ₹
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,89,180	25,46,325	14,23,741	**45,59,246**
	(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	**5,89,180**	**25,46,325**	**14,23,741**	**45,59,246**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	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

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

Deepak Mittal
Whole time Director
(DIN: 00043685)

Date: August 12, 2016
Place: Mumbai

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	12%
		Mr. Deepak Mittal	11%
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 – (Managing Director)	(4%)
		Mr. Deepak Mittal – (Whole Time Director)	(1%)
		Key Managerial Person:	
		Ms. Kanchan Singh – (Company Secretary)	8%
		Mr. Vikas S Agarwal – (Chief Financial Officer)*	
		Mr. Mahesh Bhootra – Chief Financial Officer *	
		* Remuneration paid to Mr. Vikas Agarwal and Mr. Mahesh Bhootra is not comparable with previous year figures.	
3	The percentage increase in the median remuneration of employees in the Financial year	During FY 2016, the percentage increase in the median remuneration of employees as compared to previous year was approximately 5%.	
4	The number of permanent employees on the rolls of Company	There were 60 employees as on March 31, 2016	
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 17.70%. Remuneration of only one KMP i.e. Ms. Kanchan Singh, Company Secretary was increased by 8% based on the responsibilities entrusted on her. Remuneration paid to Mr. Vikas Agarwal and Mr. Mahesh Bhootra 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: August 12, 2016
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACRO-ECONOMIC, INDUSTRY STRUCTURE AND BOND MARKET DEVELOPMENT

India's economy recorded a growth rate of 7.6% in terms of real Gross Domestic Product (GDP) in 2015-16. The Indian economy has held its ground firmly despite global headwinds as global growth has slowed down from 3.4% in 2014 to 3.1% in 2015. The International Monetary Fund has hailed India as a 'bright spot' amidst a slowing global economy while the World Economic Forum has said that India's growth is extraordinarily high. India's manufacturing output growth increased to 3.9% in FY 2015-16 from 3.0% in FY 2014-15, although subdued growth in electricity and mining sector led overall industrial production growth to decline 3.0% in FY 2015-16 from 3.7% in FY 2014-15.

After achieving the fiscal deficit target of 3.9% in FY 2015-16, India remains on the path of fiscal consolidation as government has maintained the fiscal deficit target of 3.5% in FY 2016-17. The balance of payments data also showed significant improvement over the previous year. The Current Account Deficit (CAD) narrowed to 1.1% of GDP in FY 2015-16 from 1.3% in FY 2014-15 on the back of contraction in trade deficit. CAD decreased to 22.1 billion USD in FY 2015-16 from 26.8 billion USD in FY 2014-15. The Balance of Payments (BoP) situation is expected to remain favorable to India in FY 2015-16 on account of lower fuel import cost and high foreign inflows. India's trade deficit narrowed to US$ 130.1 billion in FY 2015-16 from US$ 144.9 billion in FY 2014-15.

In addition to BoP situation, India has made considerable progress on inflation front too as consumer inflation average decreased to 4.90% in FY 2015-16 from 6.36% in FY 2014-15. Amongst all categories under Consumer Price Index (CPI), only food inflation remained the cause of concern as two year of successive drought stressed the supply chain. Wholesale inflation remain in negative zone for whole FY 2015-16 as crude oil and commodity prices were declining globally mainly on account of higher supply and subdued demand.

Though the GDP data is showing continuous improvement but weakness in private investment cycle and asset quality strain in the banking sector could prevent a full-fledged recovery. Risks on the external front continue to loom in the form of a wider emerging market slowdown, especially on account of China and the likely volatility in global financial markets. However, government's step for easing norms of doing business in India attracted foreign money as FDI in India witnessed an increase of 29% and reached US$ 40 billion during the FY 2015-16 as compared to US$ 30.93 billion during the same period last year.

Indian debt market yields showed significant decline in FY 2015-16 and continue to show declining trend mainly due to global uncertainty, China slowdown and United States Federal Reserve Interest Rate decision. Further, union budget and policy action by Reserve Bank of India (RBI) remained accommodative for the market. In the budget, the Government had announced that LIC will setup a dedicated fund to provide credit enhancement to infrastructure project and the Investment basket of foreign portfolio investors will be expanded to include unlisted debt securities and pass through securities issued by securitisation Special Purpose Vehicles. SEBI announced that it will introduce an electronic auction platform that will enable eco system for the private placement market in corporate bonds.

All of the above factors point towards the strong improvement in the debt markets. The monetary policy stance of the RBI is likely to be in the easing mode for FY 2016-17 with a likelihood of another 50 bps reduction in the repo rate over the remainder of this financial year mainly on account of better monsoon conditions leading to softer food inflation in addition to healthy macro-economic conditions.

OUR BUSINESS

A. K. Capital Services Limited **("AK Capital")** 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 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.

The group comprises of 5 subsidiary companies which conduct their operations through a network of 10 branches spread over 9 cities of India. The group has interests in diversified business fields and the subsidiaries have been incorporated to undertake and specialize each business area. AK Capital conducts the business of stock broking, IPO distribution, third party product distribution and depository services through its subsidiary A. K. Stockmart Private Limited **("AK Stockmart")**. AK Stockmart is a SEBI registered 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 **("WDM")** segment of the National Stock Exchange of India Limited **("NSE")**.

The financing activities of the group are undertaken by A. K. Capital Finance Private Limited **("AK Capital Finance")** which is registered with the Reserve Bank of India as a Systematically Important Non Deposit Accepting Non-Banking Finance Company **("NBFC-ND-SI")**. AK Capital Finance is into the business of lending to corporates, investment and trading in debt securities and investment in shares.

A. K. Wealth Management Private Limited **("AK Wealth")** is registered with SEBI as a Portfolio Management Company. The Company is in the process of commencing its operations in the field of Debt Portfolio Management Services **("PMS")**.

A. K. Capital Corporation Private Limited **("AK Corporation")** is into the business of investment of funds into financial instruments.

A. K. Capital (Singapore) Pte. Ltd. **("AK Singapore")** was incorporated on July 29, 2013 as a wholly owned subsidiary of AK Capital with presence in Singapore.

Execution

AK Capital has marked a glorious journey of over 23 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.

1. 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 Operating Companies; and

   l) Companies in other infrastructure, manufacturing and services sectors.

In FY 2015-16, AK Capital managed 175 assignments of private placement of debt aggregating to ₹ 66,820 crores for all types of issuers corresponding to a market share of 22%. On a cumulative basis over past decade, AK Capital has managed 1,127 assignments of private placement of debt aggregating to ₹ 5,57,195 crores for all types of issuers corresponding to a market share of 27% (Source: PRIME Database).

2. AK Capital has been rated as **No. 1 Lead Manager** in terms of managing public issues of bonds/ debentures over last 5 years (01-Apr-2011 to 31-Mar-2016) having managed 59 public issue of debt assignments aggregating to ₹ 1,03,515 crores corresponding to a market share of 75% (Source: PRIME Database) for country's premier public as well as private sector companies.

3. AK Stockmart has been rated as **No. 1 Mobiliser** of subscription in public issues of bonds/ debentures over last 5 years (01-Apr-2011 to 31-Mar-2016) having mobilized ₹ 44,339 crores in 78 public issues of debt corresponding to a market share of 20% (Source: PRIME Database).

4. Besides private placements and public issues of debt, AK Group has demonstrated its progressive presence in undertaking and executing deals in the following segments:

Sr.	Deal Type
a.	Loan syndication
b.	Project financing
c.	Syndication of short term debt (Cps etc.)
d.	Underwriting of public issues and privately placed debt issues
e.	Initial Public Offerings ("IPOs")/ Follow-on Public Offerings ("FPOs")/ Qualified Institutional Placements ("QIPs") of equity shares
f.	Mobilization in debt public issues
g.	Syndication for Venture Capital Funds
h.	Syndication for Infrastructure Development Funds
I	Syndication of structured hybrid financial products including redeemable preference shares, optionally convertible debentures, structured obligation debt
j.	Asset backed financing
k.	Trading/investment in Government Securities and Corporate Bonds

5. AK Capital and AK Stockmart have undertaken and executed maximum number and volume of issues of redeemable non-convertible preference shares for country's top corporate houses.

6. AK Capital has successfully executed various landmark financial advisory transactions relating to management and arrangement of funds for India's leading public sector undertakings

FINANCIAL PERFORMANCE

Consolidated Financial Highlights

The consolidated total income was ₹ 245.62 crore in FY 2015-16 as compared to ₹ 254.67 crore in FY 2014-15. The Profit after tax and minority interest was ₹ 41.55 crore in FY 2015-16 as compared to ₹ 41.14 crore in FY 2014-15. Basic EPS was ₹ 62.95 and Diluted was ₹ 62.95 in FY 2015-16 as compared to ₹ 62.34 and ₹ 62.34 in FY 2014-15 respectively.

Standalone Financials

The merchant banking fees was ₹ 56.49 crore during FY 2015-16 as compared to ₹ 72.17 crore during FY 2014-15. 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 2015-16 was ₹ 11.86 crore as compared to ₹ 22.44 crore in FY 2014-15. The profit after tax for FY 2015-16 was ₹ 18.58 crore as compared ₹ 18.31 crore in FY 2014-15.

Employee expenses was ₹ 17.58 crore in FY 2015-16 compared to ₹ 18.45 crore in FY 2014-15. Finance cost was ₹ 11.34 crore in FY 2015-16 compared to ₹ 18.53 crore in FY 2014-15. Other expenses primarily include rent, taxes, lighting, advertisement and publicity, repairs and maintenance, professional fees, selling expenses, etc. Other expenses was ₹ 13.83 crore in FY 2015-16 compared to ₹ 30.93 crore in FY 2014-15.

The Company has maintained a strong and liquid balance sheet. Equity share capital and reserves increased to ₹ 331.14 crore in FY 2015-16 from ₹ 317.33 crore in FY 2014-15 primarily due to ploughing back current year profits (after provision of proposed dividend) back into the business. The Book Value per share rose to ₹ 501.72 in FY 2015-16 from ₹ 480.80 in FY 2014-15. The Non Current liabilities increased to ₹ 35.80 crore in FY 2015-16 from ₹ 5.54 crore in FY 2014-15. The Current liabilities decreased to ₹ 163 crore in FY 2015-16 from ₹ 193.45 crore in FY 2014-15. During the year the net block of fixed assets decreased by ₹ 1.08 crore to ₹ 35.82 crore. The Non-Current assets increased to ₹ 334.16 crore in FY 2015-16 from ₹ 304.94 crore in FY 2014-15. The Current assets decreased to ₹ 195.78 crore in FY 2015-16 from ₹ 211.37 crore in FY 2014-15.

Outlook and Strategy

In a short span of time, AK Capital has emerged as one of India'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 one of the few Merchant Bankers who has direct access as counterparty to almost each and every domestic bank/ institution. An experienced team of over 250 professionals, spread across the length and breadth of the country, with deep market insights enables AK Capital to foresee the future market trends and take initiatives to leverage the market opportunities. Each specialist at AK Capital brings in a varied experience in the marketing and sales of Bonds, Debentures and other Financial Products to ensure coverage of maximum spread of Investors.

We intend to capitalize on the potential of debt market and act as a catalyst that shall transform a nascent Indian debt market into a strong and globally preferred investment hub. Considering the fact that in all the developed nations the size of fixed income segment is manifold vis-à-vis equity segment unlike India where the fixed income market is quite nascent, we believe there is a still a lot of untapped potential in the fixed income segment of the Indian capital market. Further, mobilization of long-term funding for the infrastructure sector critically depends on a deep and liquid debt market with a large set of diverse and sophisticated investors and a wide array of instruments not only to provide vehicles of investment but also to manage the risk entailed.

With the debt market developing in terms of liquidity, transparency and evolution of the electronic platform, we envision ourselves as a catalyst in developing an electronic platform, improve liquidity and set benchmarks to facilitate transactions in fixed income markets. We wish to continuously innovate and present new avenues and structures of fixed income instruments to institutional and retail investors.

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)

2015-16		2005-06	
Total no. of Issues	**Amount**	**Total no. of Issues**	**Amount**
2,666	4,68,887	360	76,592
Growth over last decade : 512%			

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

2015-16		2008-09*	
No. of Issues	**Amount**	**Total No. of Issues**	**Amount**
20	33,812	1	1,500.00
Growth over the period : 547.56%			

* 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:
  - o Permission for Foreign Portfolio Investors (FPI) to invest in unlisted Corporate Debt Securities and Securitized Debt Instruments;
  - o Introduction of electronic book mechanism for issuance of debt securities on private placement basis;
  - o Simplification and rationalization of disclosure requirements for debt public issues;
  - o Framework for mandatory and uniform disclosure requirements by listed companies;
  - o Norms for issuance and listing of Green Bonds;
  - o Allocation for raising tax free bonds by PSUs for infrastructure projects;
  - o Government guarantee mechanism to enhance credit rating of PSU bonds;
  - o Fiscal discipline initiatives by cash starved state power utilities through issuance of state government guaranteed UDAY Bonds;
  - o Framework for providing partial credit enhancement by banks to bonds floated by infrastructure companies;
  - o 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;
  - o Guidelines on issue of long term bonds by banks for financing of infrastructure and affordable housing;
  - o Framework for issuance of rupee-denominated masala bonds by domestic companies from global markets without taking currency risk.
- Such measures along with growing awareness and acceptability of fixed income securities across class of investors are likely to provide impetus for exponential 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.

HUMAN RESOURCES

At AK Capital, we believe that the employees are the drivers of growth, efficiency, productivity and success. Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in maintaining the dignity of all its employees, irrespective of their gender or seniority. The Company had 60 employees at the end of the Financial Year 2015-16. The Company believes in focusing on employee training and development, rigorous leadership engagement, enhanced communication and participative decision making.

RISK MANAGEMENT

AK Capital focuses on protecting the capital and having a healthy balance sheet and has adequate risk management system across all the business. Timely and effective risk management is of prime importance to our continued success. The risk awareness culture and respecting risk has enabled us to build business on strong foundation and manage the volatility across cycles. The risk management is overseen by the Board of Directors, Audit Committee, Internal Audit Department and Compliance Department of the Company. 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 offered which differentiate ourselves 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 AND THEIR 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.

CAUTIONARY STATEMENT

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 are 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

The Company's philosophy on Code of 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, customers, 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 Obligation and Disclosure Requirement) 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 the 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. The disclosures regarding committee positions in other public companies as on March 31, 2016 have been made by the Directors.

(2) Board Meetings

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 papers to each Director sufficiently before the Board Meetings. 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 minutes of the Board Meetings 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 2015-16, the Board met five times on the following dates:

April, 16, 2015; May 24, 2015; August 14, 2015; November 7, 2015 and February 11, 2016.

The names and categories of directors, their relationship with other directors, attendance at the Board Meetings held during the financial year 2015-16 and at the last Annual General Meeting (AGM) held on September 19, 2015, as also the number of directorships and committee positions held by them in all public limited companies as on March 31, 2016 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 19, 2015	No. of Directorships and committee membership/ chairmanship		
			Held	Attended ##		Directorships *	Committee membership **	Committee chairmanship **
Mr. Subhash Chandra Bhargava	Chairman, Non-Executive Independent Director	None	5	5	No	9	8	1
Mr. A. K. Mittal	Promoter, Managing Director, Executive	Spouse of Mrs. Anshu	5	5	Yes	5	1	-
Mr. Deepak Mittal	Whole time Director, Executive	None	5	5	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 19, 2015	No. of Directorships and committee membership/ chairmanship		
			Held	Attended ##		Directorships *	Committee membership **	Committee chairmanship **
Mr. Subhash Chander Madan	Non-Executive Independent Director	None	5	5	Yes	2	1	1
Mr. Raghubinder Rai	Non-Executive Independent Director	None	5	2	Yes	2	2	-
Mrs. Anshu	Promoter, Non-Executive Non – Independent Director	Spouse of Mr. A. K. Mittal	5	3	Yes	1	-	1

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

Includes Board Meetings attended via Video Conferencing.

