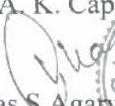




FORM A

1.	Name of the Company	A. K. Capital Services Limited
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NA

For A. K. Capital Services Limited


Vikas S Agarwal
Chief Financial Officer

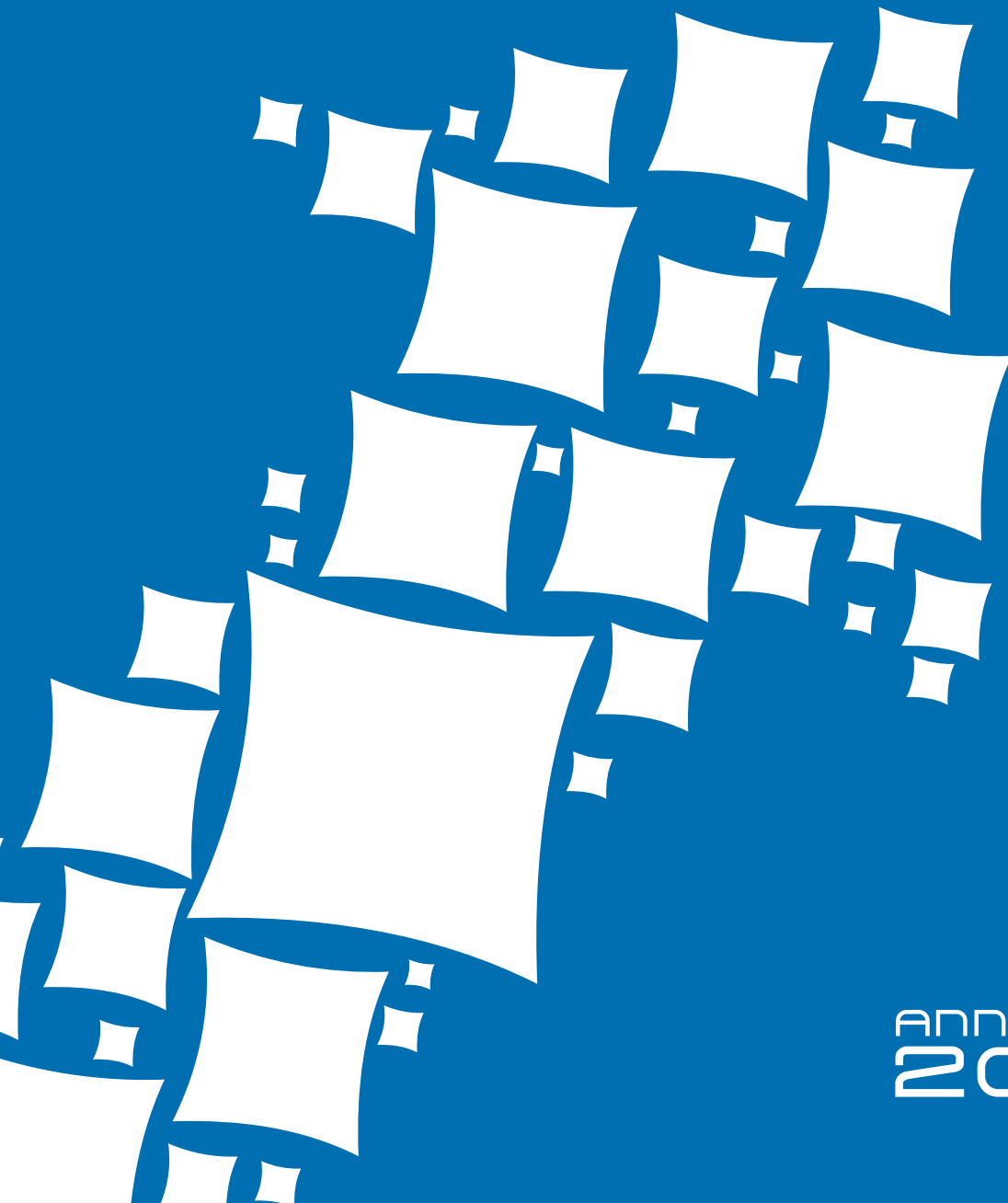
Date : September 5, 2014

Place: Mumbai



A. K. Capital Services Limited

BUILDING BONDS



ANNUAL REPORT
2013 - 14

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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

Mr. Vikas S Agarwal

COMPANY SECRETARY

Ms. Kanchan Singh

STATUTORY AUDITORS

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

BANKERS

Bank of India
HDFC Bank

REGISTRAR AND SHARE TRANSFER AGENT

Abhipra Capital Limited
Abhipra Complex, A-387, Dilkhush Industrial Area, G.T. Karnal Road, Azadpur, New Delhi – 110 033
Tel: +91 11 42390909, Fax: +91 11 27215530, website: www.abhipra.com

CORPORATE IDENTIFICATION NUMBER

L74899DL1993PLC055524

REGISTERED OFFICE

Flat N, Sagar Apartment, 6, Tilak Marg, New Delhi – 110 001
Tel: +91 11 23381561, Fax: +91 11 23385189, 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 66349300, Fax: +91 22 66100594, website: www.akcapindia.com

DIRECTORS' REPORT

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

The Directors of your Company take pleasure in presenting the 21st Annual Report on the business and operations of your Company along with the audited statement of accounts for the financial year 2013-14:

FINANCIAL HIGHLIGHTS

A summary of the financial performance of the Company, both on consolidated and standalone basis, for the financial year 2013-14 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	2013-14	2012-13
Total income	244.98	197.35
Total expenditure	191.90	128.33
Profit before tax	53.08	69.02
Provision for taxes	17.69	22.84
Profit after tax	35.39	46.18
Less: Share of minority interest and adjustment on account of further investment in Subsidiary Company	0.20	0.22
Profit for the year	35.19	45.96
Add: Surplus brought forward from previous year	219.46	184.03
Profit available for appropriation	254.65	229.99
Less: Appropriations		
Proposed dividend	3.96	3.96
Transfer to general reserves	2.10	3.25
Transfer to special reserves	2.63	2.65
Dividend distribution tax	0.67	0.67
Surplus carried to the balance sheet	245.29	219.46
Earnings per equity share (face value ₹ 10 per share)		
Basic (₹)	53.32	69.74
Diluted (₹)	53.32	69.74

Standalone financial highlights of A. K. Capital Services Limited

(₹ in Crore except per share data)

Particulars	2013-14	2012-13
Total income	97.55	110.53
Total expenditure	66.73	62.99
Profit before tax	30.82	47.54
Provision for tax	10.53	15.87
Profit after tax	20.29	31.67
Add: Surplus brought forward from previous year	197.16	173.37
Profit available for appropriation	217.45	205.04
Less: Appropriations		
Proposed dividend	3.96	3.96
Transfer to general reserves	2.10	3.25
Dividend distribution tax	0.67	0.67
Surplus carried to the balance sheet	210.72	197.16
Earnings per equity share (face value ₹ 10 per share)		
Basic (₹)	30.74	47.98
Diluted (₹)	30.74	47.98

FINANCIAL PERFORMANCE

The consolidated turnover of your Company stood at ₹ 244.98 Crore for the financial year ended March 31, 2014 as against ₹ 197.35 Crore for the previous year. The consolidated profit before tax is ₹ 53.08 Crore for the current year as against ₹ 69.02 Crore in the previous year. After making provision for tax, the consolidated net profit of your Company is ₹ 35.39 Crore as against ₹ 46.18 Crore in the previous year.

On standalone basis, your Company earned gross income of ₹ 97.55 Crore during the year under review as against ₹ 110.53 Crore reported in the previous year. The profit before tax is ₹ 30.82 Crore as against the ₹ 47.54 Crore during the previous year. After making provision for tax, the net profit of your Company is ₹ 20.29 Crore as against the net profit of ₹ 31.67 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 2013-14. The amount of dividend on equity shares and tax thereon aggregates to ₹ 4.63 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 Wednesday, September 17, 2014. The Register of Members and Share Transfer Books will remain closed from Thursday, September 18, 2014 to Saturday, September 20, 2014, both days inclusive. The Annual General Meeting of the Company is scheduled to be held on Saturday, September 20, 2014.

TRANSFERTO RESERVES

The Company proposes to transfer ₹ 2.10 Crore to the General Reserve.

SUBSIDIARIES

As on March 31, 2014, 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.

Your Company incorporated a wholly owned subsidiary at Singapore i.e. A. K. Capital (Singapore) Pte. Ltd. on July 29, 2013

On consolidated basis, your Company posted consolidated revenue of ₹ 244.98 Crore and a consolidated profit after tax (after minority interest) of ₹ 35.19 Crore.

The Consolidated Financial Statements has been prepared in accordance with the Accounting Standard 21 - Consolidated Financial Statements prescribed by the Companies (Accounting Standards) Rules, 2006 and forms part of this Annual Report.

In terms of the general exemption granted by the Ministry of Corporate Affairs vide Circular No. 2/2011 dated February 8, 2011 the Board of Directors of the Company had at their meeting held on May 25, 2014 approved attaching the Consolidated Financials of all the Subsidiaries of the Company along with that of the Company. The financial information of the Subsidiaries has been furnished under 'Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies' and forms part of this Annual Report. A statement pursuant to Section 212 of the Companies Act, 1956 is set out as an annexure to this Annual Report.

Pursuant to the aforesaid Circular, the copies of the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report of each of the Subsidiary Companies has not been attached to this Annual Report. The Company shall make available these details/documents to those members who wish to have copies of the same upon written request by the member to the Company Secretary and also the details/documents shall be kept open for inspection by any member at the Company's registered office on any working day except on Saturdays, between 11.00 a.m. to 3.00 p.m. upto the date of the ensuing Annual General Meeting.

DIRECTORS

As on March 31, 2014, 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 number of Directors are Independent Directors. The composition of the Board is in consonance with Clause 49 of the Listing Agreement, as amended from time to time, and in accordance with the applicable provisions of the Companies Act, 2013.

In accordance with the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, your Company is seeking appointment of Mr. Subhash Chander Madan (DIN: 00785025), Mr. Raghubinder Rai (DIN: 00851994) and Mr. Subhash Chandra Bhargava (DIN: 00020021) as Independent Directors for five consecutive years. The said Directors fulfill the conditions specified in section 149 of the Companies Act, 2013 and the rules made thereunder for appointment as an Independent Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. the Company has, in the preparation of the annual accounts, followed the applicable accounting standards along with proper explanation relating to material departures, if any;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the financial year 2013-14;
3. the Directors have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee) comprising of the following Directors as members:

- Mr. A. K. Mittal (DIN: 00698377)
- Mr. Deepak Mittal (DIN: 00043685)
- Mr. Subhash Chander Madan (DIN: 00785025) - (Independent Director)

The terms of reference of the CSR Committee include the matters specified in Section 135 of the Companies Act, 2013 and shall be responsible to carry out the duties and obligations as may be specified in the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014

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

The Company's policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace is in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company has constituted an Internal Complaint Committee. The committee is responsible for dealing with the complaints of Sexual Harassment received from the employees of the Company.

WHISTLEBLOWER POLICY AND ESTABLISHMENT OF VIGIL MECHANISM

In accordance with the provisions of Section 177 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, 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.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORTS

The Management Discussion and Analysis for the financial year 2013-14 and the report of the Directors on Corporate Governance as required under Clause 49 of the Listing Agreement, 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 in Clause 49 of the Listing Agreement is annexed to the report of the Directors on Corporate Governance.

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. They have also confirmed that they hold a valid peer review certificate as prescribed under Clause 41(1)(h) of the Listing Agreement.

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.

PUBLIC DEPOSITS

During the financial year 2013-14, your Company did not accept any public deposits.

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

The provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy and technology absorption are not applicable to your Company.

Your Company has no foreign exchange earnings during the financial year 2013-14. 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 August 17, 2013 (date of last Annual General Meeting) on the website of the Company (www.akcapindia.com), as also on the Ministry of Corporate Affairs website.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time, the names and other particulars of the employees are set out in the annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. The Annexure is available for inspection at the Registered Office of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

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 2, 2014
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACRO-ECONOMIC & BOND MARKET DEVELOPMENT

Since January 2014 the RBI monetary policy statement, global growth outlook has remained broadly unchanged though weaker initial data to some extent clouded optimism. Global economic activity had strengthened in the second half of FY 2012-13. On the current reckoning, global growth is likely to be in the vicinity of 3.5% in FY 2013-14, about half a percentage point higher than in 2012-13.

Growth in the Indian economy had been on a consistent decline from the high of 9.6% seen in Q4 of 2010-11. It troughed at 4.4% for three quarters from Q3 of FY 2012-13 to Q1 of FY 2013-14. Since then there are signs of growth bottoming out with marginal improvement recorded during Q2 and Q3 of FY 2013-14 to 4.8% and 4.7% respectively. However, this improvement has been feeble and clear signs of recovery are yet to emerge, even as the economy seems to be gearing for a modest recovery during FY 2014-15.

The easing course of monetary policy was disrupted by 'tapering' fears in May 2013 that caused capital outflows and exchange rate pressures amid unsustainable Current Account Deficit (CAD), as also renewed inflationary pressures on the back of the rupee depreciation and a vegetable price shock. The Reserve Bank resorted to exceptional policy measures for further tightening the monetary policy. As a first line of defense, short-term interest rates were raised by increasing the marginal standing facility (MSF) rate by 200 basis points (bps) and curtailing liquidity available under the liquidity adjustment facility (LAF) since July 2013. As orderly conditions were restored in the currency market by September 2013, the Reserve Bank quickly moved to normalise the exceptional liquidity and monetary measures by lowering the MSF rate by 150 bps in three steps. However, with a view to containing inflation that was once again rising, the policy repo rate was hiked by 75 bps in three steps.