* 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. (Public Limited Companies includes Private Limited Companies which are subsidiaries of Public Limited Companies).

** 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. (Public Limited Companies includes Private Limited Companies which are subsidiaries of Public Limited Companies).

(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) 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, the same is tabled at the Meeting.

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 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.

(5) 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 due diligence 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

(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. The constitution and terms of reference of the Committee are wide enough covering matters specified under Section 177 of the Companies Act, 2013 and the Listing Regulations. The Audit Committee acts as a link between the Statutory and the 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. 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 2015-16, four Meetings of Audit Committee were held on the following dates:

May 24, 2015; August 14, 2015; November 7, 2015 and February 11, 2016. 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 Audit Department Head and Chief Financial Officer are invited to attend the Audit Committee Meetings to point out any observations they may have with regard 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 19, 2015. 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 pursuant to 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.

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.

Meetings

The Nomination and Remuneration Committee met twice during financial year 2015-16 on May 24, 2015 and on February 11, 2016. 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	2	2
Mr. Subhash Chander Madan	Member	Non-Executive Independent Director	2	2
Mrs. Anshu	Member	Non-Executive Non Independent Director	2	2

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 and also uploaded on the website of the Company at www.akcapindia.com.

Criteria for Performance Evaluation of Directors

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

- Providing effective leadership and strategic guidance to the management;
- Understanding the Business, including the Risks and regulatory landscape;
- Attendance at and active engagement in the discussion of business performance, competitive landscape and strategies;
- Development and monitoring of leadership teams, Compliance focus and insistence on ethical business practices;
- Nudging for long term focus areas such as Succession Planning, Business Continuity Planning etc.;
- Management of conflicts in Board discussion;
- Management of Conflict of Interest.

Remuneration of Directors

Non-Executive Directors

The Company pays ₹ 20,000 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 2015-16 is as under:

Name of the Director	Sitting fees for the Board Meetings paid/payable for the financial year 2015-16 (₹)
Mr. Subhash Chandra Bhargava	1,00,000
Mr. Subhash Chander Madan	1,00,000
Mrs. Anshu	60,000
Mr. Raghubinder Rai	40,000

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 2015-16 are as under:

Particulars	Mr. A. K. Mittal Managing Director (₹)	Mr. Deepak Mittal Whole Time Director (₹)
Salary and allowances	9,600,000	*9,897,885
Bonus	-	-
Perquisites	1,056,000	-
Total	**10,656,000**	**9,897,885**
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 as on March 31, 2016 are as under:

Sr.	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	172,275	2.61

* Shares held singly or as the first shareholder are only considered.

(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. The Chairman of the Committee is a Non-Executive Non-Independent Director 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.

Meetings

The Committee met four times during the financial year 2015-16 on the following dates:

April 15, 2015; July 16, 2015; October 15, 2015 and January 18, 2016. 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

Ms. Kanchan Singh Mehta, Company Secretary acts as the Secretary to the Committee and is 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 2015-16. There were no complaints outstanding or any instruments pending for transfer as on March 31, 2016.

(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 once during financial year 2015-16 on February 11, 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.

(D) SUBSIDIARY COMPANIES

As per the Listing Regulations, "material subsidiary" means a subsidiary 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 accounting year.

During the year under review, the Company has one material subsidiary 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 A. K. Capital Services Limited (Holding Company) is also a Director on the Board of A. K. Capital Finance Private Limited (material subsidiary) as on March 31, 2016.

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 the Company are as follows:

Financial Year	Date	Time	Location/Venue	No. of Special resolutions passed
2014-15	September 19, 2015	9.00 a.m.	Tivoli Garden Resort Hotel, Chattarpur Road, New Delhi	1
2013-14	September 20, 2014	9.00 a.m.	Tivoli Garden Resort Hotel, Chattarpur Road, New Delhi	2
2012-13	August 17, 2013	9.00 a.m.	Tivoli Garden Resort Hotel, Chattarpur Road, New Delhi	1

Postal Ballot

During the year, the Company approached the shareholders once through postal ballot regarding the special resolution for approval of change in the situation of Registered Office of the Company from the National Capital Territory of Delhi to the State of Maharashtra and alteration in Memorandum of Association of the Company.

The details of the special resolution passed through Postal Ballot (including E-voting) during the financial year 2015-16 and the voting pattern are as under:-

Date of Postal Ballot Notice: April 16, 2015 **Voting Period:** May 1, 2015 to May 30, 2015

Date of declaration of result: June 1, 2015 **Date of approval:** June 1, 2015

Promoter/ Public	No of Shares held (1)	No of Votes Polled (2)	% of Votes Polled on Outstanding share (3)=[(2)/(1)]*100	No of Votes - in Favour (4)	No of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes against on Votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	41,38,689	41,38,689	100.0000	41,38,689	0	100.0000	0.0000
Public Institutional Holders	0	0	0.0000	0	0	0.0000	0.0000
Public -Others	24,61,311	11,58,795	47.0804	11,58,784	11	99.9991	0.0009
Total	**66,00,000**	**52,97,484**	**80.2649**	**52,97,473**	**11**	**99.9998**	**0.0002**

Mr. Punkaj Jain, Partner of Punkaj Oswal & Co., Chartered Accountants, New Delhi, was appointed as the Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.

Procedure for postal ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility to all its Members. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its Members. The Members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notice and forms along with postage prepaid business reply envelopes to its Members whose names appear on the Register of Members as on cut-off date. The postal ballot notice is sent to the Members in electronic form to the e-mail addresses registered with their depository participants (in case of electronic shareholding) / the registered address (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the number of shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorized person. The results are also displayed on the Company website, www.akcapindia.com, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The result of the postal ballot was published on June 2, 2015 in an English daily newspaper and a Hindi daily newspaper for the information of the Members.

Remote e-voting and ballot voting at the AGM

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for remote e-voting facility. The Company has engaged CDSL to provide e-voting facility to all the Members. Members whose names appear on the register of members as on September 10, 2016 shall be eligible to participate in the e-voting.

Resolutions, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

(F) DISCLOSURES

a. Related Party Transactions

None of the transactions with any of the related parties were in conflict with the interest of the Company. The disclosure with respect to the related party transactions is set out in the Notes to the financial statements no. 31 forming part of this Annual Report. All related party transactions are carried out on arm's length basis at fair market value and are intended to further the interests of the Company.

The Board has approved the Policy for Determining Material Subsidiary and the Policy on Related Party Transactions which has been uploaded on the Company's website.

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 2015-16.

v. In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has one material non listed 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 with the Company during the financial year ended March 31, 2016.

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.

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 publishes in the Financial Express and Jansatta/Navshakti newspapers.

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 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.

(G) MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and the Listing Regulations.

(H) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year 2015-16 as required under Listing Regulations, is presented in a separate section forming part of this Annual Report.

(I) GENERAL SHAREHOLDERS' INFORMATION

Details of the 23rd Annual General Meeting of the Company

Date: September 17, 2016
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 2016-17

Financial reporting for the	Tentative dates of the Board / General Meeting
First quarter ending on June 30, 2016	On or before August 14, 2016
23rd Annual General Meeting	September 17, 2016
Second quarter ending on September 30, 2016	On or before November 14, 2016
Third quarter ending on December 31, 2016	On or before February 14, 2017
Fourth quarter/year ending on March 31, 2017	On or before May 30, 2017

Dividend payment date

The payment of dividend, if any, shall be on or before, Saturday, October 15, 2016.

Listing of Equity Shares on Stock Exchanges:

The Company's Equity Shares are listed on Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. The Company has paid the requisite annual listing fees for the financial year 2016-17.

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

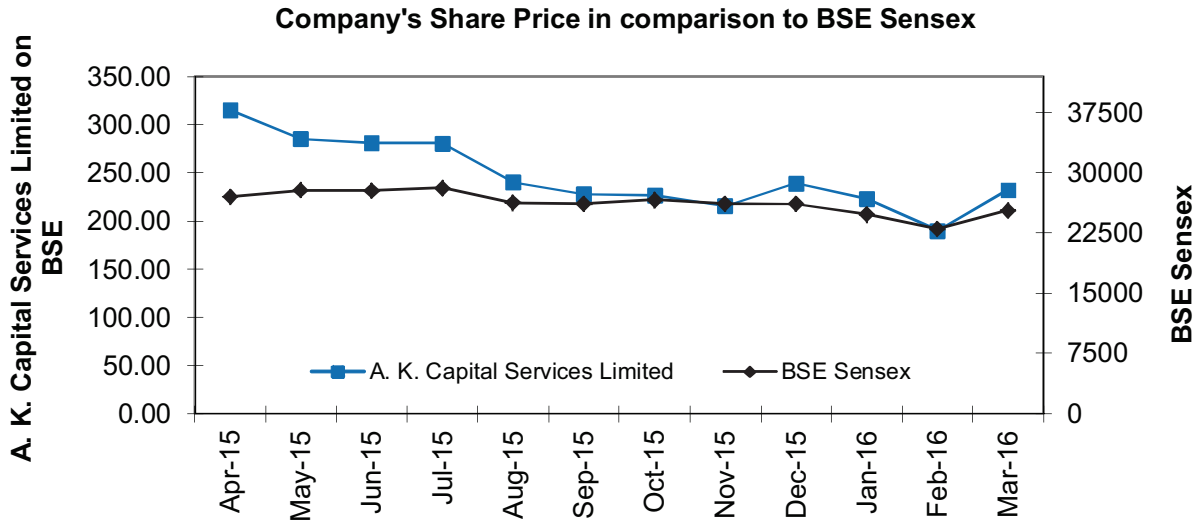
Market Price Data

The table below gives the monthly high and low quotations of shares traded at Bombay Stock Exchange Limited (BSE) for the financial year 2015-16.

Month	High Price (₹)	Low Price (₹)	No. of Share traded
April 2015	325.80	232.60	200,487
May 2015	356.90	275.00	154,018
June 2015	290.00	239.00	85,602
July 2015	323.00	265.00	161,203
August 2015	295.00	225.00	62,949
September 2015	257.00	210.60	31,867
October 2015	246.50	224.10	33,823
November 2015	236.00	208.40	28,544
December 2015	280.90	215.30	58,532
January 2016	269.80	205.20	52,036
February 2016	249.00	176.00	43,887
March 2016	237.00	185.30	96,826

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 2015-16.



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-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai - 400 078
Tel: +91 22 2594 6970
Fax: +91 22 2594 6969
E-mail: rnt.helpdesk@linkintime.co.in

The Registrar and Share Transfer Agent 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.

Share transfer system

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.

Distribution of Shareholding

Distribution schedule of Equity shareholding of the Company as at March 31, 2016 is as follows:

Category From		To	Number of Shareholders	% of total Shareholders	Total number of shares held	% of total Shareholding
1	-	2,500	1,863	73.40	1,18,596	1.80
2,501	-	5,000	300	11.82	1,14,035	1.73
5,001	-	10,000	138	5.44	106,505	1.61
10,001	-	20,000	69	2.72	98,959	1.50
20,001	-	30,000	34	1.34	834,96	1.27
30,001	-	40,000	23	0.91	79,368	1.20
40,001	-	50,000	26	1.02	121,357	1.84
50,001	-	100,000	33	1.30	246,256	3.73
100,001	-	Above	52	2.05	5,631,428	85.32
		Total	**2,538**	**100.00**	**6,600,000**	**100.00**

Equity Shareholding pattern of the Company as at March 31, 2016 is as follows:

Category	Number of shares	% of total Shareholding
Promoter and promoter group		
Indian	3,966,414	60.10
Foreign (NRI)	172,275	2.61
Sub-total (A)	**4,138,689**	**62.71**
Public		
NRIs/Foreign Bodies Corporate	37,120	0.56
Indian Bodies Corporate	945,085	14.46
Individual/HUF	1,468,675	22.25
Clearing Members	1,431	0.02
Sub-total (B)	**2,461,311**	**37.29**
Total Shareholding (A) + (B)	**6,600,000**	**100.00**

Dematerialization of shares and liquidity

As on March 31, 2016, 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.

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-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai - 400 078
Tel: +91 22 2594 6970
Fax: +91 22 2594 6969
E-mail: rnt.helpdesk@linkintime.co.in

The Company Secretary
A. K. Capital Services Limited
30-39, Free Press House, 3rd floor
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, Free Press House, 3rd floor
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

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 2015-16.

Place: Mumbai
Date : August 12, 2016

For A. K. Capital Services Limited

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

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 2015-16 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 changes in internal control over financial reporting during the year;
2. no significant changes 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.

Place: Mumbai
Date : August 12, 2016

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

Mahesh Bhootra
Chief Financial Officer

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 March 31, 2016, as stipulated in Clause 49 of the Listing Agreement executed by the Company with the BSE Limited ('BSE') for the period from April 1, 2015 to November 30, 2015; and as prescribed in regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the period from December 1, 2015 to March 31, 2016.

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.

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 stipulated in the above mentioned Listing Agreement / Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Suresh Surana & Associates LLP

Chartered Accountants

ICAI Registration No.: 121750W/W-100010

Ramesh Gupta
Partner
Membership No. : 102306

Place: Mumbai
Date : August 12, 2016

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 2016, 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 the 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, 2016, 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 paragraph 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 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

(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

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; and

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

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

(Ramesh Gupta)
PARTNER
Membership No.: 102306
Place: Mumbai
Dated: May 21, 2016

ANNEXURE – 'A' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

(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 the provisions of 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, 2016 for a period of more than six months from the date they became payable. As informed, statutory dues in the nature of employee state insurance, 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	1,242,940	April 2011 to March 2012	Deputy Commissioner of Income Tax

(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 explanation 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.

(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.

(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
ICAI Reg. No. 121750W/W-100010

(Ramesh Gupta)
PARTNER
Membership No.: 102306
Place: Mumbai
Dated: May 21, 2016

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 2016 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 financialcontrols 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 internalfinancialcontrols,both applicable to an audit of InternalFinancial Controls and,both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethicalrequirements 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 operatni g 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 financialstatements,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 financialreporting.