The developments in lead indicators of the services sector activity signaled improvement in most segments except cement production and in commercial vehicle sales. Weak consumer confidence has impacted the sale of passenger cars, commercial vehicles and three wheelers. The reduction in excise duty on passenger vehicles and two wheelers in the interim budget for 2014-15 are expected to provide some boost to this sector.

The outlook for the Indian economy has improved over the past two months with cautiously positive business sentiments, improved consumer confidence, expectations of a modest recovery in growth and decline in inflation numbers. The challenge for maintaining disinflationary momentum over the medium term, however, remains. GDP growth at 4.7% in Q3 of FY 2013-14, was slightly higher than that in the corresponding quarter of the previous year, but it has not been enough to suggest that the advanced estimates of 4.9% during FY 2013-14 could be realised. The economy will now have to record a 5.5% growth in Q4 to realise that growth, which on current assessment looks difficult.

Risks to inflation are more on the upside. They largely emanate from any adverse outcome on the monsoon, resurfacing of geopolitical risks that could lift commodity prices, sharper-than-anticipated tapering that could lead to exchange rate pass-through pressures and return of pricing power as the output gap narrows.

The Indian bond market witnessed several initiatives from the Reserve Bank of India (RBI) which could directly or indirectly help in the further strengthening of the bond market. Many announcements such as launch of inflation indexed bonds linked to wholesale inflation and later similar instrument linked to retail inflation was aimed at broad basing the participants in the market. Measures to allow banks to offer partial credit enhancements to corporate bonds by way of providing credit facilities and liquidity facilities to the corporate rather than providing just the guarantee was another initiative by the central bank. The launch of dedicated debt trading platform on the exchange was aimed at improving liquidity and transparency to the participants. Also launch of Cash Settled 10-year Interest Rate Futures Contracts will go a long way in deepening the bond markets.

OUR BUSINESS

The Group commenced operations in October 1993 by incorporating A. K. Capital Services Private Limited, which subsequently changed to A. K. Capital Services Limited (AKCSL) on December 21, 1994. The Company got registered with Securities and Exchange Board of India (SEBI) as Category I Merchant Banker in the year 1998. Over the period of 16 years the Company progressed to gain position amongst top participants in Indian debt market. The merchant banking activities are conducted in AKCSL which involves corporate debt raising through private placement of bonds and debentures, initial public issue of bonds and debentures, project financing, working capital financing, financial advisor, etc. AKCSL also invests in bonds out of its surplus funds and/or for fulfilling merchant banking obligations and generates investment income and interest income.

The group consists of 5 subsidiaries and conducts its operations through a branch network of 10 offices in 9 cities of India. The Company diversified into number of financial service businesses by setting up subsidiaries. AKCSL conducts its business of stock broking, IPO distribution, third party product distribution and depository services through its subsidiary A. K. Stockmart Private Limited (AKSMPL). AKSMPL is SEBI registered NSE and BSE stock broker governed by SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 and is SEBI registered Depository participant with CDSL. AKSMPL is also registered with SEBI Wholesale Debt Market Segment.

The Non Banking finance activities are conducted through A. K. Capital Finance Private Limited (AKCFPL) which is registered with Reserve Bank of India as Non Banking Finance Company (NBFC) non accepting public deposits. AKCFPL is a systematically important NBFC which is into the business of lending to corporates, investment and trading in debt securities and investment in shares.

A. K. Wealth Management Private Limited is registered with SEBI as portfolio management service provider. The Company is in the process of starting its operations in PMS debt. A. K. Capital Corporation Private Limited is into investment of its funds into financial instruments. A. K. Capital (Singapore) Pte. Ltd. wholly owned subsidiary of AKCSL was incorporated on July 29, 2013 having its presence in Singapore.

FINANCIAL PERFORMANCE

Consolidated Financial Highlights

The consolidated total income was ₹ 244.98 crore in FY 2013-14 as compared to ₹ 197.35 crore in FY 2012-13. The Profit after tax and minority interest was ₹ 35.19 crore in FY 2013-14 as compared to ₹ 46.03 crore in FY 2012-13. Basic EPS was ₹ 53.32 and diluted EPS was ₹ 53.32 in FY 2013-14 as compared to ₹ 69.74 and ₹ 69.74 in FY 2012-13 respectively.

Standalone Financials

The merchant banking fees was ₹ 87.19 crore during FY 2013-14 as compared to ₹ 95.38 crore during FY 2012-13. Merchant banking fee income primarily includes fund raising fees from clients, financial advisory fees and third party referral fees. The merchant banking fees 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 2013-14 was ₹ 7.53 crore as compared to ₹ 11.42 crore in FY 2012-13. During the FY 2013-14 the investment income was impacted due to increase in interest rates. The profit after tax for FY 2013-14 was ₹ 20.29 crore as compared to ₹ 31.67 crore in FY 2012-13. The Company even after the high interest rate and tight liquidity conditions demonstrates the Company's ability to perform across cycles in consistent manner and yet be able to convert growth opportunities into business whenever they re-emerge.

Employee expenses was ₹ 20.09 crore in FY 2013-14 compared to ₹ 23.11 crore in FY 2012-13. Other expenses primarily include rent, taxes, lighting, advertisement and publicity, repairs and maintenance, professional fees, sub arrangers fees, etc. Other expenses was ₹ 32.94 crore in FY 2013-14.

The Company has maintained a strong and liquid balance sheet. Equity share capital and reserves increased to ₹ 304.27 crore in FY 2013-14 from ₹ 288.62 crore in FY 2012-13 primarily due to ploughing back current year profits (after provision of proposed dividend) back into the business. The Book Value per share rose to ₹ 461.02 in FY 2013-14 from ₹ 437.30 in FY 2012-13. The Non Current liabilities decreased to ₹ 33.63 crore in FY 2013-14 from ₹ 33.84 crore in FY 2012-13. The Current liabilities increased to ₹ 109.48 crore in FY 2013-14 from ₹ 81.07 crore in FY 2012-13. During the year the net block of fixed assets decreased by ₹ 1.35 crore to ₹ 40.42 crore. The Non-Current assets increased to ₹ 309.47 crore in FY 2013-14 from ₹ 307.76 crore in FY 2012-13. The Current assets increased to ₹ 137.92 crore in FY 2013-14 from ₹ 95.77 crore in FY 2012-13.

Outlook and Strategy

In a short span of time, AKCSL 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. AKCSL 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 AKCSL to foresee the future market trends and take initiatives to leverage the market opportunities. Each specialist at AKCSL 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)

2013-14*		2003-04	
No. of Issues	Amount	No. of Issues	Amount
859	2,13,507.70	337	43,599.23
Growth over last decade : 389.70%			

* provisional/ tentative

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

(₹ in crore)

2013-14*		2003-04	
No. of Issues	Amount	No. of Issues	Amount
35	42,382.99	6	4,323.54
Growth over last decade : 880.28%			

* provisional/ tentative

- Volume in private placement of debt has surged by whooping 389% over last decade and that of public issue of debt has surged by 880% during the period.
- Growth of volume in public issue of debt reflects the growing awareness, acceptability and percolation of fixed income securities to retail class of investors.
- The Government and SEBI have introduced a host of measures to promote orderly development of debt markets in the country, the major ones being, enhancement of ceiling limits for investment by FIIs, evolution of debt trading platform on stock exchanges, allowing repo in corporate bonds, allocation of large amount of tax free bonds, simplification of disclosure norms, introducing credit default swaps, interest rate futures etc.
- Fixed income markets are poised to witness increased participation from a large classes of issuers including private corporates, public sector undertakings, non-banking finance companies, housing finance companies, financial institutions and banks on one hand and diverse segment of investors such as banks, financial institutions, life and general insurance companies, foreign institutional investors, mutual funds, private corporates, high networth individuals, retail investors on the other hand.
- There is still a large territory of investors which are relatively un-tapped and are likely to participate in issues of fixed income securities and provide stable source of funding to the diverse set of issuers.

Challenges

- Like any other market, bond markets are subject to volatility in interest rates.
- Like any other market, our operations may be vulnerable to competition thereby affecting margins.
- Like any other market, debt market operations are vulnerable to credit risk.

HUMAN RESOURCES

At AKCSL, 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 believes in focusing on employee training and development, rigorous leadership engagement, enhanced communication and participative decision making.

RISK MANAGEMENT

AKCSL 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. A. K. Capital Services Limited 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.

CORPORATE GOVERNANCE REPORT

(A) OUR PHILOSOPHY

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

The Company 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 Clause 49 of the Listing Agreement 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 a policy of maintaining an optimum combination of Executive and Non-Executive Directors which is in conformity with Clause 49 of the Listing Agreement. The Board comprises of six Directors of which two are Executive Directors, one is 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 number of directors are Independent Directors.

All the Non-Executive Independent Directors have confirmed to the Board that they are qualify to be Independent as per the definition of 'Independent Director' stipulated in Clause 49(I) (A) (iii) of the Listing Agreement and Section 149(6) of the Companies Act, 2013. None of the Directors hold directorships in more than 20 companies. None of the Directors is serving as a Member of more than ten committees or as a Chairman of more than five committees across all the public companies of which he is a Director. The disclosures regarding committee positions in other public companies as on March 31, 2014 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 four calendar months. 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 2013-14, the Board met four times on the following dates:

May 25, 2013; August 14, 2013; October 31, 2013 and February 8, 2014. The gap between two meetings did not exceed 120 days.

The names and categories of directors, their relationship with other directors, attendance at the Board Meetings held during the financial year 2013-14 and at the last Annual General Meeting (AGM) as also the number of directorships and committee positions held by them in all public limited companies as on March 31, 2014 are as under:

Name of Director	Category of Director	Relationship with other Directors	No. of Board Meetings		Attendance at the last AGM held on August 17, 2013	No. of Directorships and committee membership/ chairmanship		
			Held	Attended		Directorships *	Committee membership **	Committee chairmanship **
Mr. Subhash Chandra Bhargava	Chairman, Non-Executive Independent Director	None	4	4	No	12	7	2
Mr. A. K. Mittal	Managing Director, Executive (Promoter)	Husband of Mrs. Anshu	4	4	Yes	5	1	-
Mr. Deepak Mittal	Whole time Director, Executive	None	4	4	Yes	2	2	-
Mr. Subhash Chander Madan	Non-Executive Independent Director	None	4	4	Yes	2	-	1

Name of Director	Category of Director	Relationship with other Directors	No. of Board Meetings		Attendance at the last AGM held on August 17, 2013	No. of Directorships and committee membership/ chairmanship		
			Held	Attended		Directorships *	Committee membership **	Committee chairmanship **
Mr. Raghubinder Rai	Non-Executive Independent Director	None	4	4	Yes	1	1	-
Mrs. Anshu	Non- Executive Non- Independent Director (Promoter)	Wife of Mr. A. K. Mittal	4	4	No	2	-	1

* Includes Directorship in A. K. Capital Services Limited and excludes Directorships in private limited companies, foreign companies, companies under Section 25 of the Companies Act, 1956. (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 Agreement viz. Audit Committee and Shareholders/Investors Grievance 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 25 of the Companies Act, 1956. (Public Limited Companies includes Private Limited Companies which are subsidiaries of Public Limited Companies).

(3) 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 with the Company Secretary in advance to enable inclusion of such matters in the agenda of the Board meetings. The 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. 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 Clause 49 of the Listing Agreement and in particular reviews and approves the quarter/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. Comments, if any, received from the Directors are also incorporated in the minutes, in consultation with the Chairman.

(4) Code of Conduct

The Company has laid down a Code of Conduct ("Code") for the Board Members and Senior Management which is in accordance with Clause 49 of the Listing Agreement. The Code has been posted on the Company's website www.akcapindia.com. The Board Members and Senior Management 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 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 Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. 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.

Composition

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 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Company Secretary officiates as the Secretary to the Audit Committee.

The composition and designation of the Audit Committee are as under:

Name of the Member	Designation	Category of the Member
Mr. Subhash Chander Madan	Chairman	Non-Executive Independent Director
Mr. Raghubinder Rai	Member	Non-Executive Independent Director
Mr. A. K. Mittal	Member	Executive Director

Terms of Reference

The terms of reference of the Audit Committee inter alia include overseeing the Company's financial reporting process and disclosures of financial information.

The Committee is empowered to inter alia review the remuneration payable to the Statutory Auditors and to recommend the change in Auditors, if felt necessary. The Committee approves the appointment or re-appointment of Statutory Auditors of the Company and their remuneration.

It is authorized to select and establish accounting policies, review Statutory Audit Report, Internal Audit Report and meet them for discussions on their findings, suggestions and other related matters. The Committee ensures adequate follow up action is taken by the Management on observations and recommendations made by the respective Auditors.

The terms of reference and powers of the Audit Committee include all items listed under Clause 49 II (D) of the Listing Agreement and Section 292A of the Companies Act, 1956.

Meetings

During the financial year 2013-14, four meetings of Audit Committee were held on the following dates:

May 25, 2013; August 14, 2013; October 31, 2013 and February 7, 2014.

The gap between two Audit Committee Meetings was not more than four calendar months. The attendance record of the Audit Committee Meetings are as follows:

Name of the Member	Number of Committee meetings attended
Mr. Subhash Chander Madan	4
Mr. Raghubinder Rai	4
Mr. A. K. Mittal	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.

Mr. Subhash Chander Madan, Chairman of the Audit Committee was present at the last Annual General Meeting held on August 17, 2013.