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 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Ramesh Gupta)
PARTNER
Membership No.: 102306
Place: Mumbai
Dated: May 21, 2016

BALANCE SHEET AS AT MARCH 31, 2016

	Note No.	As at 31.03.2016 ₹	As at 31.03.2015 ₹
I EQUITY AND LIABILITES			
1 **Shareholders' funds**			
(a) Share capital	2	66,000,000	66,000,000
(b) Reserves and surplus	3	3,245,378,635	3,107,286,076
		3,311,378,635	**3,173,286,076**
2 **Non-current liabilities**			
(a) Long-term borrowings	4	302,184,106	-
(b) Deferred tax liabilities (net)	5	46,290,613	42,799,379
(c) Long-term provisions	6	9,550,427	12,578,425
		358,025,146	**55,377,804**
3 **Current liabilities**			
(a) Short-term borrowings	7	1,527,007,100	1,513,814,485
(b) Trade payables	8	4,803,772	25,115,997
(c) Other current liabilities	9	49,219,949	338,331,133
(d) Short-term provisions	10	49,008,363	57,206,345
		1,630,039,184	**1,934,467,960**
TOTAL		**5,299,442,965**	**5,163,131,840**
II ASSETS			
1 **Non-current assets**			
(a) Fixed assets	11		
(i) Tangible assets		357,923,964	368,915,830
(ii) Intangible assets		271,350	117,008
(b) Non-current investments	12	2,976,468,100	2,676,904,200
(c) Long-term loans and advances	13	6,976,472	3,503,908
		3,341,639,886	**3,049,440,946**
2 **Current assets**			
(a) Current investments	14	1,752,503,272	1,897,357,682
(b) Trade receivables	15	73,823,121	82,683,918
(c) Cash and bank balances	16	47,605,175	20,028,387
(d) Short-term loans and advances	17	52,861,161	78,795,666
(e) Other current assets	18	31,010,350	34,825,241
		1,957,803,079	**2,113,690,894**
TOTAL		**5,299,442,965**	**5,163,131,840**
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

Kanchan Singh
Company Secretary
(ACS: A24596)

Place : Mumbai
Date : May 21, 2016

Place: Mumbai
Date: May 21, 2016

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016

		Note No.	Current Year ₹	Previous Year ₹
I	Revenue from operations	19	683,448,735	946,113,870
II	Other income	20	36,287,718	30,496,952
III	**Total revenue (I+II)**		**719,736,453**	**976,610,822**
IV	**EXPENSES**			
	Employee benefits expense	21	175,831,066	184,455,018
	Finance cost	22	113,393,882	185,325,296
	Depreciation / amortisation expenses	11	19,441,325	20,609,423
	Other expenses	23	138,259,341	309,295,021
V	**Total expenses**		**446,925,614**	**699,684,758**
VI	**Profit before tax (III-IV)**		**272,810,839**	**276,926,064**
	Tax expenses			
	- current tax		90,000,000	95,000,000
	- deferred tax		3,491,234	1,585,221
	- Earlier year tax adjustments		(6,434,582)	(2,714,176)
			87,056,652	93,871,045
VII	**Profit after tax (V-VI)**		**185,754,187**	**183,055,019**
VIII	**Earnings per share (₹)**			
	Basic earnings per share		28.14	27.74
	Diluted earnings per share		28.14	27.74
	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

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : May 21, 2016

On behalf of the Board of Directors

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

Deepak Mittal
Director
(DIN: 00043685)

Mahesh Bhootra
Chief Financial Officer

Kanchan Singh
Company Secretary
(ACS: A24596)

Place: Mumbai
Date: May 21, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	Current Year ₹	Previous Year ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	272,810,839	276,926,064
Adjustments for		
Depreciation/Amortisation	19,441,325	20,609,423
Loss on sale of fixed assets	-	2,389,548
Interest income - others	(2,321,728)	(2,264,167)
Interest expenses	110,272,132	181,345,325
Income from investments	(118,585,276)	(224,413,328)
Deposits / bad debts written-off	-	4,869,155
Balances written back	(477,157)	(14,170)
Operating profit before working capital adjustments	**281,140,135**	**259,447,850**
Adjustments for		
(Increase)/decrease in trade and other receivables	30,883,327	(32,992,874)
Increase/(Decrease) in trade and other payables	(20,903,011)	14,472,215
Cash generated from operations	**291,120,451**	**240,927,191**
Direct Taxes Paid	(94,531,092)	(76,503,342)
Net cash generated from operating activities	**196,589,359**	**164,423,849**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(8,603,801)	(1,092,630)
Sale of fixed assets	-	5,600,000
(Purchase) / sale of investments (net)	(154,979,405)	(628,527,883)
Deposits with bank having original maturity of more than three months	7,180,974	(7,180,974)
Interest income on investments	123,851,359	117,330,879
Interest income - others	2,321,728	2,264,167
Net cash generated used in investing activities	**(30,229,145)**	**(511,606,441)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) of borrowings (net)	34,041,141	527,419,194
Interest paid	(118,168,663)	(170,844,065)
Dividend paid	(39,600,000)	(39,600,000)
Dividend distribution tax paid	(7,917,671)	(6,730,020)
Net cash generated from financing activities	**(131,645,193)**	**310,245,109**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**34,715,021**	**(36,937,483)**
Cash and cash equivalents at the beginning of the year	11,794,964	48,732,447
Cash and cash equivalents at the end of the year	**46,509,985**	**11,794,964**
Cash and cash equivalents at the end of the year comprise of:		
Cash on hand	2,868,572	1,347,778
Balances with banks in accounts	43,641,413	10,447,186
	46,509,985	**11,794,964**

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 21, 2016

For and On behalf of the Board of Directors

A. K. Mittal	Deepak Mittal	Mahesh Bhootra	Kanchan Singh
Managing Director	Director	Chief Financial Officer	Company Secretary
(DIN: 00698377)	(DIN: 00043685)		(ACS: A24596)

Place: Mumbai
Date: May 21, 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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 on straight-line method on pro-rata basis in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956 up to 31 March, 2014. From 1 April, 2014, the Company has provided depreciation 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.

ii) Intangible assets

Software is amortised on a straight line basis over its estimated useful life of 3 years.

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.

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, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
NOTE - 2		
SHARE CAPITAL		
Authorised		
33,000,000 (previous year 33,000,000) Equity shares of ₹10 each	330,000,000	330,000,000
200,000 (previous year 200,000) Redeemable cumulative preference shares of ₹100 each	20,000,000	20,000,000
	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 31.03.2016		As at 31.03.2015	
	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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2016, the amount of final dividend recognised as distributions to equity shareholders is ₹ 6 per share - final dividend ; (Previous year ₹ 6 per share - final dividend).

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 31.03.2016		As at 31.03.2015	
	No. of shares held	% of holding	No. of shares held	% of holding
A. K. Capital Markets Limited	979,043	14.83%	979,043	14.83%
A. K. Services Private Limited*	966,769	14.65%	966,769	14.65%
Second Leasing Private Limited	737,370	11.17%	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%

* Includes 2,000 shares of the Company bought on 31 March, 2015 which shall be reflected on T+2 basis in Demat statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
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	477,088,960	458,088,960
Add: Additions during the year	19,000,000	19,000,000
Closing balance	**496,088,960**	**477,088,960**
Surplus in statement of profit and loss		
Opening balance	2,218,697,116	2,107,157,631
Less: Adjustment (net of deferred tax assets ₹ Nil; previous year of ₹ 2,645,065) in accordance with the transitional provisions of the Schedule II of the Act (Refer Note No.11)	-	4,997,863
Add: Profit for the year	185,754,187	183,055,019
Amount available for appropriation	**2,404,451,303**	**2,285,214,787**
Appropriations:		
Proposed dividend	39,600,000	39,600,000
Dividend distribution tax	8,061,628	7,917,671
Transfer to general reserves	19,000,000	19,000,000
Closing balance	**2,337,789,675**	**2,218,697,116**
	3,245,378,635	**3,107,286,076**
NOTE - 4		
LONG TERM BORROWINGS		
Secured		
Term loans		
From NBFC*	300,000,000	-
Vehicle loan		
From banks**	2,184,106	-
	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, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
NOTE - 5		
DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities:		
Depreciation	49,672,484	47,233,144
	49,672,484	**47,233,144**
Less; Deferred tax assets:		
Expenses allowable on payment basis (gratuity)	3,381,871	4,433,765
	3,381,871	4,433,765
	46,290,613	**42,799,379**
NOTE - 6		
LONG TERM PROVISIONS		
For employee benefits		
Gratuity (unfunded)	9,550,427	12,578,425
	9,550,427	**12,578,425**
NOTE - 7		
SHORT TERM PROVISIONS		
Secured		
Loans repayable on demand		
From bank *	1,527,007,100	529,039,608
From NBFC **	-	984,774,877
	1,527,007,100	**1,513,814,485**

* 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.

** Line of credit from NBFC is secured by pledge of securities as per the approved list of the lender. The loan is repayable on demand.

NOTE - 8		
TRADE PAYABLES		
Total outstanding dues of micro, small and medium enterprises (Refer note no. 35)	-	-
Total outstanding dues of trade payable other than micro, small and medium	4,803,772	25,115,997
	4,803,772	**25,115,997**
NOTE - 9		
OTHER CURRENT LIABILITIES		
Current maturities of long-term debt - from banks (Refer note no.4)	1,680,186	3,015,766
Current maturities of long-term debt - from NBFC (Refer note no.4)	-	280,000,000
Interest accrued and due on borrowings	-	10,741,518
Interest accrued but not due on short term borrowings	1,227,869	271,578
Creditors for capital goods	-	331,084
Unpaid dividends*	1,095,190	1,050,048
Statutory dues	11,086,428	6,945,420
Deposits	27,918,000	27,918,000
Employees dues	6,212,276	7,806,117
Other Payable	-	251,602
	49,219,949	**338,331,133**

* During the year, ₹ 87,531 (Previous year ₹ 81,825) 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, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
NOTE - 10		
SHORT TERM PROVISIONS		
Provision for employee benefits		
Gratuity (unfunded)	221,506	232,962
Leave encashment	1,125,229	1,163,341
	1,346,735	**1,396,303**
Others		
Provision for taxation(Net of Advance Tax ₹ Nil Previous Year ₹ 350,795,513)	-	8,292,371
Provision for proposed dividend	39,600,000	39,600,000
Provision for dividend distribution tax	8,061,628	7,917,671
	47,661,628	**55,810,042**
	49,008,363	**57,206,345**

NOTE - 11
FIXED ASSETS

(Amount in ₹)

Particulars	Tangible assets									Intangible assets	
	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 2014	369,060	13,957,121	20,609,854	13,509,954	28,297,389	343,500,152	24,046,303	50,961,426	495,251,259	4,178,105	4,178,105
Additions	-	226,080	490,333	350,871	-	-	-	3,980	1,071,264	21,366	21,366
Deductions/adjustments	-	-	-	-	-	-	-	(15,666,009)	(15,666,009)	-	-
As at 31 March 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**
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
Additions	-	19,635	130,186	70,552	1,323,116	-	-	6,747,812	8,291,301	312,500	312,500
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**
Depreciation/amortisation											
As at 31 March 2014	328,754	11,660,925	8,114,541	4,705,915	3,493,881	32,305,763	17,240,053	13,836,781	91,686,613	3,560,644	3,560,644
For the year	5,760	820,523	3,585,252	1,138,996	464,130	5,738,403	2,912,405	5,422,135	20,087,604	521,819	521,819
Transitional Reserve	-	1,342,400	-	6,300,528	-	-	-	-	7,642,928	-	-
Deductions/adjustments	-	-	-	-	-	-	-	(7,676,461)	(7,676,461)	-	-
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**
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**
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
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**
Net block											
At 31 March 2015	**34,546**	**359,353**	**9,400,394**	**1,715,386**	**24,339,378**	**305,455,986**	**3,893,845**	**23,716,942**	**368,915,830**	**117,008**	**117,008**
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**

Notes:

1. Vehicles include vehicles hypothecated against loan taken having gross block of ₹ 6,747,812 (as at 31.3.2015 ₹ 17,876,388), accumulated depreciation of ₹ 746,164 (as at 31.3.2015 ₹ 4,786,720) and net block of ₹ 6,001,648 (as at 31.3.2015 ₹ 13,089,668).

2. During the previous year, the Company had charged depreciation based on revised remaining useful life of the assets as per the requirement of Schedule II of Companies Act 2013 effective from 1 April 2014. Due to above, depreciation charged for the previous year ended was higher by ₹ 4,631,921. Further, based on transitional provision in Note 7(b) to Schedule II, an amount of ₹ 4,997,863 (net of deferred tax ₹ 2,645,065) had been adjusted to opening balance of the retained earnings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Face Value	As at 31.03.2016		As at 31.03.2015	
	₹	Number	₹	Number	₹
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	21,653,740	2,715,524,000	19,653,740	2,415,524,000
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	399,108	19,785,000	399,108	19,785,000
			2,898,809,000		**2,598,809,000**
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	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	8,465,100	70	8,901,200
			77,659,100		**78,095,200**
TOTAL			**2,976,468,100**		**2,676,904,200**
Aggregate amount of unquoted investments			**2,976,468,100**		**2,676,904,200**

Note:

During the year, cost of investment in Urban Infrastructure Venture Capital Limited has been reduced by ₹ 436,100 on account of distribution received from Urban Infrastructure Opportunity fund by way of return of capital vide letter dated 15 July 2015, 27 July 2015 and 13 October 2015.

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
NOTE - 13		
LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Deposits	572,377	569,539
Other loans and advances	784,607	-
Advance income tax (Net of Provision ₹ 291,199,466 ; Previous Year ₹ Nil)	4,994,695	2,922,369
Advances to employees	624,793	12,000
Prepaid expenses	**6,976,472**	**3,503,908**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE - 14

CURRENT INVESTMENTS

	Face Value	As at 31.03.2016		As at 31.03.2015	
	₹	Number	₹	Number	₹
Non trade, quoted (fully paid up) - current					
Equity shares					
Shamken Spinners Ltd.	10	8,500	9,010	8,500	9,010
Bonds					
0.00% Indiabulls Real Estate Limited-7165	1,000,000	243	243,000,000	-	-
10.00% Shriram Transport Finance Company Limited-2028	1,000,000	-	-	50	50,314,050
10.25% Amtek Auto Limited-2015	1,000,000	-	-	200	200,000,000
10.25% Shriram Transport Finance Company Limited-2015	1,000	-	-	5,308	5,243,230
10.50% Amtek Auto Limited-2020	1,000,000	-	-	18	18,000,000
10.50% India bulls Housing Finance Limited-2017	1,000,000	3	3,001,400	3	3,000,600
10.50% Indiabulls Real Estate Limited-2017	1,000,000	150	150,000,000	-	-
10.50% Indiabulls Real Estate Limited-2018-7264	1,000,000	200	200,000,000	-	-
10.50% Indiabulls Real Estate Limited-2018-7280	1,000,000	200	200,000,000	-	-
10.50% Shriram Transport Finance Company Limited-2017	1,000	-	-	3,000	2,981,115
10.60% Dewan Housing Finance Corporation Limited-2023	1,000,000	-	-	4	4,052,000
10.70% Dewan Housing Finance Corporation Limited-2021	1,000,000	-	-	20	20,336,000
10.70% Dewan Housing Finance Corporation Ltd.-2021-7951	1,000,000	-	-	2	2,046,600
10.75% Dewan Housing Finance Limited-2023	1,000,000	-	-	6	6,002,400
11.00% Aspire Home Finance Corporation Limited-2021	1,000,000	50	50,000,000	-	-
11.15% Dewan Housing Finance Corporation Limited-2018	1,000,000	-	-	4	4,000,800
11.25% Fullerton India Credit Company Limited-2018	1,000,000	-	-	4	4,051,200
11.25% Sobha Limited-2018-7285	100,000	1,500	150,000,000	-	-
11.25% Sobha Limited-2018-7293	100,000	2,500	250,000,000	-	-
11.25% SREI Infrastructure Finance Limited-2019	1,000	-	-	6,000	6,029,400
11.25% Syndicate Bank Limited-2021	1,000,000	150	150,000,000	-	-
11.75% Indiabulls Real Estate Limited-2017	1,000,000	23	23,006,800	-	-
11.75% Sunteck Reality Limited-2017-7015	100,000	500	50,000,000	-	-
11.75% Sunteck Reality Limited-2018-7023	100,000	100	10,000,000	-	-
11.80% Indiabulls Real Estate Limited-2018	1,000,000	1	1,000,400	-	-
12.00% Sobha Limited-2017-7202	100,000	30	3,001,800	-	-
12.00% Sobha Limited-2018-7210	100,000	170	17,000,000	-	-
12.00% SREI Infrastructure Finance Limited-2019	1,000	-	-	900	901,170
7.00% Industrial Development Bank of India-2019	5,000	155	775,233	155	775,233
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	-	-
7.98% Infrastructure Development Finance Company Ltd.-2023	1,000,000	-	-	1	1,033,300
8.40% GOI Loan-2024	100	-	-	25,000	2,612,500
8.54% National Hydroelectric Power Corporation-2028	1,000	-	-	4,190	4,708,722
8.60% LIC Housing Finance Limited-2020	1,000,000	1	1,002,300	1	1,056,900
8.67% National Hydroelectric Power Corporation-2033	1,000	-	-	9,899	11,507,865
8.99% Industrial Development Bank of India-2027	1,000,000	-	-	4	4,084,000
9.13% Krishna Bhagya Jala Nigam Limited-2024	1,000,000	-	-	700	700,000,000
9.15% Punjab National Bank-8076	1,000,000	-	-	758	760,945,200
9.48% Bank of Baroda-8075	1,000,000	-	-	39	39,319,800
9.50% Tourism Finance Corporation of India Limited-2023	1,000,000	-	-	1	1,032,265
9.60% Tourism Finance Corporation of India Limited-2028	1,000,000	-	-	8	8,056,344
9.65% Tourism Finance Corporation of India Limited-2033	1,000,000	1	1,018,974	2	2,037,948
9.85% Shriram Transport Finance Company Limited-2017	1,000	-	-	18,100	18,214,030
9.85% Shriram Transport Finance Company Limited-2021	1,000,000	-	-	15	15,006,000
TOTAL			**1,752,503,272**		**1,897,357,682**
Aggregate amount of quoted investments					
Equity			**9,010**		**9,010**
Bonds			**1,752,494,262**		**1,897,348,672**
Aggregate market value of quoted investments					
Equity			**9,010**		**9,010**
Bonds*			**1,752,494,262**		**1,897,348,672**