(2) Remuneration Committee (now known as Nomination and Remuneration Committee)

Composition

The Board of Directors of the Company at their meeting held on May 25, 2014, had re-christened the Remuneration Committee as the Nomination and Remuneration Committee, to comply with the provisions of Section 178 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014.

The 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 and designation of the Committee are as under:

Name of the Member	Designation	Category of the Member
Mr. Raghubinder Rai	Chairman	Non-Executive Independent Director
Mr. Subhash Chander Madan	Member	Non-Executive Independent Director
Mrs. Anshu	Member	Non-Executive Non-Independent Director

Terms of Reference

The role of the Committee is to review and decide on remuneration packages payable to the Managing Director and the Executive Directors of the Company. During the course of its review, the Committee also decides 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.

Remuneration Policy

While deciding on the remuneration for Directors, the Committee considers the performance of the Company, the current trends in the industry, the qualification of the appointee(s), their experience, past performance and other relevant factors. The Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. This information is used to review the Company's remuneration policies.

Meetings

The Committee met twice during financial year 2013-14 on September 30, 2013 and March 29, 2014. The details of attendance of members in the Committee Meeting are as under:

Name of the Member	Number of Committee meetings attended
Mr. Raghubinder Rai	2
Mr. Subhash Chander Madan	2
Mrs. Anshu	2

Remuneration to 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/payable to Non Executive Directors for the financial year 2013-14 is as under:

Name of the Director	Sitting fees for the Board Meetings paid/payable for the financial year 2013-14 (₹)
Mr. Subhash Chandra Bhargava	80,000
Mr. Subhash Chander Madan	80,000
Mr. Raghubinder Rai	80,000
Mrs. Anshu	60,000

Remuneration to Executive Directors

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

Details of remuneration paid/payable to Managing Director and Whole Time Director during the financial year 2013-14 are as under:

Particulars	Mr. A. K. Mittal Managing Director (₹)	Mr. Deepak Mittal Whole Time Director (₹)
Salary and allowances	18,996,774	3,528,360
Bonus	-	6,947,000
Perquisites and allowances	1,056,000	-
Total	20,052,774	10,475,360

Shareholding of Directors

The shareholding of the Directors as on March 31, 2014 are as under:

Sr.	Name of the Director	No. of shares	% of the total paid up equity share capital of the Company
1.	Mr. Subhash Chandra Bhargava	-	-
2.	Mr. A. K. Mittal	506,818	7.68
3.	Mr. Deepak Mittal	-	-
4.	Mr. Subhash Chander Madan	-	-
5.	Mr. Raghubinder Rai	-	-
6.	Mrs. Anshu	172,275	2.61

(3) Shareholders Grievance Committee (now known as Stakeholders' Relationship Committee)

The Board of Directors of the Company at their meeting held on May 25, 2014, had re-christened the Shareholders Grievance Committee as the Stakeholders' Relationship Committee, to comply with the provisions of Section 178 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014.

The 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. The composition of the Committee is in accordance with the provisions of Clause 49 of the Listing Agreement.

The composition and designation of the Members of the Committee are as under:

Name of the Member	Designation	Category of the Member
Mrs. Anshu	Chairperson	Non-Executive Non Independent Director
Mr. Deepak Mittal	Member	Whole Time Director

Terms of Reference

The Committee, inter alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with transfers, transmissions, splits and consolidation of securities of the Company. The Committee also monitors redressal of investors' grievances relating to transfer of shares, non-receipt of dividend, non-receipt of annual report, etc. It oversees the performance of the Registrar and Share Transfer Agents of the Company and recommends measures so as to facilitate better investor services and relations.

Meetings

The Committee met five times during the financial year 2013-14 on the following dates:

April 5, 2013; July 2, 2013; September 24, 2013; October 3, 2013 and January 2, 2014.

The details of attendance of members in the Committee Meetings are as under:

Name of the Member	Number of Committee meetings attended
Mrs. Anshu	5
Mr. Deepak Mittal	5

Based on the report received from the Company's Registrar and Share Transfer Agent, the Company has received five complaints during the financial year 2013-14. All the complaints were redressed to the satisfaction of the shareholders. No complaints were pending unresolved as on March 31, 2014.

The name, designation and address of the Compliance Officer of the Company is as follows:

Name and Designation: Mr. Vikas S Agarwal, Senior Vice President

Address: A. K. Capital Services Limited, 30-39, Free Press House, Nariman Point, Mumbai – 400021

Contacts: Tel: +91 22 66349300, Fax: +91 22 66100594, E-mail: vikas.agarwal@akgroup.co.in

(4) CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on May 25, 2014 have constituted the Corporate Social Responsibility Committee (CSR Committee) comprising 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 Committee shall be responsible for formulating the CSR policy of the Company which shall indicate the activities to be undertaken by the company as specified in Schedule VII, recommend the amount of expenditure to be incurred on the activities and monitor the CSR Policy of the company from time to time along with other duties and obligations as may be specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and clause 49 of Listing Agreement and to perform such other functions as may be required under the Act.

(D) SUBSIDIARY COMPANIES

As per Clause 49 of the Listing Agreement, "material non listed Indian subsidiary" means an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Your Company has two material non listed Indian subsidiaries whose turnover or networth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively of the listed holding company and its subsidiaries in the immediately preceding financial year.

Mr. Subhash Chandra Bhargava, Independent Director on the Board of A. K. Capital Services Limited (Holding Company) was also a Director on the Board of A. K. Capital Finance Private Limited (material non-listed Indian subsidiary) as on March 31, 2014. However, he has resigned from the Board of A. K. Capital Finance Private Limited with effect from May 23, 2014.

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 non-listed Indian subsidiary) with effect from May 19, 2014.

Mr. Subhash Chander Madan, Independent Director on the Board of A. K. Capital Services Limited (Holding Company) is also a Director on the Board of A. K. Stockmart Private Limited (material non-listed Indian subsidiary).

The financial statements including the particulars of investments made by all the unlisted 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 unlisted 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 show of hands with requisite majority of members attending the meeting. No Extraordinary General Meeting was held during the year.

The Details of the last three AGM of the Company are as follows:

Financial Year	Date	Time	Location/Venue	No. of Special resolutions passed
2012-13	August 17, 2013	9.00 a.m.	Tivoli Garden Resort Hotel, Chattarpur Road, New Delhi	1
2011-12	September 29, 2012	9.00 a.m.	Tivoli Garden Resort Hotel, Chattarpur Road, New Delhi	1
2010-11	September 17, 2011	9.00 a.m.	Tivoli Garden Resort Hotel, Chattarpur Road, New Delhi	2

No resolution was passed through postal ballot pursuant to Section 192A of the Companies Act, 1956 from the date of the last Corporate Governance report upto the date of this report.

(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.

b. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards as prescribed under Companies (Accounting Standards) Rules, 2006 and as amended from time to time.

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 duly complied with all the mandatory requirements of Clause 49 of the Listing Agreement and all other laws applicable to the Company. In respect of compliance with the non-mandatory requirements, the Company has constituted a Nomination and Remuneration Committee, the details whereof are given under the heading "Nomination and Remuneration Committee".
- ii. 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.
- iii. The Audit Committee has established a Vigil Mechanism and adopted a Whistle-Blower Policy at its meeting held on May 25, 2014, 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
- iv. No penalty 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 last three years.
- v. The quarterly and yearly financial results are displayed on the Company's website and are being published in English and Hindi newspapers.
- vi. 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.

(G) MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

(H) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year 2013-14 as required under Clause 49 of the Listing Agreement, is presented in a separate section forming part of this Annual Report.

(I) CEO/CFO CERTIFICATION

The CEO and CFO have certified to the Board with regard to the financial statements and other matters as required by Clause 49 of the Listing Agreement. The certificate is annexed to this report as Annexure II.

(J) SHAREHOLDER INFORMATION**Corporate Identification Number of the Company (CIN)**

L74899DL1993PLC055524

Details of the 21st Annual General Meeting of the Company

Date: September 20, 2014

Time: 9.00 a.m.

Venue: Tivoli Garden, Resort Hotel, Chattarpur Road, New Delhi – 110030

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 2014-15

Financial reporting for the	Tentative dates of the Board Meeting
First quarter ending on June 30, 2014	before August 14, 2014
21st Annual General Meeting	September 20, 2014
Second quarter ending on September 30, 2014	before November 14, 2014
Third quarter ending on December 31, 2014	before February 14, 2015
Fourth quarter/year ending on March 31, 2015	before May 30, 2015

Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 18, 2014 to Saturday, September 20, 2014 (both days inclusive) in order to determine the entitlement of the shareholders to receive the dividend, if any, for the financial year 2013-14 as well as for the purpose of AGM.

Dividend payment date

The payment of dividend, if any, shall be on or before, Saturday, October 18, 2014.

Distribution of Equity Shareholding

Distribution schedule of Equity shareholding of the Company as at March 31, 2014 is as follows:

Category			Number of Shareholders	% of total Shareholders	Total number of shares held	% of total Shareholding
From		To				
1	-	2,500	2,077	75.45	126,703	1.92
2,501	-	5,000	264	9.59	98,415	1.49
5,001	-	10,000	156	5.67	121,281	1.84
10,001	-	20,000	72	2.62	106,484	1.61
20,001	-	30,000	49	1.78	119,557	1.81
30,001	-	40,000	17	0.61	59,071	0.90
40,001	-	50,000	27	0.98	125,109	1.90
50,001	-	100,000	35	1.27	247,580	3.75
100,001	-	Above	56	2.03	5,595,800	84.78
Total			2,753	100.00	6,600,000	100.00

Equity Shareholding pattern of the Company as at March 31, 2014 is as follows:

Category	Number of shares	% of total Shareholding
Promoter and promoter group		
Indian	3,872,226	58.67
Sub total (A)	3,872,226	58.67
Public		
NRIs/Foreign Bodies Corporate	47,133	0.72
Indian Bodies Corporate	1,089,137	16.50
Individual/HUF	1,571,591	23.81
Clearing Members	19,913	0.30
Sub total (B)	2,727,774	41.33
Total Shareholding (A) + (B)	6,600,000	100.00

Stock code

BSE - 530499

Demat International Security Identification Number (ISIN) in NSDL and CDSL for equity shares:

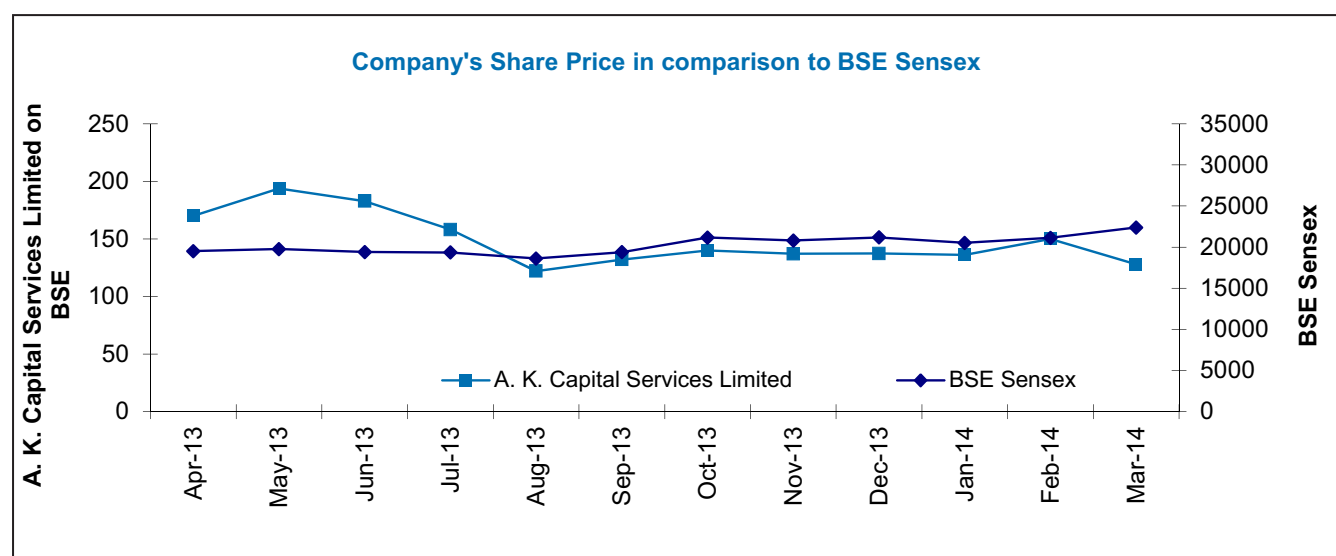
ISIN No. INE701G01012

The Company had paid the listing fees for financial year 2014-2015, to the stock exchange where the shares of the Company are listed.

Stock Price Data

The table below gives the monthly high and low quotations of shares traded at Bombay Stock Exchange Limited (BSE) for the FY 2013-14. The chart below plots the monthly closing price of A. K. Capital Services Limited versus BSE-Sensex for the FY 2013-14.

Month	High Price (₹)	Low Price (₹)	No. of shares traded
April 2013	170.00	146.00	98,995
May 2013	193.70	153.05	70,690
June 2013	182.80	122.00	155,560
July 2013	158.00	105.30	216,260
August 2013	122.00	99.00	288,036
September 2013	132.00	102.00	170,224
October 2013	140.00	110.00	127,960
November 2013	137.00	116.00	60,116
December 2013	137.35	107.00	123,956
January 2014	136.00	117.00	42,166
February 2014	150.00	118.55	107,086
March 2014	128.00	115.25	87,839



Means of Communication

- a) The Company has its own website (www.akcapindia.com) and all the vital information relating to the Company and its services is displayed on its website.
- b) 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 Agreement and are published in English and Hindi newspapers.
- c) The following informations, statements, reports are regularly uploaded on the Company's website:
 - (i) Annual Report of the Company including the Balance Sheet, Profit & Loss Account, Directors' Report and Auditors' Report, Cash Flow Statements, Half-Yearly Financial Statements and Quarterly Financial Statements.
 - (ii) Corporate Governance Report of the Company.
 - (iii) Shareholding Pattern of the Company.