* Bonds are valued at cost as the market value is not available.
(Refer note no. 25 & 26)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
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	72,997,282	82,683,918
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	825,839	-
	73,823,121	**82,683,918**
NOTE - 16		
CASH & BANK BALANCES		
Cash and cash equivalents		
a) Cash on hand	2,868,572	1,347,778
b) Balances with banks		
- in current account	43,151,296	9,741,362
- debit balance of bank overdraft facility	174,996	705,824
c) In other deposit accounts		
- original maturity Less than 3 months *	315,121	-
	46,509,985	**11,794,964**
Other bank balances:		
In other deposit accounts		
- original maturity more than 3 months *	-	7,180,974
In Earmarked accounts- unpaid dividend accounts	1,095,190	1,052,449
	1,095,190	**8,233,423**
	47,605,175	**20,028,387**
* (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	35,662,000
Loans and advances to others		
Loans and advances to other parties	16,067,688	12,996,076
Deposits	23,045,690	24,985,690
Prepaid expenses	2,979,455	4,835,531
Balances with government authorities	106,328	316,369
	52,861,161	**78,795,666**
NOTE - 18		
OTHER CURRENT ASSETS		
Current maturities of long term loans and advances to employees	24,199	146,634
Interest receivable on investments / deposits	29,678,847	34,675,015
Other receivables*	1,307,304	3,592
	31,010,350	**34,825,241**
* Receivable from A.K. Stockmart Private Limited, which is wholly owned subsidiary		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Current Year ₹	Previous Year ₹
NOTE - 19		
REVENUE FROM OPERATIONS		
Sale of services	564,863,459	721,700,542
Income from investments	118,585,276	224,413,328
	683,448,735	**946,113,870**
NOTE - 20		
OTHER INCOME		
Rent income	27,981,791	27,918,000
Interest income	2,321,728	2,264,167
Other non operating income	5,984,199	314,785
	36,287,718	**30,496,952**
NOTE - 21		
EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	173,216,844	181,388,650
Contribution to provident fund	697,406	660,277
Staff welfare expenses	1,916,816	2,406,091
	175,831,066	**184,455,018**
NOTE - 22		
FINANCE COST		
Interest expenses	108,383,436	179,261,360
Others borrowing costs	3,121,750	3,979,971
Interest on income tax	1,888,696	2,083,965
	113,393,882	**185,325,296**
NOTE - 23		
OTHER EXPENSES		
Electricity expenses	1,157,365	3,506,426
Rent expenses	42,864,068	57,710,743
Repairs and maintenance:		
- building	5,587,647	5,336,661
- others	701,490	1,463,689
Rates and taxes	2,107,804	2,066,646
Travelling expenses	11,004,180	13,753,129
Auditor's remuneration:		
As auditor	205,000	205,000
for other services	138,000	122,500
Professional fees	2,110,109	2,746,479
Printing and stationary expenses	3,772,737	4,623,949
Bad debts	-	4,869,155
Advertisement expenses	4,111,924	3,451,928
Business promotion expenses	4,348,714	7,336,320
Selling Expenses	37,187,246	169,464,705
Loss on sale of fixed asset	-	2,389,548
CSR expenditure (Refer Note - 34)	-	8,013,864
Miscellaneous expenses	22,963,057	22,234,279
	138,259,341	**309,295,021**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE - 24

CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
Corporate guarantee given to a bank in respect of working capital facility and term loan facility taken by a subsidiary company	2,750,000,000	2,750,000,000
Total	**2,750,000,000**	**2,750,000,000**

NOTE - 25

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

	As at 31.03.2016		As at 31.03.2015	
	Number	₹	Number	₹
0.00% Indiabulls Real Estate Limited-7165	243	243,000,000	-	-
10.00% Shriram Transport Finance Company Limited-2028	-	-	50	50,314,050
10.25% Amtek Auto Limited-2015	-	-	200	200,000,000
10.50% Amtek Auto Limited-2020	-	-	18	18,000,000
10.50% India bulls Housing Finance Limited-2017	3	3,001,400	3	3,000,600
10.50% Indiabulls Real Estate Limited-2017	150	150,000,000	-	-
10.50% Indiabulls Real Estate Limited-2018-7264	200	200,000,000	-	-
10.50% Indiabulls Real Estate Limited-2018-7280	200	200,000,000	-	-
10.60% Dewan Housing Finance Corporation Limited-2023	-	-	4	4,052,000
10.70% Dewan Housing Finance Corporation Limited-2021-7951	-	-	2	2,046,600
10.70% Dewan Housing Finance Corporation Limited-2021	-	-	20	20,336,000
10.75% Dewan Housing Finance Limited-2023	-	-	6	6,002,400
11.00% Aspire Home Finance Corporation Limited-2021	50	50,000,000	-	-
11.15% Dewan Housing Finance Corporation Limited-2018	-	-	4	4,000,800
11.25% Sobha Limited-2018-7285	1,500	150,000,000	-	-
11.25% Sobha Limited-2018-7293	2,500	250,000,000	-	-
11.25% Fullerton India Credit Company Limited-2018	-	-	4	4,051,200
11.25% SREI Infrastructure Finance Limited-2019	-	-	6,000	6,029,400
11.25% Syndicate Bank Limited-2021	150	150,000,000	-	-
11.75% Indiabulls Real Estate Limited-2017	23	23,006,800	-	-
11.75% Sunteck Reality Limited-2017-7015	500	50,000,000	-	-
11.75% Sunteck Reality Limited-2018-7023	100	10,000,000	-	-
11.80% Indiabulls Real Estate Limited-2018	1	1,000,400	-	-
12.00% Sobha Limited-2017-7202	30	3,001,800	-	-
12.00% Sobha Limited-2018-7210	170	17,000,000	-	-
12.00% SREI Infrastructure Finance Limited-2019	-	-	900	901,170
7.00% Industrial Development Bank of India-2019	155	775,233	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	-	-
7.98% Infrastructure Development Finance Company Limited-2023	-	-	1	1,033,300
8.54% National Hydroelectric Power Corporation-2028	-	-	4,190	4,708,722
8.60% LIC Housing Finance Limited-2020	1	1,002,300	1	1,056,900
8.67% National Hydroelectric Power Corporation-2033	-	-	9,890	11,497,402
8.99% Industrial Development Bank of India-2027	-	-	4	4,084,000
9.13% Krishna Bhagya Jala Nigam Limited-2024	-	-	325	325,000,000
9.48% Bank of Baroda-8075	-	-	39	39,319,800
9.50% Tourism Finance Corporation of India Limited-2023	-	-	1	1,032,265
9.60% Tourism Finance Corporation of India Limited-2028	-	-	8	8,056,344
9.65% Tourism Finance Corporation of India Limited-2033	1	1,018,974	2	2,037,948
9.85% Shriram Transport Finance Company Limited-2017	-	-	18,100	18,214,030
9.85% Shriram Transport Finance Company Limited-2021	-	-	15	15,006,000
Total		**1,752,147,878**		**750,556,164**

NOTE - 26

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

	As at 31.03.2016		As at 31.03.2015	
	Number	₹	Number	₹
9.13% Krishna Bhagya Jala Nigam Ltd 2024	-	-	375	375,000,000
9.15% Punjab National Bank	-	-	758	760,945,200
Total		-		**1,135,945,200**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE - 27

DETAILS OF SALES OF SERVICES

	Current Year ₹	Previous Year ₹
Merchant banking fees	560,348,598	717,250,017
Brokerage received	4,514,861	4,450,525
Total	**564,863,459**	**721,700,542**

NOTE - 28

EXPENDITURE IN FOREIGN CURRENCY

Travelling expenses	390,832	649,398
Total	**390,832**	**649,398**

NOTE - 29

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 :

i) 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.

ii) 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	12,811,387	9,618,467
Interest cost	1,024,911	769,477
Service cost	1,201,517	1,682,646
Benefits paid	(6,034,968)	-
Actuarial (gain)/loss on obligation	769,086	740,797
Present value of obligation as at year end	9,771,933	12,811,387
Amount recognised in the balance sheet		
Present value of obligation, as at year end	9,771,933	12,811,387
Fair value of plan assets as at year end	-	-
Assets recognised in the balance sheet	-	-
Liabilities recognised in the balance sheet	9,771,933	12,811,387
Net gratuity cost		
Current service cost	1,201,517	1,682,646
Interest cost	1,024,911	769,477
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be recognised	769,086	740,797
Net gratuity cost (Included in salaries and wages)	2,995,514	3,192,920
Assumptions used in accounting for the gratuity plan		
Mortality	LIC (2006-08)	LIC (2006-08)
Discount rate	8%	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.

NOTE - 30

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE - 31
RELATED PARTY DISCLOSURES

I Related party relationships:

Subsidiaries
A.K.Stockmart Private Limited (wholly owned)
A.K.Capital Corporation Private Limited (wholly owned)
A.K.Wealth Management 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 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.

II Transactions with related parties: **Details of related party transactions are as follows:**	**Current Year** ₹	**Previous Year** ₹
Investments in share capital		
A.K.Capital Finance Private Limited	300,000,000	-
Directors remuneration (including perquisites)		
A. K. Mittal	10,656,000	17,856,000
Deepak Mittal	9,897,885	10,039,505
Brokerage expense		
A. K. Stockmart Private Limited	383,110	81,047
Demat charges		
A. K. Stockmart Private Limited	36,212	1,800
Purchase of Car		
M Square Automobile Private Limited	6,747,812	-
Repairs and Maintenance charges paid for car		
M Square Automobile Private Limited	291,758	410,277
Rent expense		
A. K. Mittal	3,908,000	6,408,000
Anshu	2,028,000	3,528,000
Abhinav Kumar Mittal	2,669,600	5,169,600
Director's sitting fees		
Anshu	60,000	20,000
Rent deposit given outstanding as at year end		
A. K. Mittal	6,250,000	16,250,000
Anshu	2,450,000	7,450,000
Abhinav Kumar Mittal	1,962,000	11,962,000
Balance receivables		
A. K. Stockmart Private Limited	1,307,304	3,592
Corporate guarantee given to a bank in respect of working capital demand loan taken by a subsidiary company		
A. K. Capital Finance Private Limited	2,750,000,000	2,750,000,000

Note: Transaction amount is excluding taxes, wherever applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE - 32

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 31.03.2016 ₹	As at 31.03.2015 ₹
Not later than one year	825,000	13,744,800
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 ₹ 42,864,068 (previous year ₹ 57,710,743).
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 31.03.2016 ₹	As at 31.03.2015 ₹
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 ₹ 27,981,791 (previous year ₹ 27,918,000).

NOTE - 33

EARNINGS PER SHARE

	Current Year ₹	Previous Year ₹
Net profit after tax as per statement of profit and loss (₹)	185,754,187	183,055,019
Weighted average number of equity shares outstanding during the year for basic earnings per share (No.)	6,600,000	6,600,000
Basic and diluted earning for the year (₹)	28.14	27.74
Nominal value of share (₹)	10.00	10.00

NOTE - 34

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			7,069,917
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	-	-	-
(iii) Donation for promoting preventive health care and sanitation	-	-	-
(iii) Donation for empowering woman and setting up homes	-	-	-
Short fall in CSR Expenditure			**7,069,917**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 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 ₹118,855,191 (previous year ₹149,424,726)

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

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 21, 2016

For and On behalf of the Board of Directors

A. K. Mittal	Deepak Mittal	Mahesh Bhootra	Kanchan Singh
Managing Director	Director	Chief Financial Officer	Company Secretary
(DIN: 00698377)	(DIN: 00043685)		(ACS: A24596)

Place: Mumbai
Date: May 21, 2016

INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors 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") which comprising of the Consolidated Balance Sheet as at March 31, 2016, 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 these 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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, 2016, 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 ₹ 517,532,173 as at March 31, 2016, total revenues of ₹ 552,534,079 and net cash inflows amounting to ₹ 8,489,952 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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, 2016 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, 2016 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.

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

(Ramesh Gupta)
PARTNER
Membership No.: 102306
Place: Mumbai
Date: May 21, 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, 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 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the 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

ICAI Reg. No. 121750W/W-100010

(Ramesh Gupta)

PARTNER

Membership No.: 102306

Place: Mumbai

Dated: May 21, 2016

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

	Note No.	As at 31.03.2016 ₹	As at 31.03.2015 ₹
I EQUITY AND LIABILITES			
1 Shareholders' funds			
(a) Share capital	2	66,000,000	66,000,000
(b) Reserves and surplus	3	4,140,855,136	3,771,462,381
		4,206,855,136	**3,837,462,381**
Minority interest		**47,721,447**	**44,849,119**
2 Non-current liabilities			
(a) Long-term borrowings	4	1,625,528,142	532,879,914
(b) Deferred tax liabilities (net)	5	50,249,819	44,997,640
(c) Long-term provisions	6	17,128,241	18,906,131
		1,692,906,202	**596,783,685**
3 Current liabilities			
(a) Short-term borrowings	7	11,917,919,433	7,322,918,670
(b) Trade payables	8	220,054,267	38,485,712
(c) Other current liabilities	9	387,542,757	457,472,865
(d) Short-term provisions	10	76,036,706	74,812,918
		12,601,553,163	**7,893,690,165**
TOTAL		**18,549,035,948**	**12,372,785,350**
II ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		458,674,371	465,200,298
(ii) Intangible assets		1,302,663	2,171,090
(b) Goodwill on consolidation		18,717,427	19,230,053
(c) Non-current investments	12	1,030,625,233	1,814,666,460
(d) Long-term loans and advances	13	1,042,049,752	366,352,968
(e) Other non-current assets	14	22,400,000	27,400,000
		2,573,769,446	**2,695,020,869**
2 Current Assets			
(a) Current investments	15	8,250,276,772	5,807,118,358
(b) Inventories	16	5,062,318,055	2,570,666,060
(c) Trade receivables	17	488,243,697	209,689,251
(d) Cash and bank balances	18	107,892,802	74,944,523
(e) Short-term loans and advances	19	1,459,000,475	483,837,424
(f) Other current assets	20	607,534,701	531,508,865
		15,975,266,502	**9,677,764,481**
TOTAL		**18,549,035,948**	**12,372,785,350**
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

Kanchan Singh
Company Secretary
(ACS: A24596)