Share transfer system

The Company's shares are compulsorily traded in dematerialized form. 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.

Dematerialization of shares

As on March 31, 2014, 98.77% of the paid-up Equity Share Capital of the Company was in dematerialized 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.

Registrar and Share Transfer Agent

Abhipra Capital Limited is the Registrar and Share Transfer Agent of the Company. 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.

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:

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

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
email: cs@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. Pawan Kumar Agarwal

A. K. Capital Services Limited
609, Antriksh Bhawan, 6th floor,
22, Kasturba Gandhi Marg,
New Delhi – 110 001
Tel: +91 11 23739628
Fax: +91 11 23739627
email: akdelhi@akgroup.co.in
website: www.akcapindia.com

COMPLIANCE CERTIFICATE FROM THE AUDITORS

A certificate from the Auditors certifying the Company's compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed as Annexure III.

Place: Mumbai

Date : August 2, 2014

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 2013-14.

By the order of the Board of Directors

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

Place: Mumbai
Date : August 2, 2014

ANNEXURE II

CEO AND CFO CERTIFICATION

We have reviewed the financial statements and the cash flow statement for the financial year 2013-14 and to the best of our knowledge and belief, certify that:

- a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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 which will violate the Company's Code of Conduct.

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 and we have disclosed to the Auditors and the Audit Committee, the deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee that there is:

- a) no significant change in internal control over financial reporting during the year,
- b) no significant change in accounting policies during the year under review and
- c) no instances of any fraud in the Company in which the management has any role.

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

Vikas S Agarwal
Chief Financial Officer

Place: Mumbai
Date : August 2, 2014

ANNEXURE III**AUDITOR'S CERTIFICATE**

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**, for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of 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 2, 2014

INDEPENDENT AUDITORS' REPORT

To
The Members of
A. K. CAPITAL SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **A. K. Capital Services Limited** ("the Company"), which comprise the balance sheet as at March 31, 2014 and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). read with the General Circular 15/2013 dated September 13, 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making, those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2014
- b) in the case of the statement of profit and loss, of the profit for the year ended on that date and
- c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's report) Order 2003 (hereinafter referred to as 'the Order') issued by the Central Government of India in terms of Section 227(4A) and on the basis of such checks, as were considered appropriate, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The balance sheet, statement of profit and loss, and cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the Accounting Standards referred to in sub-section(3C) of Section 211 of the Act;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No.: 121750W/W-100010

(Ramesh Gupta)

PARTNER

Membership No.: 102306

Place: Mumbai

Date: May 26, 2014

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

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner on yearly basis. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) During the year, the Company has not disposed off substantial part of its fixed assets.
2. Considering the nature of business, the Company does not have inventory. In view of this, clauses 4 (ii) (a), 4 (ii) (b) and 4 (ii) (c) of the Order are not applicable to the Company.
3. The Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses 4 (iii) (b), 4 (iii) (c), 4 (iii) (d), 4 (iii) (f) and 4 (iii) (g) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of services and fixed assets and for sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5.
 - a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been so entered in the register required to be maintained under that Section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements aggregating during the year to ₹ 500,000 or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public with the meaning of Section 58A and 58AA or any other relevant provisions of the Act, during the year.
7. The Company has adequate internal audit system commensurate with the size and nature of its business.
8. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Act.
9.
 - a) According to the information and the explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income tax, service tax, investor educational and protection fund, wealth tax, cess and other statutory dues applicable to it, with the appropriate authorities. There were no arrears in this respect as at March 31, 2014 for a period of more than six months from the date they became payable. As informed, statutory dues in the nature of employee state insurance, custom duty and excise duty are not applicable to the Company.
 - b) According to information and explanations given to us, there are no dues on account of income tax, sales tax, service tax, custom duty, wealth tax, excise duty which have not been deposited with the appropriate authorities on account of any dispute.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current year and in the immediately preceding financial year.
11. In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not issued any debentures and there are no dues to financial institutions.
12. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, clause 4(xiii) of the Order is not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company has maintained proper records in respect of transactions relating to dealing in shares, securities, debentures and other investments. As per our examination of such records, we report that timely entries have been made in such records and share, securities, debentures and other investments have been held by the Company in its own name.
15. According to information and explanations given to us, the Company has given guarantee for working capital facility and term loan facility taken by its subsidiary company from bank. However, in our opinion, the terms and conditions of the said loan are not prima facie prejudicial to the interest of the Company.
16. Based on information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
17. According to information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, clause 4 (xviii) of the Order is not applicable.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.

21. During the course of our examination of books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm Reg. No.: 121750W/W-100010

(Ramesh Gupta)

PARTNER

Membership No.: 102306

Place: Mumbai

Date : May 26, 2014

BALANCE SHEET AS AT MARCH 31, 2014

	Note No.	As at 31.03.2014 ₹	As at 31.03.2013 ₹
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	66,000,000	66,000,000
(b) Reserves and surplus	3	2,976,746,591	2,820,170,690
		3,042,746,591	2,886,170,690
2 Non-current liabilities			
(a) Long-term borrowings	4	283,015,766	289,411,058
(b) Deferred tax liabilities (net)	5	43,859,223	39,063,890
(c) Long-term provisions	6	9,444,723	9,896,903
		336,319,712	338,371,851
3 Current liabilities			
(a) Short-term borrowings	7	980,000,000	665,275,835
(b) Trade payables	8	14,993,682	10,105,679
(c) Other current liabilities	9	52,665,202	60,306,642
(d) Short-term provisions	10	47,152,456	75,054,670
		1,094,811,340	810,742,826
TOTAL		4,473,877,643	4,035,285,367
II ASSETS			
1 Non-current assets			
(a) Fixed Assets	11		
(i) Tangible assets		403,564,646	416,485,791
(ii) Intangible assets		617,461	1,221,926
(b) Non current investments	12	2,676,945,500	2,657,213,000
(c) Long-term loans and advances	13	13,577,011	2,098,594
(d) Other non current assets	14	-	603,452
		3,094,704,618	3,077,622,763
2 Current Assets			
(a) Current Investment	15	1,193,799,897	798,579,389
(b) Trade receivables	16	52,638,927	48,935,136
(c) Cash and bank balances	17	49,668,382	25,720,474
(d) Short-term loans and advances	18	80,374,039	74,341,319
(e) Other current assets	19	2,691,780	10,086,286
		1,379,173,025	957,662,604
TOTAL		4,473,877,643	4,035,285,367
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)

Kanchan Singh
Company Secretary
(ACS: A24596)

Place : Mumbai
Date : May 26, 2014

Place: Mumbai
Date: May 25, 2014

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note No.	Current Year ₹	Previous Year ₹
I Revenue from operations	20	947,155,142	1,068,016,141
II Other income	21	28,392,455	37,248,963
III Total revenue (I+II)		975,547,597	1,105,265,104
IV EXPENSES			
Employee benefits expenses	22	200,854,019	231,056,370
Finance costs	23	120,098,142	104,720,925
Depreciation / amortisation expenses	11	16,961,904	14,744,373
Other expenses	24	329,432,278	279,384,685
Total expenses		667,346,343	629,906,353
V Profit before tax (III-IV)		308,201,254	475,358,751
VI Tax expenses:			
- Current tax		100,500,000	151,500,000
- Deferred tax		4,795,333	7,168,584
		105,295,333	158,668,584
VII Profit after tax (V-VI)		202,905,921	316,690,167
Basic earnings per share		30.74	47.98
Diluted earnings per share		30.74	47.98
Nominal value of equity shares		10.00	10.00
Significant accounting policies	1		

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

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

on behalf of the Board of Directors

Ramesh Gupta
Partner
Membership No. 102306

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

Deepak Mittal
Director
(DIN: 00043685)

Kanchan Singh
Company Secretary
(ACS: A24596)

Place : Mumbai
Date : May 26, 2014

Place: Mumbai
Date: May 25, 2014

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2014

	Current Year ₹	Previous Year ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	308,201,254	475,358,751
Adjustments for		
Depreciation/Amortisation	16,961,904	14,744,373
Loss on sale of fixed assets	2,600,101	4,313,170
Interest income on current investments	(73,671,312)	(54,641,084)
Interest income - others	(322,492)	(353,543)
Interest expenses	118,604,442	102,791,626
Profit on sale of current investments (net)	(1,598,723)	(59,574,235)
Deposits / bad debts written-off	525,000	5,547,930
Balances written back	(51,145)	(1,286,741)
Operating profit before working capital adjustments	371,249,029	486,900,247
Adjustments for		
(Increase)/decrease in trade and othe receivables	(11,360,008)	463,779,058
Increase/(Decrease) in trade and other payables	(1,177,733)	(457,827,043)
Cash generated from operations	358,711,288	492,852,262
Direct Taxes Paid	(137,932,596)	(143,869,948)
Net cash generated from operating activities	220,778,692	348,982,314
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(10,638,395)	(36,536,306)
Sale of fixed assets	4,602,000	4,800,000
(Purchase) / sale of investments (net)	(413,354,285)	(442,368,889)
Deposits with bank with more than 3 months maturity	-	560,698
Interest income on current investments	80,877,296	56,512,645
Interest income - others	322,492	353,543
Net cash generated used in investing activities	(338,190,892)	(416,678,309)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) of borrowings (net)	306,403,982	206,959,453
Interest paid	(118,699,984)	(101,141,249)
Dividend paid	(39,600,000)	(39,600,000)
Dividend distribution tax paid	(6,730,020)	(6,424,110)
Net cash generated from financing activities	141,373,978	59,794,094
Net increase/(decrease) in cash and cash equivalents (A+B+C)	23,961,778	(7,901,901)
Cash and cash equivalents at the beginning of the year	24,770,669	32,672,570
Cash and cash equivalents at the end of the year	48,732,447	24,770,669

Notes:-

- 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.

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)

Kanchan Singh
Company Secretary
(ACS: A24596)

Place : Mumbai
Date : May 26, 2014

Place: Mumbai
Date: May 25, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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 applicable Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government of India, to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

b) Use of estimates:

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

c) Fixed assets:

Tangible assets

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

Intangible assets

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

d) Depreciation / amortisation:

Tangible assets

Depreciation on tangible fixed assets has been 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.

Assets individually costing ₹ 5,000 or less are fully depreciated in the year purchase.

Leasehold improvements are amortised over the lease period.

Intangible assets

Software is amortised over a period of 3 years.

e) Investments:

- i Long-term investments are valued at cost. Provision is made for diminution in the values when the decline is other than temporary.
- ii Current investments are valued at lower of cost or fair value determined on an individual investment basis.

f) Revenue recognition:

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

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

Interest income is recognised on accrual basis.

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

Rent income is recognised on accrual basis.

g) Transaction in foreign currencies:

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

h) Retirement benefits:

- i Defined contribution plans

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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:

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.

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, 2014

NOTE - 2

SHARE CAPITAL

Authorised

33,000,000 (previous year 33,000,000) Equity shares of ₹10 each

200,000 (previous year 200,000) Redeemable cumulative preference shares of ₹100 each

Issued, subscribed and paid up

6,600,000 (previous year 6,600,000) Equity shares of Rs. 10 each fully paid up

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
	330,000,000	330,000,000
	20,000,000	20,000,000
	350,000,000	350,000,000
	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 31.03.2014		As at 31.03.2013	
	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 March 31, 2014, the amount per share final dividend recognised as distributions to equity shareholders is ₹ 6 final dividend ; (Previous year ₹ 6 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 31.03.2014		As at 31.03.2013	
	No. of shares held	% of holding	No. of shares held	% of holding
A. K. Capital Markets Limited	957,000	14.50%	957,000	14.50%
A. K. Services Private Limited	860,300	13.04%	860,300	13.04%
Second Leasing Private Limited	737,370	11.17%	737,370	11.17%
A. K. Mittal	506,818	7.68%	506,818	7.68%
A. M. Credit Analysis and Research Limited	371,000	5.62%	371,000	5.62%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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	437,088,960	404,588,960
Add: Additions during the year	21,000,000	32,500,000
Closing balance	458,088,960	437,088,960

Surplus in statement of profit and loss

Opening balance	1,971,581,730	1,733,721,583
Add: Profit for the year	202,905,921	316,690,167
Amount available for appropriation	2,174,487,651	2,050,411,750

Appropriations:

Proposed dividend	39,600,000	39,600,000
Dividend distribution tax	6,730,020	6,730,020
Transfer to general reserves	21,000,000	32,500,000
Closing balance	2,107,157,631	1,971,581,730
	2,976,746,591	2,820,170,690

NOTE - 4

LONG TERM BORROWINGS

Secured

Term loans

From NBFC*	280,000,000	280,000,000
------------	-------------	-------------

Vehicle loan

From banks**	3,015,766	9,186,479
From non-banking financial company (NBFC)***	-	224,579
	283,015,766	289,411,058

*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 Centere, Nariman Point, Mumbai 400021. As at March 31, 2014, the above loan amount is repayable in lumpsum at the end of the term of loan of 18 months, with a put and call option on May 1, 2015 and 1st day of every month thereafter. As at March 31, 2013, the above loan amount is repayable in lumpsum at the end of the term of loan of 24 months. with a put and call option at the end of one year.