Place : Mumbai
Date : May 21, 2016

Place: Mumbai
Date: May 21, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

		Note No.	Current Year ₹	Previous Year ₹
I	Revenue from operations	21	2,415,841,622	2,511,219,069
II	Other income	22	40,383,981	35,474,667
III	**Total revenue (I+II)**		**2,456,225,603**	**2,546,693,736**
IV	**EXPENSES**			
	Employee benefits expense	23	370,925,968	375,238,554
	Finance costs	24	810,431,155	768,406,266
	Depreciation / amortisation expenses	11	27,335,831	27,684,049
	Other expenses	25	647,219,892	782,801,832
	Contingent provision against standard assets		5,610,142	1,593,176
	Total expenses		**1,861,522,988**	**1,955,723,877**
V	**Profit before tax (III-IV)**		**594,702,615**	**590,969,859**
VI	**Tax expenses**			
	- current tax		177,703,882	177,135,336
	- deferred tax		5,252,179	3,258,942
	- prior period tax adjustment		(6,970,461)	(3,993,879)
			175,985,600	176,400,399
VII	**Profit after tax and before minority interest (V-VI)**		**418,717,015**	**414,569,460**
	Share of minority interest		(2,915,362)	(3,139,644)
VIII	**Profit after tax and minority interest**		**415,801,653**	**411,429,816**
	Adjustment on account of further investment in subsidiary company		(302,334)	-
IX	**Profit for the year**		**415,499,319**	**411,429,816**
X	**Earnings per share (₹):**			
	Basic earnings per share		62.95	62.34
	Diluted earnings per share		62.95	62.34
	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

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : May 21, 2016

On behalf of the Board of Directors

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

Deepak Mittal
Director
(DIN: 00043685)

Mahesh Bhootra
Chief Financial Officer

Kanchan Singh
Company Secretary
(ACS: A24596)

Place: Mumbai
Date: May 21, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2016

	Current Year ₹	Previous Year ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	594,702,615	590,969,859
Adjustments for		
Depreciation / amortisation	27,335,831	27,684,049
Loss/(profit) on sale of fixed assets (net)	1,293,893	2,398,172
Interest income	(984,917,248)	(763,770,086)
Interest income - others	(6,274,879)	(6,306,714)
Interest expenses	791,468,850	753,338,724
General provision for standard assets	5,610,142	1,593,176
Income from investments	(195,590,459)	(380,614,947)
Dividend income on current investments	(1,268,276)	(1,858,312)
Dividend income on non current investments	(7,158,172)	(9,213,225)
Bad debts written-off	-	4,869,155
Balances written back	(539,131)	(18,048)
Operating profit before working capital adjustments	**224,663,166**	**219,071,803**
Adjustments for		
(Increase)/decrease in trade and other receivables	(1,993,110,846)	(541,109,963)
(Purchase)/ sale of inventory	(2,491,651,995)	1,691,958,023
Increase/(decrease) in trade and other payables	180,025,915	(170,609,531)
Cash generated from operations	**(4,080,073,760)**	**1,199,310,332**
Direct taxes paid	(173,498,012)	(168,702,498)
Net cash generated from operating activities	**(4,253,571,772)**	**1,030,607,834**
B. CASH FLOW FROM OPERATING ACTIVITIES		
Purchase of fixed assets	(24,889,122)	(18,628,055)
Sale of fixed assets	3,653,752	5,657,840
(Purchase) / sale of investments (net)	(1,580,659,597)	(3,481,141,144)
Deposits with bank with more than 3 months maturity	12,180,974	31,715,449
Dividend income on current investments	1,268,276	1,858,312
Dividend income on non current investments	7,158,172	9,213,225
Interest income on current investments	1,090,581,210	877,863,595
Interest income - others	5,126,090	6,468,193
Net cash generated from/(used in) investing activities	**(485,580,245)**	**(2,566,992,585)**
C. CASH FLOW FROM OPERATING ACTIVITIES		
Proceeds/(repayment) of borrowings (net)	5,621,582,566	2,229,601,504
Interest paid	(794,826,366)	(738,624,958)
Dividend paid	(39,600,000)	(39,600,000)
Dividend distribution tax paid	(7,917,671)	(6,730,020)
Net cash generated from/(used in) financing activities	**4,779,238,529**	**1,444,646,526**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	40,086,512	(91,738,225)
Cash and cash equivalents at the beginning of the year	66,711,100	158,449,325
Cash and cash equivalents at the end of the year	**106,797,612**	**66,711,100**
Cash and cash equivalents at the end of the year comprise of:		
Cash on hand	5,712,697	3,223,682
Balances with banks accounts	101,084,915	63,487,418
	106,797,612	**66,711,100**

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 21, 2016

On behalf of the Board of Directors

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

Deepak Mittal
Director
(DIN: 00043685)

Mahesh Bhootra
Chief Financial Officer

Kanchan Singh
Company Secretary
(ACS: A24596)

Place: Mumbai
Date: May 21, 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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 2006. 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 has been provided on straight-line method (except in the case of A. K. Stockmart Private Limited and A. K. Wealth Management Private Limited) on pro-rata basis in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956 up to 31 March, 2014. From 1 April, 2014, the Group has provided depreciation on the basis of 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 Written Down method on pro-rata basis in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956 up to 31 March, 2014. From 1 April, 2014, From 1 April, 2014, the Company has provided depreciation 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 of 3 to 5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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 @ 0.30% (previous year 0.25%) 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
NOTE - 2		
SHARE CAPITAL		
Authorised		
33,000,000 (previous year 33,000,000) Equity shares of ₹10 each	330,000,000	330,000,000
200,000 (previous year 200,000) Redeemable cumulative preference shares of ₹100 each	20,000,000	20,000,000
	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 31.03.2016		As at 31.03.2015	
	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 Holding 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 Holding Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2016, the amount of final dividend recognised as distributions to equity shareholders is ₹ 6 per share - final dividend ; (Previous year ₹ 6 per share - final dividend)

In the event of the liquidation of the Holding Company, the holder of equity shares will be entitled to receive remaining assets of the Holding 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 31.03.2016		As at 31.03.2015	
	No. of shares held	% of holding	No. of shares held	% of holding
A. K. Capital Markets Limited	979,043	14.83%	979,043	14.83%
A. K. Services Private Limited*	966,769	14.65%	966,769	14.65%
Second Leasing Private Limited	737,370	11.17%	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%

* Includes 2,000 shares of the Company bought on 31 March, 2015 which shall be reflected on T+2 basis in Demat statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
NOTE - 3		
RESERVES AND SURPLUS		
Special reserve*		
Opening balance	113,556,620	71,689,870
Add: Additions / Adjustments during the year	43,243,610	41,866,750
Closing balance	**156,800,230**	**113,556,620**
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	364,570,665	364,570,665
Add: Additions / Adjustments during the year	629,125	-
Closing balance	**365,199,790**	**364,570,665**
General reserve		
Opening balance	477,088,960	458,088,960
Add: Additions during the year	19,000,000	19,000,000
Closing balance	**496,088,960**	**477,088,960**
Translation Reserve	(72,963)	(1,795,285)
Surplus		
Opening balance		
Less : Adjustment (net of deferred tax assets ₹ Nil previous year of ₹ 2,862,789)	2,750,541,421	2,452,938,928
in accordance with the transitional provisions of the Schedule II of the Act	-	5,442,902
Less: Transfer of Pre-acqusition profit	633,993	-
Add: Profit for the year	415,499,319	411,429,816
Amount available for appropriation	**3,165,406,747**	**2,858,925,842**
Appropriations		
Proposed dividends	39,600,000	39,600,000
Dividend distribution tax	8,061,628	7,917,671
Transfer to special reserves*	43,406,000	41,866,750
Transfer to general reserves	19,000,000	19,000,000
Closing balance	3,055,339,119	2,750,541,421
	4,140,855,136	**3,771,462,381**

*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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
NOTE - 4		
LONG TERM BORROWINGS		
Secured		
Term loans		
From banks*	1,254,250,000	460,500,000
From non-banking financial company (NBFC)**	368,837,120	71,716,012
Vehicle loans		
From banks***	2,441,022	663,902
	1,625,528,142	**532,879,914**

* 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 equated monthly installments along with interest from the date of loan. The loans are secured by hypothecation of motor vehicle purchased there against.

NOTE - 5		
DEFERRED TAX (ASSEST)/ LIABILITIES (NET)		
Deferred tax liabilities:		
Timing difference arising on account of:		
Depreciation	55,508,757	51,842,906
	55,508,757	**51,842,906**
Less; Deferred tax assets:		
Timing difference arising on account of:		
Expenses allowable on payment basis (gratuity)	5,172,441	6,540,395
Depreciation	3,161	3,089
Expenses disallowed under section 35D	83,336	301,782
	5,258,938	6,845,266
	50,249,819	**44,997,640**

Deferred tax liabilities of A.K.Capital (Singapore) Pte. Ltd. amounting to ₹ 68,806 (SGD 1,400) (previous year ₹ 99,952 (SGD 2,200)) arising from differences in depreciation is not recognised as the amount is not significant.

NOTE 6		
LONG TERM PROVISIONS		
For employee benefits		
Gratuity (unfunded)	14,187,704	18,168,631
Others		
Contingent Provision against standard assets	2,940,537	737,500
	17,128,241	**18,906,131**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
NOTE - 7		
SHORT TERM BORROWINGS		
Secured		
Loans repayable on demand		
Working capital demand loan from banks*	6,172,919,433	2,863,143,793
Working capital demand loan from Clearing Corporation of India Limited**	5,745,000,000	3,475,000,000
Working capital loan from NBFC***	-	984,774,877
	11,917,919,433	**7,322,918,670**

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

*** Line of credit from NBFC is secured by pledge of securities as per the approved list of the lender. The loan is repayable on demand.

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	220,054,267	38,485,712
	220,054,267	**38,485,712**

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 no. 4)	308,423,875	92,669,210
Current maturities of long-term debt - from NBFC(Refer note no. 4)*	2,149,047	283,970,137
Interest accrued and due on borrowings	2,980,343	13,079,513
Interest accrued but not due on borrowings	4,899,471	1,164,563
Creditors for capital goods	-	331,084
Unpaid dividends**	1,095,190	1,050,048
Statutory dues	24,053,776	15,493,952
Deposits	27,918,000	27,918,000
Employees dues	15,860,094	21,156,746
Payable to exchange / clearing house (net)	156,933	68,942
Other payables	6,028	570,670
	387,542,757	**457,472,865**

*In Previous year, current maturities of Long term debt from NBFC include Vehicle loans which is repayable in 36 equated monthly installments along with interest from the date of loan. The loans are secured by hypothecation of motor vehicle purchased there against.

** During the year, ₹ 87,531 (Previous year ₹ 81,825) 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
NOTE - 10		
SHORT TERM PROVISIONS		
Provision for employee benefits		
Gratuity (unfunded)	912,415	889,684
Leave encashment	2,376,013	3,000,167
	3,288,428	3,889,851
Others		
Provision for taxation (Net of Advance Tax ₹ 202,845,053 previous year ₹ 478,554,039)	19,756,072	21,481,923
Provision for proposed dividend	39,600,000	39,600,000
Provision for dividend distribution tax	8,061,628	7,917,671
Contingent Provision against standard assets	5,330,578	1,923,473
	72,748,278	70,923,067
	76,036,706	**74,812,918**

NOTE - 11
FIXED ASSETS

Amount in ₹

Particulars	Tangible assets									Intangible assets	
	Plant and machinery	Computers	Furniture and fixtures	Office equipment	Office premises *	Office premises under lease	Leasehold Improvements	Vehicles **	Total	Software	Total
Gross block (at cost)											
As at 1 April 2014	369,060	20,043,290	22,412,095	15,079,699	105,337,489	343,500,152	24,046,303	66,688,754	597,476,842	13,367,614	13,367,614
Additions	-	3,027,273	2,274,911	1,483,645	-	-	-	1,451,172	8,237,001	391,054	391,054
Deductions/adjustments	-	46,343	60,949	-	-	-	-	15,666,009	15,773,301	-	-
As at 31 March 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**
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**
Depreciation/amortisation											
As at 1 April 2014	328,754	16,370,098	8,333,603	5,120,838	3,507,643	32,305,763	17,240,053	15,572,795	98,779,547	9,275,824	9,275,824
For the year	5,760	1,644,864	4,237,274	1,532,794	1,748,078	5,738,403	2,912,405	7,556,967	25,376,545	2,311,754	2,311,754
Transitional Reserve	-	1,940,953	-	6,360,488	-	-	-	-	8,301,441	-	-
Deductions/adjustments	-	36,219	4,609	-	-	-	-	7,676,461	7,717,289	-	-
As at 31 March 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**
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**
Net block											
At 31 March 2015	**34,546**	**3,104,524**	**12,050,571**	**3,549,224**	**100,081,768**	**305,455,986**	**3,893,845**	**37,020,616**	**465,200,298**	**2,171,090**	**2,171,090**
At 31 March 2016	**28,770**	**1,923,419**	**8,928,335**	**2,701,519**	**99,567,862**	**299,701,862**	**973,461**	**44,947,428**	**458,674,370**	**1,302,663**	**1,302,663**

* Office premises include building hypothecated against loan taken having gross block of ₹ 77,040,100 (as at 31.3.2015 ₹ 77,040,100), accumulated deprecation of ₹ 2,585,178 (as at 31.3.2015 ₹ 1,297,710) net block of ₹ 74,454,922 (as at 31.3.2015 ₹ 75,742,390)

** Vehicles include vehicles hypothecated against loan taken having gross block of ₹ 8,195,004 (as at 31.3.2015 ₹ 34,183,545), accumulated depreciation of ₹ 1,016,708 (as at 31.3.2015 ₹ 8,445,006) and net block of ₹ 7,178,296 (as at 31.3.2015 ₹ 25,738,539).