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

***Vehicle loan from NBFC is repayable in 36 equated monthly installments alongwith 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, 2014

NOTE - 5

DEFERRED TAX LIABILITIES (NET)

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Deferred tax liabilities:	47,128,540	42,439,304
Depreciation	47,128,540	42,439,304
Less: Deferred tax assets:	3,269,317	3,375,414
Expenses allowable on payment basis (gratuity)	3,269,317	3,375,414
	43,859,223	39,063,890

NOTE - 6

LONG TERM PROVISIONS

For employee benefits	9,444,723	9,896,903
Gratuity (unfunded)	9,444,723	9,896,903

NOTE - 7

SHORT TERM BORROWINGS

Secured

Other loans and advances

Bank overdraft*	980,000,000	665,275,835
	980,000,000	665,275,835

*Bank overdraft is secured against debt securities and personal guarantee of two directors of the Company. The loan is repayable on demand.

NOTE - 8

TRADE PAYABLES

Total outstanding dues of micro, small and medium enterprises (Refer note no. 34)	-	-
Total outstanding dues of trade payable other than micro, small and medium enterprises	14,993,682	10,105,679
	14,993,682	10,105,679

NOTE - 9

OTHER CURRENT LIABILITIES

Current maturities of long-term debt - from banks (Refer note no.4)	6,170,712	7,698,723
Current maturities of long-term debt - NBFC (Refer note no.4)	224,579	621,459
Interest accrued and due on borrowings	2,302,520	2,461,315
Interest accrued but not due on short term borrowings	293,281	230,028
Creditors for capital goods	362,502	365,634
Unpaid dividends*	933,508	947,378
Statutory dues	6,528,045	7,768,339
Deposits	27,918,000	27,918,000
Employees dues	7,391,657	10,674,141
Advance received against sale of fixed assets	-	1,100,000
Other Payable	540,398	521,625
	52,665,202	60,306,642

*During the year, ₹ 117,800 (Previous year ₹ 84,080) has been credited into Investor Education and Protection Fund under Section 205C of the Companies Act, 1956. Further, there are no dues as at March 31, 2014 which needs to be credited into Investor Education and Protection Fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE - 10

SHORT TERM PROVISIONS

Provision for employee benefits

Gratuity (unfunded)

Leave encashment

Others

Provision for taxation (Net of Advance Tax ₹ Nil-Previous Year ₹ 788,178,263)

Provision for proposed dividend

Provision for dividend distribution tax

As at 31.03.2014 ₹	As at 31.03.2013 ₹
173,744	33,706
648,692	832,424
822,436	866,130
-	27,858,520
39,600,000	39,600,000
6,730,020	6,730,020
46,330,020	74,188,540
47,152,456	75,054,670

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 2012	369,060	13,144,178	20,237,473	12,064,441	20,611,139	343,500,152	14,971,303	47,918,767	472,816,513	2,393,849	2,393,849
Additions	-	387,475	123,156	650,843	7,686,250	-	-	25,998,358	34,846,082	1,690,224	1,690,224
Deductions/adjustments	-	-	-	-	-	-	-	12,543,038	12,543,038	-	-
As at 31 March 2013	369,060	13,531,653	20,360,629	12,715,284	28,297,389	343,500,152	14,971,303	61,374,087	495,119,557	4,084,073	4,084,073
As at 1 April 2013	369,060	13,531,653	20,360,629	12,715,284	28,297,389	343,500,152	14,971,303	61,374,087	495,119,557	4,084,073	4,084,073
Additions	-	425,468	249,225	794,670	-	-	9,075,000	-	10,544,363	94,032	94,032
Deductions/adjustments	-	-	-	-	-	-	-	10,412,661	10,412,661	-	-
As at 31 March 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
Depreciation/amortisation											
As at 31 March 2012	296,531	9,774,909	5,487,796	3,435,952	2,676,417	21,107,659	14,971,303	10,036,992	67,787,559	2,393,849	2,393,849
For the year	17,532	988,405	1,297,594	582,827	356,216	5,599,052	-	5,434,449	14,276,075	468,298	468,298
Deductions/adjustments	-	-	-	-	-	-	-	3,429,868	3,429,868	-	-
As at 31 March 2013	314,063	10,763,314	6,785,390	4,018,779	3,032,633	26,706,711	14,971,303	12,041,573	78,633,766	2,862,147	2,862,147
As at 31 March 2013	314,063	10,763,314	6,785,390	4,018,779	3,032,633	26,706,711	14,971,303	12,041,573	78,633,766	2,862,147	2,862,147
For the year	14,691	897,611	1,329,151	687,136	461,248	5,599,052	2,268,750	5,005,768	16,263,407	698,497	698,497
Deductions/adjustments	-	-	-	-	-	-	-	3,210,560	3,210,560	-	-
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
Net block											
At 31 March 2013	54,997	2,768,339	13,575,239	8,696,505	25,264,756	316,793,441	-	49,332,514	416,485,791	1,221,926	1,221,926
At 31 March 2014	40,306	2,296,196	12,495,313	8,804,039	24,803,508	311,194,389	6,806,250	37,124,645	403,564,646	617,461	617,461

Notes:

Vehicles include vehicles hypothecated against loan taken having gross block of ₹ 30,726,584 (as at 31.03.2013 ₹ 38,234,084), accumulated depreciation of ₹ 4,907,858 (as at 31.03.2013 ₹ 3,907,668) and net block of ₹ 25,818,726 (as at 31.03.2013 ₹ 34,326,416)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Face Value	As at 31.03.2014		As at 31.03.2013	
	₹	Number	₹	Number	₹
NOTE - 12					
NON CURRENT INVESTMENTS					
Trade -unquoted-subsiidiaries -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	19,653,740	2,415,524,000	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		-
			<u>2,598,809,000</u>		<u>2,579,024,000</u>
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	8,942,500	70	8,995,000
			<u>78,136,500</u>		<u>78,189,000</u>
TOTAL			<u>2,676,945,500</u>		<u>2,657,213,000</u>
Aggregate amount of unquoted investments			2,676,945,500		2,657,213,000

Note:

During the year, cost of investment in Urban Infrastructure Venture Capital Limited has been reduced by ₹ 52,500 on account of distribution received from Urban Infrastructure Opportunity fund by way of return of capital vide letter dated April 18, 2013 and September 19, 2013.

NOTE - 13

LONG-TERM LOANS AND ADVANCES

Unsecured, considered good

Deposits	568,219	544,219
Other loans and advances		
Advance income tax (Net of Provision ₹ 916,799,535 - Previous Year ₹ Nil)	9,574,076	-
Advances to employees	3,255,450	1,512,231
Prepaid expenses	179,266	42,144
	<u>13,577,011</u>	<u>2,098,594</u>

NOTE - 14

OTHER NON-CURRENT ASSETS

Other bank balances

Bank deposits with more than 12 months maturity*	-	598,385
Interest receivable on fixed deposit	-	5,067
	-	<u>603,452</u>

*(lying with bank against margin money ₹ Nil ; previous ₹ 603,452)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Face Value	As at	As at
₹	31.03.2014	31.03.2013
Number	₹	Number
		₹

NOTE - 15

CURRENT INVESTMENTS

Non trade, quoted (fully paid up) - current

Equity shares

Shamken Spinners Ltd.	10	8,500	9,010	8,500	9,010
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Bonds

10.50% Shriram Transport Finance Corporation Ltd. 2018	1,000,000	-	-	100	100,000,000
10.60% Dewan Housing Finance Corporation Ltd. 2023	1,000,000	-	-	132	133,895,300
-series-VIII (D)					
10.60% Dewan Housing Finance Corporation Ltd. 2023	1,000,000	-	-	55	55,010,000
-series-IX (D)					
10.65% Shriram Transport Finance Corporation Ltd. 2023	1,000,000	-	-	100	100,000,000
10.75% Dewan Housing Finance Corporation Ltd. 2023	1,000,000	-	-	30	30,000,000
10.75% Shriram Transport Finance Corporation Ltd. 2022	1,000,000	-	-	35	35,041,114
11.00% Dewan Housing Finance Corporation Ltd. 2022	100,000	-	-	360	36,064,800
11.20% Dewan Housing Finance Corporation Ltd. 2022	1,000,000	-	-	26	26,007,800
11.50% Magma Fincorp Ltd. 2018	1,000,000	-	-	50	50,688,500
11.50% Magma Fincorp Ltd. 2022	1,000,000	-	-	20	20,304,000
11.90% Dhanlaxmi Bank Ltd. 2018	1,000,000	-	-	28	28,016,800
12.18% Dewan Housing Finance Corporation Ltd. 2023	1,000,000	-	-	15	15,000,000
12.37% Dewan Housing Finance Corporation Ltd. 2023	1,000,000	-	-	3	3,000,000
12.75% Dewan Housing Finance Corporation Ltd. 2023	1,000,000	-	-	20	20,000,000
7.00% IDBI Bank Ltd. 2019	5,000	155	775,233	155	775,233
8.20% National Highway Authority of India 2022	1,000	-	-	1,000	1,070,063
8.57% Mahanagar Telephone Nigam Ltd. 2023	1,000,000	-	-	80	80,000,000
8.60% LIC Housing Finance Ltd. 2020	1,000,000	-	-	4	4,225,744
8.94% Power Finance Corporation 2028	1,000,000	-	-	5	5,001,500
8.99% IDBI Bank Ltd. 2027	1,000,000	-	-	5	5,057,425
9.50% Tourism Finance Corporation of India Ltd. 2023	1,000,000	45	45,425,250	5	5,000,000
9.60% Tourism Finance Corporation of India Ltd. 2028	1,000,000	-	-	28	28,240,900
9.65% Tourism Finance Corporation of India Ltd. 2033	1,000,000	-	-	16	16,171,200
10.00% Reliance Infrastructure Ltd. 2020	1,000,000	1	1,000,600	-	-
11.25% Fullerton India Credit Company Ltd. 2018	1,000,000	8	8,102,400	-	-
8.58% PNB Housing Finance Ltd. 2023	1,000,000	358	358,487,404	-	-
10.50% Shriram Transport Finance Corporation Ltd. 2021	1,000,000	200	200,000,000	-	-
10.60% Shriram Transport Finance Corporation Ltd. 2024	1,000,000	130	130,000,000	-	-
10.70% Dewan Housing Finance Corporation Ltd. 2024	1,000,000	450	450,000,000	-	-

TOTAL

1,193,799,897

798,579,389

Aggregate amount of quoted investments

Equity	9,010	9,010
Bonds	1,193,790,887	798,570,379

Aggregate market value of quoted investments

Equity	9,010	9,010
Bonds*	1,193,790,887	798,570,379

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

(Refer note no. 26)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE - 16

TRADE RECEIVABLES

Unsecured, considered good

Trade receivables outstanding for a period less than six months from the date they are due for payment

Trade receivables outstanding for a period exceeding six months from the date they are due for payment

As at 31.03.2014 ₹	As at 31.03.2013 ₹
52,609,310	48,884,187
29,617	50,949
52,638,927	48,935,136

NOTE - 17

CASH AND BANK BALANCES

Cash and cash equivalents

Balances with banks

Cash on hand

47,663,148	24,074,888
1,069,299	695,781
48,732,447	24,770,669

Other bank balances:

Earmarked balances (unpaid dividend accounts)

935,935	949,805
935,935	949,805
49,668,382	25,720,474

NOTE - 18

SHORT TERM LOANS AND ADVANCES

Unsecured, considered good

Loans and advances to related parties

Deposits with directors and relative

Loans and advances to others

Loans and advances to other parties

Deposits

Prepaid expenses

Balances with government authorities

35,662,000	35,662,000
190,451	495,073
39,512,510	36,335,326
2,331,838	1,425,453
2,677,240	423,467
80,374,039	74,341,319

NOTE - 19

OTHER CURRENT ASSETS

Current maturities of long term loans and advances to employees

Interest receivable on investments

110,612	299,134
2,581,168	9,787,152
2,691,780	10,086,286

NOTE - 20

REVENUE FROM OPERATIONS

Sale of services

Interest income on current investment

Profit on sale of current investments (net)

Current Year ₹	Previous Year ₹
871,885,107	953,800,821
73,671,312	54,641,085
1,598,723	59,574,235
947,155,142	1,068,016,141

NOTE - 21

OTHER INCOME

Rent income

Interest income

Other non operating income

27,918,000	35,287,113
322,492	353,543
151,963	1,608,307
28,392,455	37,248,963

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE - 22

EMPLOYEE BENEFITS EXPENSES

	Current Year ₹	Previous Year ₹
Salaries and wages	197,067,329	225,732,719
Contribution to provident fund	418,580	577,477
Staff welfare expenses	3,368,110	4,746,174
	200,854,019	231,056,370

NOTE - 23

FINANCE COST

Interest expenses	118,604,442	100,421,389
Others borrowing costs	1,493,700	1,929,299
Interest on income tax	-	2,370,237
	120,098,142	104,720,925