During the previous year, the Group had charged depreciation based on revised remaining useful life of the assets as per the requirement of Schedule II of Companies Act 2013 effective from 1 April 2014. Due to above, depreciation charged for the previous year ended was higher by ₹ 5,869,522. Further, based on transitional provision in Note 7(b) to Schedule II, an amount of ₹ 5,442,902 (net of deferred tax ₹ 2,862,789) had been adjusted to opening balance of the retained earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Face Value ₹	As at 31.03.2016 Number	As at 31.03.2016 ₹	As at 31.03.2015 Number	As at 31.03.2015 ₹
NOTE - 12					
NON CURRENT INVESTMENTS					
Trade , 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	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	665,000	132,000,000	665,000	132,000,000
Total			**133,094,000**		**133,094,000**
Non- trade, quoted - others - Fully paid up					
Equity Shares of Bank of Maharashtra	10	319,247	15,549,846	319,247	15,549,846
Equity Shares of D S Kulkarni Developers Limited	10	-	-	28,468	2,107,483
Equity shares of EIH Limited	2	8,862	934,272	199,211	21,021,303
Equity shares of Electrosteel Casting Limited	1	493,000	21,632,337	603,298	26,497,669
Equity shares of GMR Infrastructure Ltd.	1	2,297,156	63,907,506	2,450,000	74,919,203
Equity shares of HDFC Limited	2	2,171	2,678,499	-	-
Equity shares of Indiabulls Real Estate Limited	2	42,000	5,259,983	42,000	5,265,248
Equity shares of Indiabulls Wholesale Services Limited	2	5,250	505,321	5,250	505,827
Equity shares of Rattanindia Infra Limited (formerly known as Indiabulls Infrastructure and Power Ltd)	2	123,900	582,948	123,900	583,532
Equity shares of Indian Overseas Bank	10	110,000	8,110,093	110,000	8,110,094
Equity shares of Jaiprakash Associates Limited	2	21,000	2,336,746	21,000	2,338,608
Equity shares of Peninsula Land Limited	2	33,116	1,883,488	33,116	1,885,373
Equity shares of Reliance Defence and Engineering Ltd. (formerly known as Pipavav Defence and Offshore Engineering Ltd.)	10	95,999	7,883,887	95,999	7,891,779
Equity shares of Punj Llyod Limited	2	599,182	51,537,299	599,182	51,575,862
Equity shares of SREI Infrastructure Finance Limited	10	-	-	64,200	3,918,813
Equity shares of Sujana Metals Limited	5	340,066	3,302,137	340,066	3,305,442
Equity shares of Sujana Towers Limited	10	5,000	2,039,953	5,000	2,041,995
Equity shares of UCO Bank Limited	10	2,653,683	280,910,486	2,653,683	281,180,269
Equity Shares of Union Bank of India	10	604,256	86,518,978	-	-
Equity shares of Uflex Industries Limited	10	6,050	1,546,680	6,050	1,548,228
Equity shares of Vijaya Bank	10	246,887	13,086,755	246,887	13,086,755
Equity shares of Welspun Corp Limited	5	-	-	65,779	6,796,439
Equity shares of Welspun Enterprises Limited**	10	39,456	9,563,060	3,288	9,572,633
Total			**579,770,274**		**539,702,401**
Non-trade, unquoted - others					
Units of Urban Infrastructure Venture Capital Limited*	100,000	70	8,465,100	70	8,901,200
Total			**8,465,100**		**8,901,200**
Quoted- Government Securities - Fully paid up					
8.28% Government of India Loan 2032	100	1,990,000	204,162,259	1,990,000	204,162,259
8.30% Government of India Loan 2042	100	-	-	4,500,000	434,153,000
8.32% Government of India Loan 2032	100	-	-	4,000,000	389,520,000
8.79% Government of India Loan 2021	100	1,000,000	105,133,600	1,000,000	105,133,600
Total			**309,295,859**		**1,132,968,859**
Grand Total			**1,030,625,233**		**1,814,666,460**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Face Value ₹	As at 31.03.2016 Number	As at 31.03.2016 ₹	As at 31.03.2015 Number	As at 31.03.2015 ₹
NOTE - 12 (cont.)					
Aggregate amount of quoted investments					
Equities			**579,770,274**		**539,702,401**
Governments Securities			**309,295,859**		**1,132,968,859**
Aggregate market value of quoted investments					
Equities			**268,464,713**		**310,115,868**
Governments Securities***			**309,295,859**		**1,132,968,859**
Aggregate amount of unquoted investments					
Equities			**141,559,100**		**141,995,200**

*During the year, cost of investment in Urban Infrastructure Venture Capital Limited has been reduced by ₹ 436,100 on account of distribution received from Urban Infrastructure Opportunity fund by way of return of capital vide letter dated 15 July 2015, 27 July 2015 and 13 October 2015.

** During the current year, In the scheme of amalgamation and arrangement, Welspun Enterprises Ltd. ("WEL") have issued 12 equity share of face value of ₹.10 each for every 1 equity share in Welspun Projects Ltd.("WPL"). Subsequently, the name of WPL has been changed to WEL w.e.f. May 29, 2015.

***Government Securities are valued at cost as the market value is not available.

Note:- Bonds / shares / Government securities pledge with banks/ clearing corporation of India Ltd / Non- banking financial Companies is ₹309,295,859 (previous year ₹ 1,132,968,859)

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
NOTE - 13		
LONG-TERM LOANS AND ADVANCES		
Secured, considered good		
Loans and advances to related parties	532,500,000	-
Loans and advances to others	447,678,890	295,000,000
Unsecured, considered good		
Capital Advance	-	10,000,000
Advance income tax (Net of Provision ₹ 304,199,466 previous year ₹ 26,450,000)	18,296,397	20,264,403
Advances to employees	4,994,695	2,922,369
Security deposits	37,906,057	38,102,419
Prepaid expenses	673,713	63,777
	1,042,049,752	**366,352,968**
NOTE - 14		
OTHER NON-CURRENT ASSETS		
Other bank balances		
Bank deposits with more than 12 months maturity *	22,400,000	27,400,000
	22,400,000	**27,400,000**

* Pledged against margin money, guarantees or security deposit with stock exchanges and security against borrowings ₹ 22,400,000 ; previous year ₹ 27,400,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE - 15
CURRENT INVESTMENTS

	Face Value	As at 31.03.2016		As at 31.03.2015	
	₹	Number	₹	Number	₹
Non trade, Quoted (fully paid up) - Current					
Equity shares					
Shamken Spinners Ltd.	10	8,500	9,010	8,500	9,010
Bonds					
0.00% Indiabulls Real Estate Limited	1,000,000	243	243,000,000	-	-
10.00% Shriram Transport Finance Company Ltd 2028	1,000,000	-	-	50	50,314,050
10.25% Amtek Auto Ltd 2015	1,000,000	-	-	200	200,000,000
10.25% Shriram Transport Finance Company Ltd 2015	1,000	-	-	5,308	5,237,987
10.50% Amtek Auto Ltd 2020	1,000,000	-	-	18	18,000,000
10.50% Indiabulls Housing Finance Ltd 2017	1,000,000	3	3,001,400	3	3,000,600
10.50% Indiabulls Real Estate Limited-2017	1,000,000	150	150,000,000	-	-
10.50% Indiabulls Real Estate Limited-2018-7264	1,000,000	200	200,000,000	-	-
10.50% Indiabulls Real Estate Limited-2018-7280	1,000,000	200	200,000,000	-	-
10.50% Shriram Transport Finance Company Ltd 2017	1,000	-	-	3,000	2,978,134
10.60% Dewan Housing Finance Corporation ltd. 2023	1,000,000	-	-	4	4,052,000
10.70% Dewan Housing Finance Corporation ltd. 2021-7951	1,000,000	-	-	2	2,046,600
10.70% Dewan Housing Finance Corporation ltd. 2021	1,000,000	-	-	20	20,336,000
10.75% Dewan Housing Finance ltd 2023	1,000,000	-	-	6	6,002,400
11.00% Aspire Home Finance Corporation Limited	1,000,000	50	50,000,000	-	-
11.15% Dewan Housing Finance Corporation ltd. 2018	1,000,000	-	-	4	4,000,800
11.25% SREI Infrastructure Finance Ltd. 2019	1,000	-	-	6,000	6,029,400
11.25% Sobha Limited 2018-7285	100,000	1,500	150,000,000	-	-
11.25% Sobha Limited 2018-7293	100,000	2,500	250,000,000	-	-
11.25% Syndicate Bank Limited	1,000,000	150	150,000,000	-	-
11.75% Indiabulls Real Estate Limited	1,000,000	23	23,006,800	-	-
11.75% Sunteck Reality Limited 2017-7015	100,000	500	50,000,000	-	-
11.75% Sunteck Reality Limited 2018-7023	100,000	100	10,000,000	-	-
11.80% Indiabulls Real Estate Limited	1,000,000	1	1,000,400	-	-
12.00% Sobha Limited 2017-7202	100,000	30	3,001,800	-	-
12.00% Sobha Limited 2018-7210	100,000	170	17,000,000	-	-
12.00% SREI Infrastructure Finance Ltd. 2019	1,000	-	-	900	901,170
7.98% Infrastructure Development Finance Company Ltd 2023	1,000,000	-	-	1	1,033,300
8.40% GOI Loan 2024	100	-	-	25,000	2,612,500
8.54% National Hydroelectric Power Corporation 2028	1,000	-	-	4,190	4,708,722
8.60% LIC Housing Finance Ltd 2020	1,000,000	1	1,002,300	1	1,056,900
8.67% National Hydroelectric Power Corporation 2033	1,000	-	-	9,899	11,507,865
8.99% Industrial Development Bank of India 2027	1,000,000	-	-	4	4,084,000
9.13% Krishna Bhagya Jala Nigam Ltd 2024	1,000,000	-	-	700	700,000,000
9.15% Punjab National Bank - 8076	1,000,000	-	-	758	760,945,200
9.48% Bank of Baroda - 8075	1,000,000	-	-	39	39,319,800
9.85% Shriram Transport Finance Company Ltd 2017	1,000	-	-	18,100	18,214,030
9.85% Shriram Transport Finance Company Ltd 2021	1,000,000	-	-	15	15,006,000
9.60% Tourism Finance Corporation of India Ltd. 2028	1,000,000	-	-	8	8,056,344
9.65% Tourism Finance Corporation of India Ltd. 2033	1,000,000	1	1,018,974	2	2,037,948
7% IDBI Bank Ltd. - 2019	5,000	155	775,233	155	775,233
7.35% National Highway Authority of India	1,000	3,240	3,341,885	-	-
7.64% Indian Railway Finance Corporation Limited	1,000	185,000	189,292,000	-	-
7.69% National Highway Authority of India	1,000	55,586	57,053,470	-	-
9.50% Tourism Finance Corporation of India Ltd. - 2023	1,000,000	-	-	1	1,032,265
11.25% Fullerton India Credit Company Ltd. - 2018	1,000,000	-	-	4	4,051,200
Government Papers**					
7.16% Government of India Loan 2023	100	1,000,000	96,510,000	3,500,000	319,489,800
7.59% Government of India Loan 2029	100	7,000,000	694,547,500	-	-
7.68% Government of India Loan 2023	100	2,000,000	200,423,750	-	-
7.72% Government of India Loan 2025	100	4,500,000	449,415,400	-	-
7.88% Government of India Loan 2030	100	14,000,000	1,405,957,350	-	-
8.15% Government of India Loan 2022	100	-	-	500,000	48,467,600
8.20% Government of India Loan 2025	100	-	-	2,000,000	193,807,800
8.15% Government of India Loan 2026	100	3,500,000	361,068,250	2,500,000	259,750,000
8.24% Government of India Loan 2033	100	3,500,000	367,543,750	3,000,000	316,158,750
8.27% Government of India Loan 2020	100	1,000,000	102,122,500	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE - 15

CURRENT INVESTMENTS	Face Value ₹	As at 31.03.2016 Number	As at 31.03.2016 ₹	As at 31.03.2015 Number	As at 31.03.2015 ₹
8.28% Government of India Loan 2027	100	2,500,000	258,712,000	2,500,000	258,712,000
8.40% Government of India Loan 2024	100	10,000,000	1,035,915,000	9,000,000	936,059,400
8.60% Government of India Loan 2028	100	14,000,000	1,472,765,000	11,500,000	1,207,772,550
8.83% Government of India Loan 2041	100	500,000	52,793,000	3,500,000	369,551,000
TOTAL			**8,250,276,772**		**5,807,118,358**
Aggregate amount of quoted investments					
Equity			9,010		9,010
Bonds			1,752,494,262		1,897,340,448
Government Papers			6,497,773,500		3,909,768,900
Aggregate market value of quoted investments					
Equity			9,010		9,010
Bonds*			1,752,494,262		1,897,340,448
Government Papers**			6,497,773,500		3,909,768,900

* Bonds are valued at cost in case the market value is not available.
** Government papers are valued at cost as the market value is not available.

Note:
Bonds / shares / Government securities pledged with the banks / clearing corporation of India Ltd / Non- banking financial Companies is ₹ 8,249,921,378 (previous year ₹ 5,796,269,720)

NOTE - 16
INVENTORIES

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
Preference shares	447,310,828	-
Bonds*	4,615,007,227	2,570,666,060
	5,062,318,055	**2,570,666,060**

*Bonds pledged with the bank is ₹ 4,511,597,104 (previous year ₹ 2,018,290,119).

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	487,147,581	205,326,404
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	1,096,116	4,362,847
	488,243,697	**209,689,251**

NOTE - 18
CASH AND BANK BALANCES

Cash and cash equivalents:		
Cash and cash equivalents:		
Cash on hand	5,712,697	3,223,682
Balances with banks in		
- current accounts	100,594,798	53,803,568
- debit balance of Bank overdraft facility	174,996	9,683,850
In other deposit accounts		
- original maturity Less than 3 months *	315,121	-
	106,797,612	**66,711,100**
Other bank balances:		
- Earmarked balances (unpaid dividend accounts)	1,095,190	1,052,449
- Bank deposits with original maturity more than 3 months*	-	7,180,974
	1,095,190	8,233,423
	107,892,802	**74,944,523**

* (Under lien in favour of the trustees of MFL Securitisation Trusts)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
NOTE - 19		
SHORT TERM LOANS AND ADVANCES		
Secured, considered good		
Loans and advances to others	1,262,262,976	378,000,000
Unsecured, considered good		
Loans and advances to others	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	16,147,771	13,044,750
Deposits	50,791,295	32,179,798
Prepaid expenses	20,888,956	17,354,310
Balances with government authorities	3,847,500	7,596,566
	1,459,000,475	**483,837,424**
NOTE - 20		
OTHER CURRENT ASSETS		
Secured, considered good		
Current maturities of long term loans and advances to other parties	418,284,510	347,000,000
Interest accrued but not due on loans to related party	275,918	-
Interest accrued and due on loans to others	22,543,603	4,389,224
Unsecured, considered good		
Current maturities of long term loans and advances to other parties	-	40,000,000
Current maturities of long term loans and advances to employees	24,199	146,634
Advances recoverable in cash or kind or for value to be received	641,838	-
Interest accrued but not due on loans to others	4,092,506	-
Interest accrued and due on fixed deposits	2,482,056	1,333,267
Interest receivable on investments	29,678,847	34,641,997
Other Receivable	1,307,304	3,592
Receivable from Stock Exchange	17,676,862	94,453
Interest accrued but not due on Government Securities	110,527,058	103,899,698
	607,534,701	**531,508,865**

	Current Year ₹	Previous Year ₹
NOTE - 21		
REVENUE FROM OPERATIONS		
Sale of services (Refer note no. 33)	894,997,950	841,361,231
Income from trading in shares and securities (Refer note no. 34)	17,082,297	122,404,251
Brokerage	314,827,220	391,997,017
Interest income	984,917,248	763,770,086
Income from investments	195,590,459	380,614,947
Dividend income on current investments	1,268,276	1,858,312
Dividend income on non- current investments	7,158,172	9,213,225
	2,415,841,622	**2,511,219,069**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Current Year ₹	Previous Year ₹
NOTE - 22		
OTHER INCOME		
Rent income	27,981,791	27,918,000
Interest income	6,274,879	6,306,714
Other non-operating income	6,127,311	1,249,953
	40,383,981	**35,474,667**
NOTE - 23		
EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	364,550,000	368,653,809
Contribution to provident and other funds	3,375,066	3,042,755
Staff welfare expenses	3,000,902	3,541,990
	370,925,968	**375,238,554**
NOTE - 24		
FINANCE COST		
Interest expenses	788,462,104	749,487,979
Other borrowing costs	18,962,305	15,067,542
Interest on income tax	3,006,746	3,850,745
	810,431,155	**768,406,266**
NOTE - 25		
OTHER EXPENSES		
Brokerage expenses	226,239,576	265,446,046
IPO Marketing fees	31,197,663	16,939,797
Sub arranger fees	161,123,549	102,792,875
Electricity expenses	5,203,338	5,858,414
Rent expenses	62,442,789	66,012,371
Repairs and maintenance		
- building	5,587,647	5,336,661
- others	2,348,760	3,410,472
Rates and taxes	10,081,100	12,342,255
Travelling expenses	26,466,011	28,670,573
Auditor's remuneration:		
as auditor	627,459	644,659
for other services	338,730	280,239
Professional fees	9,504,525	19,820,600
Printing and stationary expenses	7,441,824	7,961,364
Bad debts	-	4,869,155
Advertisement expenses	4,111,924	3,451,928
Business promotion expenses	12,192,182	30,996,431
Incentive expenses	40,097,459	154,365,116
Loss on sale of fixed assets (net)	1,293,893	2,398,172
CSR expenditure (Refer Note - 37)	-	10,963,864
Miscellaneous expenses	40,921,463	40,240,840
	647,219,892	**782,801,832**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE - 26
CONTINGENT LIABITIES AND CAPITAL COMMITMENTS

Sr. No.	Particulars	As at 31.03.2016 (₹)	As at 31.03.2015 (₹)
1	**Contingent liabities (to the extent not provided for)** Corporate guarantee given by the Holding Company to a bank in respect of working capital demand loan and term loan taken by a subsidiary company	2,750,000,000	2,750,000,000
2	**Capital Commitments (as certified by the management)** Estimate amount of contracts remaining to be executed on capital account (net of advances)	-	10,962,227

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	98.65 (98.51)	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 ₹ 2,014,276 (previous year ₹ 728,414) 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 2016 is ₹15,514,097 (as at 31 March 2015 ₹ 2,767,667).

NOTE - 29
LEASES

A. Where the Company 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 31.03.2016 ₹	As at 31.03.2015 ₹
Not later than one year'	7,361,301	23,703,296
Later than one year but less than five year	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 ₹ 67,938,197 (previous year ₹ 71,535,975)

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 31.03.2016 ₹	As at 31.03.2015 ₹
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 ₹ 27,981,791 (previous year ₹ 27,918,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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
Ms. Sneh Lata Mittal
Mr. Ankit Gupta

Relative of Key Management Personnel

Mrs. Anshu
Mr. Abhinav Kumar Mittal
Mrs. Purvi Jain
A. K. Mittal HUF

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
Goodwill Capital Services Private Ltd
A.K.Capital Markets Limited

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	20,256,000	20,256,000
Deepak Mittal	9,897,885	10,039,505
Abhinav Kumar Mittal	7,200,000	7,200,000
Aditi Mittal	3,000,000	2,750,000
Ankit Gupta	2,899,160	2,967,019
Sneh Lata Mittal	600,000	50,000
Remuneration to Relative of Key Management Personnel		
Anshu	8,524,492	9,182,851
Directors Sitting fees		
Anshu	60,000	20,000
Brokerage Received		
A. K. Capital Markets Limited	-	5,175
A. K. Mittal	-	61,912
Aditi Mittal	-	23,291
A K Mittal HUF	9,000	566
Anshu	13,014	-
Abhinav Kumar Mittal	8,000	7,709
Purvi Jain	4,013	13,379
Demat Charges Received		
A. K. Capital Markets Limited	1,300	875
A. K. Mittal	2,159	941
Aditi Mittal	1,508	881
A K Mittal HUF	995	350
Anshu	913	927
Abhinav Kumar Mittal	3,844	1,224
Purvi Jain	1,390	429

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE - 30 (contd.)

	Current Year ₹	Previous Year ₹
Interest Income on Loan given		
A.K.Services Private Limited	140,548	-
Goodwill Capital Services Private Limited	166,027	-
Loan Given during the year		
A.K.Services Private Limited	227,500,000	-
Goodwill Capital Services Private Limited	305,000,000	-
Outstanding Balance of loan given		
A.K.Services Private Limited	227,500,000	-
Goodwill Capital Services Private Limited	305,000,000	-
Interest Accrued but not due on Loan Given (net of TDS)		
A.K.Services Private Limited	126,493	-
Goodwill Capital Services Private Limited	149,425	-
Rent paid		
A. K. Mittal	6,558,000	6,408,000
Anshu	3,528,000	3,528,000
Abhinav Kumar Mittal	5,019,600	5,169,600
Repairs and Maintenance charges paid for car		
M Square Automobile Private Limited	350,071	1,080,469
Purchase of Car		
M Square Automobile Private Limited	21,382,181	-
Advance for Purchase of Car		
M Square Automobile Private Limited	-	10,000,000
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	11,962,000	11,962,000
Balance Payable as at year end		
Anshu	-	227,163
Aditi Mittal	-	87
A. K. Mittal	-	1,022
Receivable as at year end		
M Square Automobile Private Limited	-	10,000,000
A. K. Capital Markets Limited	572	56
Anshu	-	562
A K Mittal HUF	-	56
Aditi Mittal	806	291
A. K. Mittal	1,377	158
Abhinav Kumar Mittal	1,718	37
Purvi Jain	-	905

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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	19,058,315.00	13,871,658
	Interest cost	1,558,638.00	1,152,264
	Service cost	2,807,724.00	3,942,982
	Benefits paid	(8,689,648.00)	(270,642)
	Actuarial (gain)/loss on obligation	365,090.00	362,053
	Present value of obligation as at year end	15,100,119	19,058,315
b.	**Amount recognized in the Balance Sheet**		
	Present value of obligation, as at year end	15,100,119	19,058,315
	Fair value of plan assets as at year end	-	-
	Net liabilities recognized in the Balance Sheet	15,100,119	19,058,315
	Expense recognized during the year		
	Current service cost	2,807,724	3,942,982
	Interest cost	1,558,638	1,152,264
	Expected return on plan assets	-	-
	Net Actuarial (gain)/loss to be recognized	365,090	362,053
	Net gratuity cost (Included in salaries and wages)	4,731,452	5,457,299
d.	**Assumptions used in accounting for the gratuity plan**	**% (p.a.)**	**% (p.a.)**
	Mortality rate	LIC(2006-08)	LIC(2006-08)
	Discount rate	8.00	8.00
	Salary escalation rate	5.00	5.00
	Expected rate of return on plan assets	0.00	0.00

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	78.71%	3,311,378,635	44.71%	185,754,187
Subsidiary Companies:				
a) Indian				
1. A. K. Stockmart Private. Limited.	4.83%	203,100,571	3.19%	13,262,705
2. A. K. Capital Corporation Private Limited	0.82%	34,372,884	0.52%	2,160,006
3. A. K. Wealth Management Private Limited	0.69%	28,860,143	0.37%	1,546,135
4. A. K. Capital Finance Private Limited	84.03%	3,534,922,031	51.97%	215,952,706
b) Foreign				
1. A. K. Capital (Singapore) PTE. Limited	0.54%	22,758,570	0.14%	573,607
Minority Interests in all subsidiaries	-1.14%	(47,764,481)	-0.70%	(2,915,362)

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	83,100,571	428,412,746	225,312,175	11,397,132	524,653,555	18,934,694	5,671,989	13,262,705	-	100%
2	A. K. Capital Corporation Private Limited	INR	21,000,000	13,372,884	35,447,784	1,074,900	-	3,233,927	3,149,519	989,513	2,160,006	-	100%
3	A. K. Wealth Management Private Limited	INR	22,500,000	6,360,143	29,974,807	1,114,664	-	8,118,969	2,244,354	698,219	1,546,135	-	100%
4	A. K. Capital (Singapore) PTE. LTD	INR	19,785,000	2,973,570	23,696,836	938,266	-	16,527,628	578,800	5,193	573,607	-	100%
		SGD *	399,108	63,963	482,162	19,091	-	350,000	12,785	110	12,675	-	
5	A. K. Capital Finance Private Limited	INR	219,500,000	3,315,422,031	15,612,962,390	12,078,040,359	7,439,903,140	1,184,771,621	297,516,740	81,564,034	215,952,706	-	98.65%

*** As at 31 March 2016 : 1 SGD= ₹ 49.147043**

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 33
DETAILS OF SALE OF SERVICES:

	Current Year ₹	Previous Year ₹
Merchant banking fees	560,348,598	717,250,017
Advisory fees	221,519,616	100,949,025
Service charges	512,958	128,191
Syndication and other fees	112,616,778	23,033,998
Total	**894,997,950**	**841,361,231**

NOTE 34
INCOME FROM TRADING IN SHARES AND SECURITIES:

	Current Year ₹	Previous Year ₹
Sales of shares and securities	56,898,045,102	77,760,546,899
Add: Closing inventories	5,062,318,055	2,570,666,060
Less: Opening inventories	2,570,666,060	4,262,624,083
Less: Purchases	59,372,614,800	75,946,184,625
Total	**17,082,297**	**122,404,251**

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	415,499,319	411,429,816
Weighted average number of equity shares outstanding at the year end (No.)	6,600,000	6,600,000
Basic and diluted earnings per share (₹)	62.95	62.34
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	11,560,746

	Amount spent during the year	In Cash ₹	Yet to be Paid in Cash ₹	Total ₹
(i)	Construction/acquisitionof any asset	-	-	-
(ii)	Donation for promoting education	-	-	-
(iii)	Donation for promoting preventive health care and sanitation	-	-	-
(iii)	Donation for empowering woman and setting up homes	-	-	-
	Total	-	-	-
	Short fall in CSR Expenditure			**11,560,746**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE - 38

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 - 39

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 - 40

Income from investments includes interest income ₹ 118,855,191 (previous year ₹ 149,424,726)

NOTE - 41

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 - 42

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

Signatures to 1 to 42

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 21, 2016

For and on behalf of the Board of Directors

A. K. Mittal	Deepak Mittal	Mahesh Bhootra	Kanchan Singh
Managing Director	Director	Chief Financial Officer	Company Secretary
(DIN: 00698377)	(DIN: 00043685)		(ACS: A24596)

Place: Mumbai
Date: May 21, 2016

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 23rd Annual General Meeting (AGM) of the Members of A. K. Capital Services Limited will be held on Saturday, September 17, 2016 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 receive, consider and adopt the audited financial statement of the Company and consolidated audited financial statement of the Company for the year ended March 31, 2016 including notes and schedule to financial statements, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare the final dividend on equity shares for the financial year 2015-16.
3. To appoint a Director in place of Mr. Deepak Mittal (DIN: 00043685), who retires by rotation and being eligible, offers himself for re-appointment.
4. Re-appointment of M/s. Suresh Surana & Associates LLP, Chartered Accountants, [Firm Registration No. 121750W/W-100010], as Statutory Auditors 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 Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Suresh Surana & Associates LLP, Chartered Accountants, [Firm Registration No. 121750W/W-100010], be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 24th AGM of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

5. Increase in Authorised Share Capital of the Company and subsequent alteration in Memorandum of Association:-

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 Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the rules made thereunder and subject to the provisions of the Memorandum and Articles of Association of the Company, approval of the shareholders of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from existing ₹ 35,00,00,000/- (Rupees Thirty Five Crores) divided into 3,30,00,000 (Three Crores Thirty Lakhs) Equity Shares of ₹ 10 (Rupees Ten) each aggregating to ₹ 33,00,00,000 (Rupees Thirty Three Crores) and 2,00,000 (Two Lakhs) Non-Convertible Redeemable Cumulative Preference Shares of ₹ 100 (Rupees One Hundred) each aggregating to ₹ 2,00,00,000 (Rupees Two Crores) each by creation of additional 1,00,00,000 (One Crore) Preference Shares of ₹ 100 each aggregating to ₹ 100,00,00,000/- (Rupees One Hundred Crores).

V. The Authorised Share Capital of the Company is ₹ 135,00,00,000/- (Rupees One Hundred and Thirty Five Crores) divided into 3,30,00,000 (Three Crores Thirty Lakhs) Equity Shares of ₹10 (Rupees Ten) each aggregating to ₹33,00,00,000/- (Rupees Thirty Three Crores) and 1,02,00,000 (One Crore Two Lakhs) Preference Shares of ₹100 (Rupees One Hundred) each aggregating to ₹102,00,00,000/- (Rupees One Hundred and Two Crores).

RESOLVED FURTHER THAT for giving effect to this Resolution, 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 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 the Company Secretary 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."

6. Alteration in 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 Section 14(1) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the rules made thereunder and subject to the provisions of the Memorandum and Articles of Association of the Company, approval of the shareholders of the Company be and is hereby accorded to alter the Articles 1 (j) and 3 of the Articles of Association of the Company and substituted by the following :-

1. *j) "Shares" shall mean the equity shares of ₹ 10 each and preference shares of ₹100 each in the issued share capital of the Company from time to time and having the rights set out in the Memorandum and Articles of Association of the Company.*

3. *The Authorised Share Capital of the Company is ₹ 135,00,00,000/- (Rupees One Hundred and Thirty Five Crores) divided into 3,30,00,000 (Three Crores Thirty Lakhs) Equity Shares of ₹10 (Rupees Ten) each aggregating to ₹33,00,00,000/- (Rupees Thirty Three Crores) and 1,02,00,000 (One Crore Two Lakhs) Preference Shares of ₹100 (Rupees One Hundred) each aggregating to ₹102,00,00,000/- (Rupees One Hundred and Two Crores).*

RESOLVED FURTHER THAT for giving effect to this Resolution, the Board 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 the Company Secretary 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."

7. To increase the borrowing limits of the Board of Directors under Section 180 of the Companies Act, 2013 upto ₹ 1,500 crores

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:-

"RESOLVED THAT in supersession of all the earlier resolutions passed in this regards, pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 and all other applicable provisions, if any and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), circulars if any issued on this behalf and pursuant to the provisions of the Articles of Association of the Company, approval of the shareholders of the Company be and is hereby accorded to borrow for and on behalf of the Company, from time to time, any sum or sums of monies, from any one or more of the Company's bankers and/or from any one or more other banks, persons, firms, companies/body corporates, financial institutions, institutional investor(s) and/or any other entity/entities or authority/authorities, whether in India or abroad, and whether by way of cash credit, advance, deposits, loans, or bill discounting, issue of debentures, commercial papers, long or short term loan(s), syndicated loans, either in rupees and/or such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licenses and properties (whether movable or immovable, present or future) and all or any of the undertaking of the Company, stock-in-process or debts, for the purpose of the Company's business, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, if any, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed, at any time, the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves which are not set apart for any specific purposes, provided that the total amount up to which the monies may be borrowed by 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 and outstanding at any time shall not exceed ₹ 1,500.00 Crores (Rupees One Thousand Five Hundred Crores).

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 and/or any person authorized by the Board from time to time in this regard be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, securities or otherwise as they may think fit.

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 and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution including filing e-forms, for the purpose of compliance under the Companies Act, 2013.

RESOLVED FURTHER THAT any one Director 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."

8. **Issuance of commercial paper of nominal value aggregating up to ₹ 200 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 and with a view to augment the business of the Company, approval of the shareholders of the Company be and is hereby given to borrow from time to time, by way of issuance of Commercial Papers ("CPs") of nominal value aggregating up to ₹ 200 crores (Rupees Two Hundred Crores), in one or more tranches on such terms and conditions as the Board may deem fit and appropriate from time to time.

RESOLVED FURTHER THAT the said limit of ₹ 200 crores (Rupees Two 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 issues/ tranches, face value, issue price, discount on issue, size, timing, amount, yield, 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 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."

9. Issuance of secured/ unsecured, redeemable, non-convertible debentures 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 provisions of Section 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 ₹ 300 Crores (Rupees Three Hundred Crore), in one or more tranches, 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, 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 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."

10. 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/- each, aggregating upto a nominal amount not exceeding ₹ 100 Crores (Rupees One Hundred Crore) 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."

11. Shifting of Register of Members from the Registered office to the office of the Registrar and Share Transfer Agent 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 Sections 88, 92, 94 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Management and Administration) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and/or other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company, subject to such other approvals as may be necessary, approval of the shareholders of the Company be and is hereby granted for keeping the Index of the Shareholders, Debenture holders and other security holder, the Register of Shareholders, Debenture holders and any other security holder, registers, documents, records, etc. relating to the shareholders of the Company, at the office of the Company's Registrars and Share Transfer Agents M/s. Link Intime India Private Limited at their office situated at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078, instead of keeping the same at the Registered Office of the Company at 403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai – 400021.

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. Mittal
Managing Director
(DIN: 00698377)

Place: Mumbai
Date: August 12, 2016

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

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. 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 Special Business to be transacted at the Meeting in respect of item nos. 5 to 11 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.
5. The Register of Members and the Share Transfer Book of the Company will remain closed from Tuesday, September 13, 2016 to Saturday, September 17, 2016, (both days inclusive) for the purpose of payment of the final dividend for the financial year 2015-16.
6. Final dividend for the financial year 2015-16 as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid:
   (i) 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 Monday, September 12, 2016, after giving effect to all valid transfers in physical form lodged on or before, Monday, September 12, 2016, with the Company and/or its Registrar and Share Transfer Agent; and
   (ii) 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 Monday, September 12, 2016.
7. Details under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/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-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai- 400078, quoting their folio number. Members holding shares in dematerialized form are requested to immediately notify change in their address, ECS 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 Annual General Meeting to enable the Company to keep the information ready at the Annual General Meeting.