NOTE - 24

OTHER EXPENSES

Electricity expenses	5,255,837	5,462,578
Rent expenses	70,067,075	72,708,131
Repairs and maintenance:		
- building	8,739,046	7,705,572
- others	1,635,977	2,302,357
Rates and taxes	2,345,232	2,796,154
Travelling expenses	18,601,327	16,747,474
Auditor's remuneration:		
As auditor	205,000	190,000
for other services	128,000	119,000
Professional fees	5,244,883	4,149,743
Printing and stationary expenses	7,460,971	8,445,355
Bad debts	525,000	5,547,930
Advertisement expenses	4,112,375	4,969,000
Business promotion expenses	20,475,791	14,466,731
Incentive expenses	50,541,868	39,690,740
Sub arranger fees	106,386,300	68,245,000
Loss on sale of fixed asset	2,600,101	4,313,170
Miscellaneous expenses	25,107,495	21,525,750
	329,432,278	279,384,685

NOTE - 25

CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Corporate guarantee given to a bank in respect of working capital facility and term loan facility taken by a subsidiary company	3,500,000,000	2,500,000,000
	3,500,000,000	2,500,000,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE - 26

FOLLOWING ARE THE DETAILS OF SECURITIES PLEDGED WITH THE BANK AS ON 31 MARCH 2014

	As at 31.03.2014		As at 31.03.2013	
	Number	₹	Number	₹
11.20% Dewan Housing Finance Corporation Ltd 2022	-	-	26	26,007,800
10.60% Dewan Housing Finance Corporation Ltd 2023-series-VIII(D)	-	-	127	128,892,300
10.60% Dewan Housing Finance Corporation Ltd 2023-series- XI (D)	-	-	55	55,010,000
10.75% Shriram Transport Finance Corporation Ltd 2022	-	-	35	35,041,114
11.00% Dewan Housing Finance Corporation Ltd 2022	-	-	360	36,064,800
11.50% Magma Fincorp Ltd 2018	-	-	50	50,688,500
11.50% Magma Fincorp Ltd 2022	-	-	20	20,304,000
11.90% Dhanlaxmi Bank Ltd 2018	-	-	28	28,016,800
8.20% National Highway Authority of India 2022	-	-	1,000	1,070,063
8.60% LIC Housing Finance Ltd 2020	-	-	4	4,225,744
8.99% Indian Development Bank of India 2027	-	-	2	2,025,800
9.50% Tourism Finance Corporation of India 2023	45	45,425,250	5	5,000,000
9.60% Tourism Finance Corporation of India 2028	-	-	28	28,240,900
9.65% Tourism Finance Corporation of India 2033	-	-	16	16,171,200
12.75% Dewan Housing Finance Corporation Ltd 2023	-	-	20	20,000,000
12.37% Dewan Housing Finance Corporation Ltd 2023	-	-	3	3,000,000
12.18% Dewan Housing Finance Corporation Ltd 2023	-	-	15	15,000,000
10.75% Dewan Housing Finance Corporation Ltd 2023	-	-	30	30,000,000
10.50% Shriram Transport Finance Corporation Ltd 2018	-	-	100	100,000,000
10.65% Shriram Transport Finance Corporation Ltd 2023	-	-	100	100,000,000
8.57% Mahanagar Telephone Nigam Ltd 2023	-	-	80	80,000,000
8.94% Power Finance Corporation Ltd 2028	-	-	5	5,001,500
11.25% Fullerton India Credit Company Ltd 2018	8	8,102,400	-	-
7% Indian Development Bank of India 2019	155	775,233	-	-
8.58% PNB Housing Finance Ltd 2023	358	358,487,404	-	-
10% Reliance Infrastructure Ltd 2020	1	1,000,600	-	-
10.70% Dewan Housing Finance Corporation Ltd 2024	450	450,000,000	-	-
10.50% Shriram Transport Finance Corporation Ltd 2021	200	200,000,000	-	-
10.60% Shriram Transport Finance Corporation Ltd 2024	130	130,000,000	-	-
TOTAL		1,193,790,887		789,760,521

NOTE - 27

DETAILS OF SALES OF SERVICES

Merchant banking fees	869,099,640	951,603,822
Brokerage received	2,785,467	2,196,999
	871,885,107	953,800,821

NOTE - 28

EXPENDITURE IN FOREIGN CURRENCY

Travelling expenses	1,323,577	611,320
	1,323,577	611,320

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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	9,930,609	9,417,373
Interest cost	794,449	753,390
Service cost	1,502,596	1,928,030
Benefits paid	(1,018,273)	(1,684,934)
Actuarial (gain)/loss on obligation	(1,590,914)	(483,250)
Present value of obligation as at year end	9,618,467	9,930,609
Amount recognised in the balance sheet		
Present value of obligation, as at year end	9,618,467	9,930,609
Fair value of plan assets as at year end	-	-
Assets recognised in the balance sheet	-	-
Liabilities recognised in the balance sheet	9,618,467	9,930,609
Net gratuity cost		
Current service cost	1,502,596	1,928,030
Interest cost	794,449	753,390
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be recognised	(1,590,914)	(483,250)
Net gratuity cost (Included in Salaries and wages)	706,131	2,198,170
Assumptions used in accounting for the gratuity plan		
Mortality	LIC (2006-08)	LIC (1994-96)
Discount rate	9%	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, 2014

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
Mr. Deepak Mittal

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:

- 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.
- 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 ₹
Transactions with related parties:		
Investments in share capital		
A. K. Capital Finance Private Limited (Including Share Premium)	-	650,650,000
A.K.Capital Singapore (PTE) Limited	19,785,000	-
Directors remuneration (including perquisites)		
A. K. Mittal	20,052,774	37,356,000
Deepak Mittal	10,475,360	7,838,360
Brokerage expense		
A. K. Stockmart Private Limited	3,820	183,966
Amount written back during the year		
A. K. Stockmart Private Limited	-	22,788,678
Demat charges		
A. K. Stockmart Private Limited	574	-
Purchase of Car		
M Square Automobile Private Limited	-	13,017,223
Repairs and Maintenance charges paid for car		
M Square Automobile Private Limited	521,412	310,239
Rent expense		
A. K. Mittal	6,408,000	6,158,000
Anshu	3,528,000	3,378,000
Abhinav Kumar Mittal	5,169,600	4,994,600
Director's sitting fees		
Anshu	70,000	30,000
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
Corporate guarantee given to a bank in respect of working capital demand loan taken by a subsidiary company		
A. K. Capital Finance Private Limited	3,500,000,000	2,500,000,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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 31.03.2014 ₹	As at 31.03.2013 ₹
Not later than one year	2,007,060	17,378,120
later than one year and not later than five years	-	-

Notes:

The amount of minimum lease payments with respect to the above lease recognised in the statement of profit and loss for the year is ₹ 21,752,240 (previous year ₹ 19,102,222).

Above disclosure is for leases entered after April 1, 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 31.03.2014 ₹	As at 31.03.2013 ₹
Not later than one year	-	19,737,726

The amount of minimum lease income with respect to the above lease recognised in the statement of profit and loss for the year is ₹ 19,737,726 (previous year ₹ 1,200,774).

NOTE - 33

EARNINGS PER SHARE

Net profit after tax as per statement of profit and loss (₹)

Weighted average number of equity shares outstanding during the

year for basic earnings per share (No.)

Basic and diluted earning for the year (₹)

Nominal value of share (₹)

Current Year ₹	Previous year ₹
202,905,921	316,690,167
6,600,000	6,600,000
30.74	47.98
10.00	10.00

NOTE - 34

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 - 35

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 - 36

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 - 37

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

Signatures to 1 to 37

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)

Kanchan Singh
Company Secretary
(ACS: A24596)

Place : Mumbai
Date : May 26, 2014

Place: Mumbai
Date: May 25, 2014

INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors of
A. K. CAPITAL SERVICES LIMITED

We have audited the accompanying consolidated financial statements of **A. K. Capital Services Limited** ("the Company") and its subsidiaries, (collectively referred to as "the Group") which comprise the consolidated balance sheet as at March 31, 2014, and the consolidated statement of profit and loss and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India including Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Group's preparation and presentation 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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the consolidated statement of profit and loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 470,470,487 as at March 31, 2014, total revenues of ₹ 718,134,230 and net cash inflows amounting to ₹ 16,786,866 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

(Ramesh Gupta)
PARTNER
Membership No.: 102306
Place: Mumbai
Date : May 26, 2014

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014**

	Note No.	As at 31.03.2014 ₹	As at 31.03.2013 ₹
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	66,000,000	66,000,000
(b) Reserves and surplus	3	3,413,957,717	3,109,194,553
		3,479,957,717	3,175,194,553
Minority interest		41,709,475	39,756,259
2 Non-current liabilities			
(a) Long-term borrowings	4	388,887,538	297,776,157
(b) Deferred tax liabilities (net)	5	44,601,487	38,255,338
(c) Long-term provisions	6	13,416,138	12,909,007
		446,905,163	348,940,502
3 Current liabilities			
(a) Short-term borrowings	7	5,577,560,271	3,936,292,769
(b) Trade payables	8	218,598,543	41,623,465
(c) Other current liabilities	9	102,999,041	86,224,417
(d) Short-term provisions	10	49,972,010	92,417,311
		5,949,129,865	4,156,557,962
TOTAL		9,917,702,220	7,720,449,276
II ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		498,697,295	427,681,922
(ii) Intangible assets		4,091,790	3,993,620
(b) Goodwill on consolidation	12	19,230,053	19,230,053
(c) Non-current investments	13	2,716,618,135	658,870,446
(d) Long-term loans and advances	14	180,094,144	99,715,716
(e) Other non-current assets		37,300,000	23,003,452
		3,456,031,417	1,232,495,209
2 Current Assets			
(a) Current investments	15	1,193,799,897	798,579,389
(b) Inventories	16	4,262,624,083	4,677,196,538
(c) Trade receivables	17	379,236,914	313,146,179
(d) Cash and bank balances	18	188,381,683	497,954,916
(e) Short-term loans and advances	19	340,328,371	141,903,471
(f) Other current assets	20	97,299,855	59,173,574
		6,461,670,803	6,487,954,067
TOTAL		9,917,702,220	7,720,449,276
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. 102306A. K. Mittal
Managing Director
(DIN: 00698377)Deepak Mittal
Director
(DIN: 00043685)Kanchan Singh
Company Secretary
(ACS: A24596)Place : Mumbai
Date : May 26, 2014Place: Mumbai
Date: May 25, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note No.	Current Year ₹	Previous Year ₹
I Revenue from operations	21	2,418,653,216	1,933,287,899
II Other Income	22	31,170,817	40,228,421
III Total revenue (I+II)		2,449,824,033	1,973,516,320
IV EXPENSES			
Employee benefits expense	23	346,259,221	340,912,104
Finance cost	24	560,235,793	370,250,937
Depreciation / amortisation expenses	11	20,661,546	17,015,773
Other expenses	25	991,204,105	555,046,036
General provision on standard assets		650,022	35,552
Total expenses		1,919,010,687	1,283,260,402
V Profit before tax (III-IV)		530,813,346	690,255,918
VI Tax expenses			
- current tax		170,402,519	221,700,000
- deferred tax		6,346,149	6,718,545
- prior period tax adjustment		187,572	1881
		176,936,240	228,420,426
VII Profit after tax and before minority interest (V-VI)		353,877,106	461,835,492
Share of minority interest		(1,953,216)	(1,545,319)
VIII Profit after tax and minority interest		351,923,890	460,290,173
Adjustment on account of further investment in subsidiary company		-	(639,963)
IX Profit for the year		351,923,890	459,650,210
X Earnings per share (₹):			
Basic earnings per share		53.32	69.74
Diluted earnings per share		53.32	69.74
Nominal value of equity shares		10	10
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

on behalf of the Board of Directors

Ramesh Gupta
Partner
Membership No. 102306A. K. Mittal
Managing Director
(DIN: 00698377)Deepak Mittal
Director
(DIN: 00043685)Kanchan Singh
Company Secretary
(ACS: A24596)Place : Mumbai
Date : May 26, 2014Place: Mumbai
Date: May 25, 2014

**CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2014**

	Current Year ₹	Previous Year ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	530,813,346	690,255,918
Adjustments for		
Depreciation / amortisation	20,661,546	17,015,773
Loss/(profit) on sale of fixed assets (net)	2,600,101	4,313,170
Interest income on short term investments	(672,655,375)	(391,366,968)
Interest income - others	(2,943,552)	(2,668,407)
Interest expenses	553,316,780	364,660,715
General provision for standard assets	650,022	35,552
Profit on sale of current investments (net)	(5,033,965)	(63,099,443)
Dividend income on short term investments	(881,299)	(990,418)
Dividend income on long term investments	(11,775,628)	(9,578,523)
Bad debts written-off	525,000	6,639,295
Balances written back (net)	471,003	(16,411,901)
Operating profit before working capital adjustments	415,747,979	598,804,763
Adjustments for		
(Increase)/decrease in trade and othe receivables	(376,214,204)	398,302,375
(Purchase)/ sale of inventory	51,017,765	(2,205,553,683)
Increase/(decrease) in trade and other payables	175,725,452	(553,895,891)
Cash generated from operations	266,276,992	(1,762,342,436)
Direct taxes paid	(222,323,220)	(237,420,473)
Net cash generated from operating activities	43,953,772	(1,999,762,909)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(98,977,190)	(56,459,066)
Sale of fixed assets	4,602,000	4,800,000
(Purchase) / sale of investments (net)	(2,085,210,248)	186,174,438
Deposits with bank with more than 3 months maturity	(16,292,971)	4,636,392
Dividend income on short term investments	881,299	990,418
Dividend income on long term investments	11,775,628	9,578,523
Interest income on short term investments	671,438,316	390,423,256
Interest income - others	3,447,552	3,853,732
Net cash generated from/(used in) investing activities	(1,508,335,614)	543,997,693
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) of borrowings (net)	1,756,475,647	2,231,977,331
Interest paid	(557,319,571)	(358,049,826)
Dividend paid	(39,600,000)	(39,600,000)
Dividend distribution tax paid	(6,730,020)	(6,424,110)
Net cash generated from/(used in) financing activities	1,152,826,056	1,827,903,395
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(311,555,786)	372,138,179
Cash and cash equivalents at the beginning of the year	470,005,111	97,866,932
Cash and cash equivalents at the end of the year	158,449,325	470,005,111
Cash and cash equivalents at the end of the year comprise of:		
Cash on hand	1,942,415	1,668,386
Balances with banks in current accounts	156,506,910	468,336,725
	158,449,325	470,005,111

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.