10. Members are requested to

i) bring their copies of Annual Report and the attendance slip duly completed and signed at the Annual General Meeting.

ii) 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 Annual General Meeting, 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 23rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is 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 23rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent in the 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 Electronic Clearing Service (ECS) can fill the "ECS Mandate Form" and send it to the Company's Registered Office address or email it to compliance@akgroup.co.in. The ECS 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.

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 Annual General Meeting 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 SH.13 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 dividends, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund. Pursuant to Section 205C (2) of the Companies Act, 1956 and the Rules framed thereunder, the details of unclaimed dividend are hosted on the website of the Company.

19. Voting through electronic means

I. 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 23rd 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 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.

II. The instructions for shareholders voting electronically are as under:

i) The remote e-voting period shall commence on September 14, 2016 (9.00 a.m. IST) and close on September 16, 2016 (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. September 10, 2016, 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.

ii) The shareholders should log on to the remote e-voting website at www.evotingindia.com

iii) Click on Shareholders

iv) Now 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 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 or call at 18002005533.

III. Other Instructions:

i) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on September 10, 2016.

ii) 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 10, 2016 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

iii) 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 10, 2016 and whose PAN is not registered with the Company may obtain the login Id and password by sending request at helpdesk.evoting@cdslindia.com.

iv) 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.

v) 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 authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

vi) 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 Annual General Meeting.

21. The Notice of 23rd Annual General Meeting and Annual Report for the Financial Year 2015-16 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 23rd AGM is given along with the AGM notice as per the requirement of the Secretarial Standards-2 on General Meeting.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5 & 6

At present, the Authorized Share Capital of the Company is ₹ 35,00,00,000/- (Rupees Thirty Five Crores) divided into 3,30,00,000 (Three Crores Thirty Lakhs) Equity Shares of ₹10 (Rupees Ten) each aggregating to ₹ 33,00,00,000 (Rupees Thirty Three Crores) and 2,00,000 (Two Lakhs) Redeemable Cumulative Preference Shares of ₹100 (Rupees One Hundred) each aggregating to ₹ 2,00,00,000 (Rupees Two Crores). The Company requires additional funds for the purpose of its business operations and therefore proposes to issue further share capital for meeting its fund requirements.

With a view to accommodate the same, it is considered necessary to increase the Authorized Share Capital of the Company from the present ₹ 35,00,00,000/- (Rupees Thirty Five Crores) divided into 3,30,00,000 (Three Crores Thirty Lakhs) Equity Shares of ₹ 10 (Rupees Ten) each aggregating to ₹ 33,00,00,000 (Rupees Thirty Three Crores) and 2,00,000 (Two Lakhs) Redeemable Cumulative Preference Shares of ₹ 100 (Rupees One Hundred) each aggregating to ₹ 2,00,00,000 (Rupees Two Crores) to ₹ 135,00,00,000/- (Rupees One Hundred and Thirty Five Crores) divided into 3,30,00,000 (Three Crores Thirty Lakhs) Equity Shares of ₹ 10 (Rupees Ten) each aggregating to ₹ 33,00,00,000/- (Rupees Thirty Three Crores) and 1,02,00,000 (One Crore Two Lakhs) Preference Shares of ₹ 100 (Rupees One Hundred) each aggregating to ₹ 102,00,00,000/- (Rupees One Hundred and Two Crores).

Consequent to the aforesaid increase in authorized share capital, the relevant Clause V of the Memorandum of Association would require to be altered accordingly.

A duly altered draft copy of the Memorandum of Association and Articles of Association of the Company is available at the Registered Office of the Company for inspection of the Members during the office hours between 11.00 a.m. to 2.00 p.m. on all working days except Saturdays & Sundays.

Accordingly, approval of the shareholders is sought for increase in Authorised Share Capital of the Company and consequent amendment in Clause V of the Memorandum of Association as Item Nos. 5 & 6 of the Notice. Your Directors recommend these resolutions for your approval.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, except to the extent of their respective shareholding in the Company, concerned or interested, financially or otherwise, in the proposed special resolution. The Board recommends the resolution set forth for approval of the shareholders.

Item No. 7

As per the provisions of Section 180(1) (c) of the Companies Act, 2013 the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the shareholders accorded by way of a Special Resolution.

The shareholders of the Company, had accorded their approval to the Board of Directors of the Company by way of a Special Resolution passed in the 21st Annual General Meeting dated September 20, 2014, for borrowing monies on behalf of the Company, from time to time, up to an aggregate amount ₹ 1,000 Crore (Rupees One Thousand Crores) pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013.

As part of the Company's continuing strategy of growth and expansion, it is, hence proposed that the approval of the shareholders be sought to borrow a sum not exceeding ₹ 1,500 Crores (Rupees One Thousand Five Hundred Crores) over and above the aggregate of paid up share capital and free reserves of the Company by passing a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 7 of the Notice

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.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, except to the extent of their respective shareholding in the Company, concerned or interested, financially or otherwise, in the proposed special resolution. The Board recommends the resolution set forth for approval of the shareholders.

Item No. 8

In order to augment resources inter alia, to expand its operations and augment its working capital requirements, the Company may offer or invite subscription for issuance of Commercial Papers ("CPs") of nominal value aggregating up to ₹ 200 crores (Rupees Two Hundred Crores), in one or more tranches 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 August 12, 2016 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.

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 upto ₹ 200 crores (Rupees Two Hundred Crores), in one or more series or tranches, 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. 8 of this Notice for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, except to the extent of their respective shareholding in the Company, concerned or interested, financially or otherwise, in the proposed special resolution. The Board recommends the resolution set forth for approval of the shareholders.

Item No. 9

The Company in the ordinary course of its business, is required to resort to borrowings from time to time, including by way of loans, issue of debentures/bonds or other debt instruments, on private placement basis or otherwise, and through acceptance of fixed deposits. The inter-mix of borrowings depends upon the market conditions, tenor and cost of funds, tenor and security available in case of loans to be disbursed to customers etc.

The Board of Directors of the Company at its meeting held on August 12, 2016 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 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 amount to be raised by way of issue of non-convertible debentures shall be aggregating up to ₹ 300 Crores (Rupees Three Hundred Crore), in one or more tranches, 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, 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 non-convertible debentures on private placement basis up to ₹ 300 Crores (Rupees Three Hundred Crore) as stipulated above, in one or more tranches.

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.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, except to the extent of their respective shareholding in the Company, concerned or interested, financially or otherwise, in the proposed special resolution. The Board recommends the resolution set forth for approval of the shareholders.

Item No. 10

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)
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 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, 2016 is as under

Category	Number of shares	% of total Shareholding
Promoter and promoter group		
Indian	3,966,414	60.10
Foreign (NRI)	172,275	2.61
Sub-total (A)	**4,138,689**	**62.71**
Public		
NRIs/Foreign Bodies Corporate	36,842	0.56
Indian Bodies Corporate	970,060	14.70
Individuals/HUF	1,449,887	21.96
Clearing Members	4,522	0.07
Sub-total (B)	**2,461,311**	**37.29**
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. 10 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. 11

The Company had appointed Abhipra Capital Limited as its Registrar and Share Transfer Agent (hereinafter referred to as RTA) with effect from the year 2005.

The Company had passed a special resolution dated June 1, 2015 through postal ballot for shifting of its Registered Office address from the State of National Capital Territory of Delhi and Haryana to the State of Maharashtra. Pursuant to which the Company was in the receipt of the Order from the Regional Director, Northern Region, Ministry of Corporate Affairs dated March 17, 2016 for the approval of shifting of the Registered Office address of the Company.

The Registered Office of the Company is shifted to 403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai - 400021 and thus the Board of Director of our Company was of the opinion that the RTA must be located to the place where Registered Office address of the Company is situated and accordingly the Board of Directors of the Company at its meeting held on May 21, 2016, has approved the appointment of Link Intime India Private Limited, having its office at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078, as the new RTA of the Company.

In accordance with Section 88, 92 and 94 and other applicable provisions of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Register and Index of Members under Section 88 of the Act are required to be kept and maintained at the Registered office of the Company, unless a special resolution is passed by the shareholders at the Annual General Meeting authorizing the Company to keep the register and Index of members at any other place in India where more than one-tenth of the total number of shareholders reside.

The Company proposes to shift its Register and Index of members to the office of Link Intime India Private Limited, having its office at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078

The Board of Directors of the Company recommends the Special Resolution as set out in Item no. 11 of this Notice for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, except to the extent of their respective shareholding in the Company, concerned or interested, financially or otherwise, in the proposed special resolution. The Board recommends the resolution set forth for approval of the shareholders.

For and on behalf of the Board of Directors

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

Place: Mumbai
Date : August 12, 2016

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

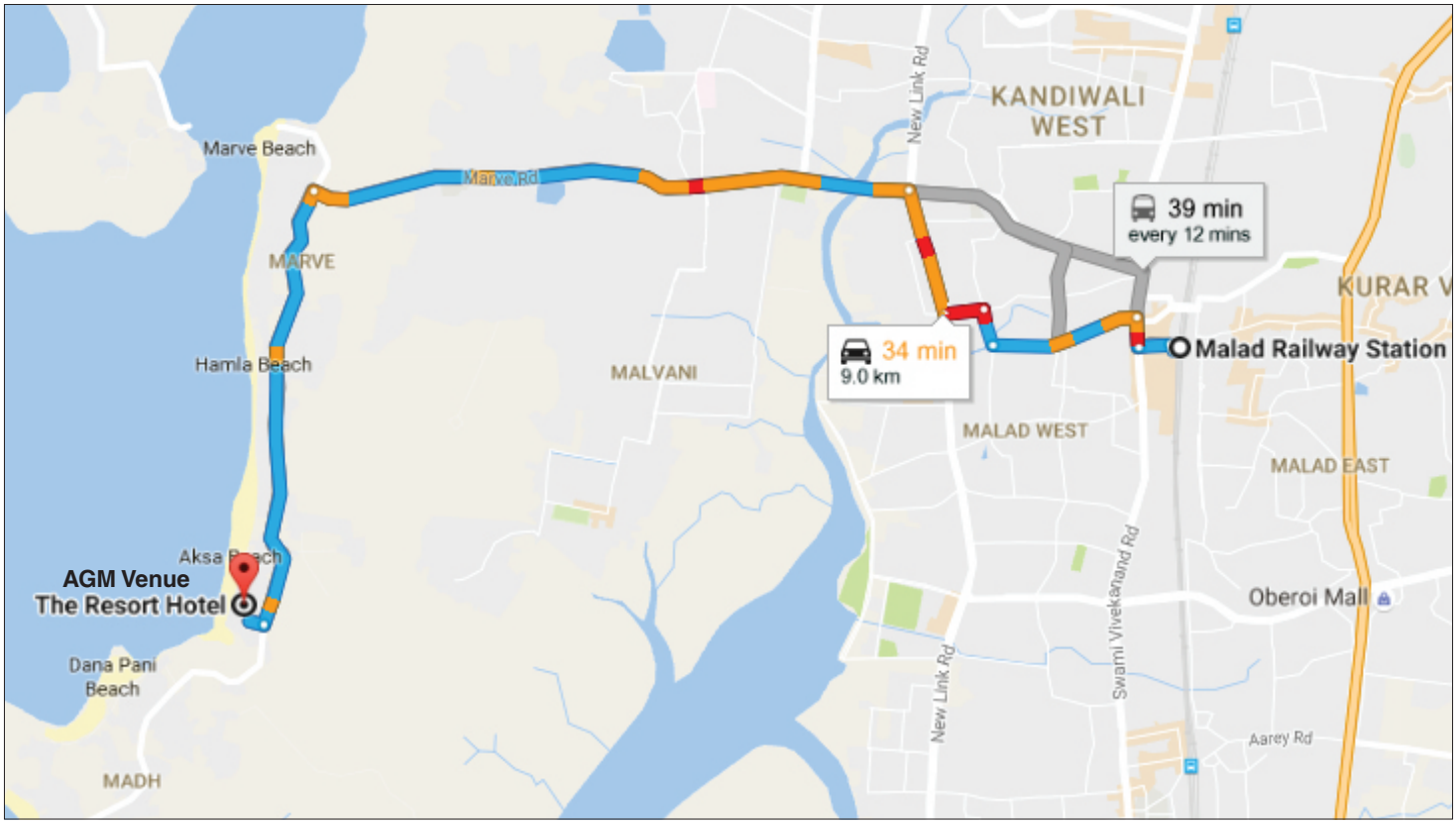
BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING (IN PURSUANCE WITH REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of the Director and DIN*	**Deepak Mittal (DIN: 00043685)**
Date of Birth	21/09/1970
Nationality	Indian
Date of Appointment on the Board	25/09/1999
Shares held in the Company as on March 31, 2016	Nil
Qualification/s	Chartered Accountant, B.Com.
Expertise in specific functional area	Expertise in origination and structuring for debt syndication, equity placement, financial restructuring, financial advisory for all state government undertakings (SLUs) and private sector corporates
Directorships held in other companies	1. A. K. Capital Finance Private Limited
Member/ Chairman of the Committees of Board/ other Companies **	1. Member – Audit Committee of A. K. Capital Finance Private Limited 2. Member – Stakeholders Relationship Committee of A. K. Capital Services Limited

* *In accordance with the Articles of Association of the Company and the provisions of the Section 152 of the Companies Act, 2013, Mr. Deepak Mittal (DIN: 00043685) though appointed as a Whole Time 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 Stakeholders' Relationship Committee Chairmanship/Membership have been considered.*

Route map for 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 _____ shares 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 THIRD ANNUAL GENERAL MEETING** of the Company, to be held on the **Saturday, 17th day of September 2016 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 receive, consider and adopt the audited financial statement of the Company and consolidated audited financial statement of the Company for the year ended March 31, 2016 including notes and schedule to financial statements, together with the Reports of the Board of Directors and the Auditors thereon.
2	To declare the final dividend on equity shares for the financial year 2015-16.
3	To appoint a Director in place of Mr. Deepak Mittal (DIN: 00043685), who retires by rotation and being eligible, offers himself for re-appointment.
4	Re-appointment of M/s. Suresh Surana & Associates LLP, Chartered Accountants, [Firm Registration No. 121750W/W-100010], as Statutory Auditors of the Company.
5	Increase in Authorised Share Capital of the Company and subsequent alteration in Memorandum of Association.
6	Alteration in Articles of Association of the Company.
7	To increase the borrowing limits of the Board of Directors under Section 180 of the Companies Act, 2013 up to ₹ 1,500 crores.
8	Issuance of commercial paper of nominal value aggregating up to ₹ 200 crores within the borrowing limits set forth under Section 180 of the Companies Act, 2013.
9	Issuance of secured/ unsecured, redeemable, non-convertible debentures of nominal value aggregating up to ₹ 300 crores within the borrowing limits set forth under Section 180 of the Companies Act, 2013.
10	Issuance of non-convertible redeemable preference shares of nominal value aggregating up to ₹ 100 crores.
11	Shifting of Register of Members from the Registered Office to the office of the Registrar and Share Transfer Agent of the Company.

Signed this ____ day of _____ 2016

Signature of shareholder _____

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 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 Third 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 THIRD ANNUAL GENERAL MEETING** of the Company on **Saturday, September 17, 2016 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 Shares 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
160823081		

*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 Third Annual General Meeting carefully before voting electronically.
2. The e-voting period shall commence on September 14, 2016 (9.00 a.m.) and end on September 16, 2016 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.