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. 102306A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 25, 2014Deepak Mittal
Director
(DIN: 00043685)Kanchan Singh
Company Secretary
(ACS: A24596)Place : Mumbai
Date : May 26, 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE - 1

SIGNIFICANT ACCOUNTING POLICIES

1) Basis of preparation of consolidated financial statements:

These consolidated financial statements have been prepared on the basis of historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles (GAAP) in India and 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 '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.

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.

Leasehold improvements are amortised over the lease period.

Intangible assets

Software is amortised over a period of 3 to 5 years

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**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, opening reserves and surplus and capital reserves) 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 and capital reserves 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:

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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 @ 0.25% 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, 2014

NOTE - 2

SHARE CAPITAL

Authorised

33,000,000 (previous year 33,000,000) Equity shares of ₹10 each

200,000 (previous year 200,000) Redeemable cumulative preference shares of ₹100 each

Issued, subscribed and paid up

6,600,000 (previous year 6,600,000) Equity shares of ₹ 10 each fully paid up

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
	330,000,000	330,000,000
	20,000,000	20,000,000
	350,000,000	350,000,000
	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 31.03.2014		As at 31.03.2013	
	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.

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 31.03.2014		As at 31.03.2013	
	No. of shares held	% of holding	No. of shares held	% of holding
A. K. Capital Markets Limited	957,000	14.50%	957,000	14.50%
A. K. Services Private Limited	860,300	13.04%	860,300	13.04%
Second Leasing Private Limited	737,370	11.17%	737,370	11.17%
A. K. Mittal	506,818	7.68%	506,818	7.68%
A. M. Credit Analysis and Research Limited	371,000	5.62%	371,000	5.62%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE - 3

RESERVES AND SURPLUS

Special reserve*

Opening balance	45,387,700	19,281,228
Add: Additions / Adjustments during the year	26,302,170	26,106,472

Closing balance

71,689,870

45,387,700

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	-	-

Closing balance

364,570,665

364,570,665

General reserve

Opening balance	437,088,960	404,588,960
Add: Additions during the year	21,000,000	32,500,000

Closing balance

458,088,960

437,088,960

Translation Reserve

(830,706)

-

Surplus

Opening balance	2,194,647,228	1,840,327,038
Add: Profit for the year	351,923,890	459,650,210

Amount available for appropriation

2,546,571,118

2,299,977,248

Appropriations

Proposed dividends	39,600,000	39,600,000
Dividend distribution tax	6,730,020	6,730,020
Transfer to special reserves*	26,302,170	26,500,000
Transfer to general reserves	21,000,000	32,500,000
	2,452,938,928	2,194,647,228

Closing balance

3,413,957,717

3,109,194,553

*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, 2014

NOTE - 4

LONG TERM BORROWINGS

Secured

Term loans

From banks*	36,000,000	-
From non-banking financial company (NBFC)**	345,903,560	280,000,000

Vehicle loans

From banks***	4,708,522	13,203,257
From non-banking financial company (NBFC)****	2,275,456	4,572,900

388,887,538	297,776,157
--------------------	--------------------

*Term loan from banks against receivables is repayable in 10 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 the company.

** (a) 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. As at March 31 2014, the above loan amount availed on March 20th 2014 is repayable in lumpsum at the end of the term of loan of 18 months, with a put and call option on May 1st, 2015 and 1st day of every month thereafter.

As at March 31, 2013, the term loan amount was repayable in lumpsum at the end of the term of loan of 24 months, with a put and call option at the end of one year, which has been repaid during the current year.

** (b) Term loan from NBFC availed on March 28th, 2014 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.

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

NOTE - 5

DEFERRED TAX (ASSETS)/ LIABILITIES (NET)

Deferred tax liabilities:

Timing difference arising on account of:

Depreciation	49,785,430	43,478,348
	49,785,430	43,478,348

Less: Deferred tax assets:

Timing difference arising on account of:

Expenses allowable on payment basis (gratuity)	4,671,411	4,496,227
Depreciation	1,594	1,300
Expenses disallowed under section 35D	510,938	725,483
	5,183,943	5,223,010
	44,601,487	38,255,338

Deferred tax liabilities of A.k.Capital (Singapore) Pte. Ltd. amounting to ₹ 61,780 (SGD 1,300) arising from differences in depreciation is not recognised as the amount is not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE - 6

LONG TERM PROVISIONS

For employee benefits

Gratuity (unfunded)

Others

Provision against standard assets

As at 31.03.2014 ₹	As at 31.03.2013 ₹
13,086,138	12,769,007
330,000	140,000
13,416,138	12,909,007

NOTE - 7

SHORT TERM BORROWINGS

Secured

Other loans and advances

Working capital loan from NBFC*

Working capital demand loan from banks**

Bank overdraft***

Working capital demand loan from Clearing Corporation of India Limited****

-	127,500,000
2,977,560,271	2,723,516,934
980,000,000	665,275,835
1,620,000,000	420,000,000
5,577,560,271	3,936,292,769

*Working capital demand loan from the NBFC is secured against pledge of shares & bonds.

** (a) Working capital demand loan is secured against pledge/ lien on government securities and other debt securities, corporate guarantee of the holding company, A. K. Capital Services Limited 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 the company.

*** Bank overdraft is secured against debt securities and personal guarantee of two directors of the Company, the loan is repayable on demand.

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

NOTE - 8

TRADE PAYABLES

Total outstanding dues of micro, small and medium enterprises

Total outstanding dues of creditors for expense other than micro, small and medium enterprises

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.

-	-
218,598,543	41,623,465
218,598,543	41,623,465

NOTE - 9

OTHER CURRENT LIABILITIES

Current maturities of long-term debt - from banks (Refer note no. 4)

Current maturities of long-term debt - from NBFC (Refer note no. 4)

Interest accrued and due on borrowings

Interest accrued but not due on borrowings

Creditors for fixed assets

Advance received against sale of fixed assets

Unpaid dividends*

Statutory dues

Deposits

Employees dues

Payable to exchange / clearing house (net)

Other payables

32,494,734	9,783,715
3,893,884	2,508,139
2,302,520	2,461,315
1,078,535	5,934,231
362,502	365,634
-	1,100,000
933,508	947,378
12,972,160	14,729,260
27,918,000	27,918,000
19,842,185	19,410,723
248,258	1,897
952,755	1,064,125
102,999,041	86,224,417

*During the year, ₹117,800 (previous year ₹ 84,080) has been credited into Investor Education and Protection Fund under Section 205C of the Companies Act, 1956. There are no dues as at March 31, 2014 which needs to be credited into Investor Education and Protection Fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE - 10

SHORT TERM PROVISIONS

Provision for employee benefits

Gratuity (unfunded)

Leave encashment

Others

Provision for taxation (Net of Advance Tax ₹ Nil previous year ₹ 892,051,708)

Provision for proposed dividend

Provision for dividend distribution tax

Provision against standard assets

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Gratuity (unfunded)	785,520	560,200
Leave encashment	2,061,646	1,600,071
	2,847,166	2,160,271
Others		
Provision for taxation (Net of Advance Tax ₹ Nil previous year ₹ 892,051,708)	57,027	43,649,245
Provision for proposed dividend	39,600,000	39,600,000
Provision for dividend distribution tax	6,730,020	6,730,020
Provision against standard assets	737,797	277,775
	47,124,844	90,257,040
	49,972,010	92,417,311

NOTE - 11

FIXED ASSETS

(Amount in ₹)

Particulars	Tangible assets									Intangible assets	
	Plant and machinery	Computers	Furniture & fixtures	Office equipment	Office premises**	Office premises under lease	Leasehold Improvements	Vehicles*	Total	Software	Total
Gross block (at cost)											
As at 1 April 2012	369,060	18,247,918	20,379,422	12,430,221	20,611,139	343,500,152	14,971,303	47,918,767	478,427,982	7,525,099	7,525,099
Additions	-	1,047,254	153,531	1,766,083	7,686,250	-	-	34,422,921	45,076,039	3,793,845	3,793,845
Deductions/adjustments	-	-	-	-	-	-	-	12,543,038	12,543,038	-	-
As at 31 March 2013	369,060	19,295,172	20,532,953	14,196,304	28,297,389	343,500,152	14,971,303	69,798,650	510,960,983	11,318,944	11,318,944
As at 1 April 2013	369,060	19,295,172	20,532,953	14,196,304	28,297,389	343,500,152	14,971,303	69,798,650	510,960,983	11,318,944	11,318,944
Additions	-	748,118	1,879,142	883,395	77,040,100	-	9,075,000	7,302,765	96,928,520	2,048,670	2,048,670
Deductions/adjustments	-	-	-	-	-	-	-	10,412,661	10,412,661	-	-
As at 31 March 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
Depreciation/amortisation											
As at 31 March 2012	296,531	12,989,923	5,541,956	3,593,499	2,676,417	21,107,659	14,971,303	10,036,992	71,214,280	5,804,200	5,804,200
For the year	17,532	1,815,360	1,343,859	671,057	356,216	5,599,052	-	5,691,573	15,494,649	1,521,124	1,521,124
Deductions/adjustments	-	-	-	-	-	-	-	3,429,868	3,429,868	-	-
As at 31 March 2013	314,063	14,805,283	6,885,815	4,264,556	3,032,633	26,706,711	14,971,303	12,298,697	83,279,061	7,325,324	7,325,324
As at 31 March 2013	314,063	14,805,283	6,885,815	4,264,556	3,032,633	26,706,711	14,971,303	12,298,697	83,279,061	7,325,324	7,325,324
For the year	14,691	1,564,815	1,447,788	856,282	475,010	5,599,052	2,268,750	6,484,658	18,711,046	1,950,500	1,950,500
Deductions/adjustments	-	-	-	-	-	-	-	3,210,560	3,210,560	-	-
As at 31 March 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
Net block											
At 31 March 2013	54,997	4,489,889	13,647,138	9,931,748	25,264,756	316,793,441	-	57,499,953	427,681,922	3,993,620	3,993,620
At 31 March 2014	40,306	3,673,192	14,078,492	9,958,861	101,829,846	311,194,389	6,806,250	51,115,959	498,697,295	4,091,790	4,091,790

*Vehicles include vehicles hypothecated against loan taken having gross block of ₹ 45,586,549 (as at March 31, 2013 ₹ 45,791,284), accumulated depreciation of ₹ 6,544,316 (as at March 31, 2013 ₹ 4,147,635) and net block of ₹ 39,042,233 (as at March 31, 2013 ₹ 41,643,649).

** Office premises include building hypothecated against loan taken having gross block of ₹ 77,040,100 (as at March 31, 2013 ₹ Nil), accumulated depreciation of ₹ 13,762 (as at March 31, 2013 ₹ Nil) net block of ₹ 77,026,338 (as at March 31, 2013 ₹ Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Face Value	As at 31.03.2014		As at 31.03.2013	
	₹	Number	₹	Number	₹
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 D S Kulkarni Developers Limited	10	53,444	3,952,502	53,444	3,952,502
Equity shares of EIH Limited	2	379,460	40,001,677	379,460	40,001,677
Equity shares of Electrosteel Casting Limited	1	603,298	26,471,198	603,298	26,471,198
Equity shares of Godrej Industries Limited	1	784	151,701	784	151,701
Equity shares of Indiabulls Real Estate Limited	2	42,000	5,258,900	42,000	5,258,900
Equity shares of Indiabulls Wholesale Services Limited	2	5,250	505,827	5,250	505,827
Equity shares of Indiabulls Infrastructure & Power Limited	2	123,900	583,533	123,900	583,533
Equity shares of Jaiprakash Associates Limited	2	15,000	1,860,486	15,000	1,860,486
Equity shares of Peninsula Land Limited	2	33,116	1,882,469	33,116	1,882,469
Equity shares of Pipavav Defence and Offshore Engineering Ltd.	10	95,999	7,883,895	95,999	7,883,895
Equity shares of Punj Llyod Limited	2	334,000	38,523,649	334,000	38,523,649
Equity shares of Ruchira Papers Limited	10	181,990	3,608,890	181,990	3,608,890
Equity shares of SREI Infrastructure Finance Limited	10	1,015,385	61,917,854	1,015,385	61,917,854
Equity shares of Sujana Metals Limited	5	340,066	3,302,140	340,066	3,302,140
Equity shares of Sujana Towers Limited**	10 (1)	5,000	2,039,955	50,000	2,039,955
Equity shares of UCO Bank Limited	10	2,765,683	289,205,584	2,765,683	289,205,584
Equity shares of Uflex Industries Limited	10	6,050	1,539,384	6,050	1,539,384
Equity shares of Welspun Corp Limited***	5	65,779	6,780,086	65,779	16,352,719
Equity shares of Welspun Enterprises Limited***	10	3,288	9,572,633	-	-
Equity shares of LT Foods Limited	10	83,740	4,741,564	83,740	4,741,564
Equity shares of Liberty Shoes Limited	10	65,010	6,997,519	65,010	6,997,519
Total			516,781,446		516,781,446
Non-trade, unquoted - others					
Units of Urban Infrastructure*	100,000	70	8,942,500	70	8,995,000
Total			8,942,500		8,995,000
Quoted- Government Securities - Fully paid up					
8.79% Government of India Loan 2021	100	1,000,000	105,133,600	-	-
8.15% Government of India Loan 2022	100	500,000	51,596,250	-	-
7.16% Government of India Loan 2023	100	12,000,000	1,094,913,750	-	-
8.20% Government of India Loan 2025	100	2,000,000	209,600,000	-	-
8.83% Government of India Loan 2041	100	1,000,000	102,843,830	-	-
8.83% Government of India Loan 2023	100	500,000	50,410,000	-	-
8.30% Government of India Loan 2042	100	2,000,000	191,603,000	-	-
8.32% Government of India Loan 2032	100	500,000	47,537,500	-	-
8.28% Government of India Loan 2032	100	1,990,000	204,162,259	-	-
			2,057,800,189		-
			2,716,618,135		658,870,446

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Face Value ₹	As at 31.03.2014 Number ₹	As at 31.03.2013 Number ₹
NOTE - 12 (contd.)			
NON CURRENT INVESTMENTS			
Aggregate amount of quoted investments			
Equities		516,781,446	516,781,446
Governments Securities		2,057,800,189	-
Aggregate market value of quoted investments			
Equities		313,369,812	272,730,994
Governments Securities****		2,057,800,189	-
Aggregate amount of unquoted investments			
Equities		142,036,500	142,089,000

*During the year cost of Investment in urban Infrastructure Venture Capital Limited has been reduced by ₹ 52,500 on account of distribution received from Urban Infrastructure Opportunity fund by way of return of capital vide letter dated April 18, 2013 and September 19, 2013.

** During the year, shares of Sujana Towers Ltd. have consolidated from 50,000 shares to 5,000 shares by changing face value from ₹ 1 per share to ₹ 10 per shares

*** In the scheme of arrangement, Welspun Enterprises Ltd. have issued 1 equity shares of face value of ₹ 10 each for every 20 equity shares in Welspun Corp Ltd..

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

Note:- Bonds / shares pledge with banks/ clearing corporation of India Ltd / Non- banking financial Companies is ₹ 2,057,800,189 (previous year ₹ 467,860,867)

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
NOTE - 13		
LONG-TERM LOANS AND ADVANCES		
Secured, considered good		
Loans and advances to others	92,000,000	56,000,000
Unsecured, considered good		
Other loans and advances	40,000,000	-
Advance income tax (Net of Provision ₹ 1,106,545,066 previous year ₹ Nil)	7,129,211	-
Capital advances*	-	7,589,182
Advances to employees	3,512,824	1,512,231
Security deposits	37,069,639	34,551,719
Prepaid expenses	382,470	62,584
	180,094,144	99,715,716

*Capital advances includes advance against capital goods given to a private company, in which director of the company is a director (current year - ₹ Nil; previous year ₹ 7,589,182)

NOTE - 14

OTHER NON-CURRENT ASSETS

Other bank balances

Bank deposits with more than 12 months maturity *	37,300,000	22,998,385
Interest receivable	-	5,067
	37,300,000	23,003,452

*Pledged against margin money, guarantees or security deposit with stock exchanges and security against borrowings ₹ 37,300,000 ; previous year ₹ 23,003,452.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Face Value ₹	As at 31.03.2014		As at 31.03.2013	
		Number	₹	Number	₹
NOTE - 15					
CURRENT INVESTMENTS					
Non trade, Quoted (fully paid up) - Current					
Equity shares					
Shamken Spinners Ltd.	10	8,500	9,010	8,500	9,010
Bonds					
10.50% Shriram Transport Finance Corporation Ltd. - 2018	1,000,000	-	-	100	100,000,000
10.60% Dewan Housing Finance Corporation Ltd. - 2023	1,000,000	-	-	132	133,895,300
- series-VIII (D)					
10.60% Dewan Housing Finance Corporation Ltd. - 2023	1,000,000	-	-	55	55,010,000
-series- IX (D)					
10.65% Shriram Transport Finance Corporation Ltd. - 2023	1,000,000	-	-	100	100,000,000
10.75% Dewan Housing Finance Corporation Ltd. - 2023	1,000,000	-	-	30	30,000,000
10.75% Shriram Transport Finance Corporation Ltd. - 2022	1,000,000	-	-	35	35,041,114
11% Dewan Housing Finance Corporation Ltd. - 2022	100,000	-	-	360	36,064,800
11.20% Dewan Housing Finance Corporation Ltd. - 2022	1,000,000	-	-	26	26,007,800
11.50% Magma Fincorp Ltd. - 2018	1,000,000	-	-	50	50,688,500
11.50% Magma Fincorp Ltd. - 2022	1,000,000	-	-	20	20,304,000
11.90% Dhanlaxmi Bank Ltd. - 2018	1,000,000	-	-	28	28,016,800
12.18% Dewan Housing Finance Corporation Ltd. - 2023	1,000,000	-	-	15	15,000,000
12.37% Dewan Housing Finance Corporation Ltd. - 2023	1,000,000	-	-	3	3,000,000
12.75% Dewan Housing Finance Corporation Ltd. - 2023	1,000,000	-	-	20	20,000,000
7% IDBI Bank Ltd. - 2019	5,000	155	775,233	155	775,233
8.20% National Highway Authority of India - 2022	1,000	-	-	1,000	1,070,063
8.57% Mahanagar Telephone Nigam Ltd. - 2023	1,000,000	-	-	80	80,000,000
8.60% LIC Housing Finance Ltd. - 2020	1,000,000	-	-	4	4,225,744
8.94% Power Finance Corporation Ltd. - 2028	1,000,000	-	-	5	5,001,500
8.99% IDBI Bank Ltd. - 2027	1,000,000	-	-	5	5,057,425
9.50% Tourism Finance Corporation of India Ltd. - 2023	1,000,000	45	45,425,250	5	5,000,000
9.60% Tourism Finance Corporation of India Ltd. - 2028	1,000,000	-	-	28	28,240,900
9.65% Tourism Finance Corporation of India Ltd. - 2033	1,000,000	-	-	16	16,171,200
10.00% Reliance Infrastructure Ltd. - 2020	1,000,000	1	1,000,600		
11.25% Fullerton India Credit Company Ltd. - 2018	1,000,000	8	8,102,400		
8.58% PNB Housing Finance Ltd. - 2023	1,000,000	358	358,487,404		
10.50% Shriram Transport Finance Corporation Ltd. - 2021	1,000,000	200	200,000,000		
10.60% Shriram Transport Finance Corporation Ltd. - 2024	1,000,000	130	130,000,000		
10.70% Dewan Housing Finance Corporation Ltd. - 2024	1,000,000	450	450,000,000		
TOTAL			1,193,799,897		798,579,389
Aggregate amount of quoted investments					
Equity			9,010		9,010
Bonds			1,193,790,887		798,570,379
Aggregate market value of quoted investments					
Equity			9,010		9,010
Bonds*			1,193,790,887		798,570,379
*Bonds are valued at cost in case the market value is not available.					
Note:					
Bonds pledged with the Bank is ₹1,193,790,887					
(previous year ₹ 789,760,521)					

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE - 16

INVENTORIES

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Equity shares	8,947,389	8,947,389
Preference Shares	192,339,100	
Mutual Funds	2,007,185	-
Bonds*	4,059,330,409	4,668,249,149
	4,262,624,083	4,677,196,538

*Bonds pledged with the bank is ₹ 3,895,976,496 (previous year ₹ 3,205,663,456) ,with Clearing Corporation of India Limited is ₹ Nil (previous year ₹ 466,129,389) & with NBFC is ₹ 1,000,800 (previous year ₹ Nil)

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 378,985,705 313,021,494

Trade receivables outstanding for a period exceeding six months from the date they are due for payment 251,209 124,685

379,236,914 313,146,179

NOTE - 18

CASH AND BANK BALANCES

Cash and cash equivalents:

Cash on hand	1,942,415	1,668,386
Balances with banks in - current accounts	156,506,910	468,336,725
	158,449,325	470,005,111

Other bank balances:

- Earmarked balances (unpaid dividend accounts)	935,935	949,805
- Bank deposits with less than 12 months maturity	28,996,423	27,000,000
	29,932,358	27,949,805
	188,381,683	497,954,916

NOTE - 19

SHORT TERM LOANS AND ADVANCES

Unsecured, considered good

Loans and advances to related parties:
Deposits with directors and relatives 35,662,000 36,137,200

Secured, considered good

Loans and advances to others 250,000,000 6,400,000

Unsecured, considered good

Other loans and advances:

Loans and advances to others		
Deposits	190,451	57,495,073
Prepaid expenses	40,508,212	36,385,326
Balances with government authorities	8,941,401	2,408,999
	5,026,307	3,076,873
	340,328,371	141,903,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE - 20

OTHER CURRENT ASSETS

Secured, considered good

Current maturities of long term loans and advances to other parties	44,254,285	44,000,000
Interest accrued and due on loans to others	1,118,836	3,205,960

Unsecured, considered good

Current maturities of long term loans and advances to employees	110,612	299,134
Advances recoverable in cash or kind or for value to be received	11,917	-
Interest accrued and due on loans to others	-	504,000
Interest accrued and due on fixed deposits*	1,213,691	917,306
Interest receivable on investments	2,581,168	9,787,152
Interest receivable on fixed deposit	281,055	239,475
Receivable from Stock Exchange	251,371	220,547
Interest accrued but not due on Securities	47,476,920	-

97,299,855
59,173,574

* Pledged against margin money, guarantees or security deposit with stock exchanges and security against borrowings ₹ 1,213,691, previous year ₹ 917,306.

NOTE - 21

REVENUE FROM OPERATIONS

Sale of services (Refer note no. 31)	1,084,400,656	1,138,679,742
Brokerage	609,403,191	235,179,922
Interest income	672,655,375	391,366,968
Profit / (loss) on sale of current investments	5,033,965	63,099,443
Dividend income on short term investments	881,299	990,418
Dividend income on long term investments	11,775,628	9,578,523
Income from trading in shares and securities (Refer note no. 32)	34,503,102	94,392,883
	2,418,653,216	1,933,287,899

NOTE - 22

OTHER INCOME

Rent income	27,918,000	35,287,113
Interest income	2,943,552	2,668,407
Excess provision of earlier years written back	-	530,908
Other non-operating income	309,265	1,741,993
	31,170,817	40,228,421

NOTE - 23

EMPLOYEE BENEFITS EXPENSE

Salaries and wages	339,398,425	333,157,974
Contribution to provident and other funds	1,390,850	795,000
Staff welfare expenses	5,469,946	6,959,130
	346,259,221	340,912,104

NOTE - 24

FINANCE COST

Interest expenses	552,305,080	359,466,308
Others borrowing costs	6,919,013	5,590,222
Interest on income tax	1,011,700	5,194,407
	560,235,793	370,250,937

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE - 25

OTHER EXPENSES

	Current Year ₹	Previous Year ₹
Brokerage expenses	533,126,411	168,862,032
IPO Marketing fees	43,746,475	26,947,173
Sub arranger fees	127,032,800	101,458,500
Electricity expenses	5,463,084	5,466,998
Rent expenses	73,374,607	72,927,847
Repairs and maintenance		
- building	8,739,046	7,705,572
- others	2,971,971	4,053,554
Rates and taxes	6,366,903	7,411,814
Travelling expenses	30,104,783	26,842,811
Auditor's remuneration:		
as auditor	595,566	338,961
for other services	261,325	166,028
Professional fees	7,927,554	5,919,670
Printing and stationary expenses	10,900,927	11,424,512
Bad debts	525,000	6,639,295
Advertisement expenses	4,112,375	4,969,000
Business promotion expenses	40,724,611	25,113,777
Incentive expenses	57,630,982	41,018,856
Loss on sale of fixed assets (net)	2,600,101	4,313,170
Miscellaneous expenses	34,999,584	33,466,466
	991,204,105	555,046,036

NOTE - 26

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.LTD	Singapore	100.00	Singapore Dollar	29-Jul-13
5	A. K. Capital Finance Private Limited	India	98.51 (98.51)	Indian Rupees	4-Sep-08

NOTE - 27

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 Company. Depreciation for the year on tangible assets includes ₹ 772,210 (previous year ₹ 893,238) 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 March 31, 2014 is ₹ 2,056,771 (as at March 31, 2013 ₹ 2,537,731).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE - 28

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 31.03.2014 ₹	As at 31.03.2013 ₹
Not later than one year;	10,959,196	17,378,120
Later than one year but less than five year	4,901,577	-

The amount of lease payments with respect to the lease recognised in the statement of profit and loss for the year is ₹ 24,861,772 (previous year ₹ 19,102,222)

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

B. Where the Company is lessor:

The future minimum lease payments receivable are as follows:

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Not later than one year;	-	19,737,726

The amount of minimum lease income with respect to the lease recognised in the statement of profit and loss for the period is ₹ 19,737,726 (previous year ₹ 1,200,774).

NOTE - 29

RELATED PARTIES AND THEIR RELATIONSHIPS:

A. Related parties and their relationships:

Key Management Personnel

Mr. A. K. Mittal

Mr. Deepak Mittal

Ms. Aditi Mittal

Mr. Ankit Gupta

Relative of Key Management Personnel

Mrs. Anshu

Mr. Abhinav Kumar Mittal

Mrs. Purvi Jain

A.K.Mittal HUF

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

M Square Automobile Private Limited

Notes:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 29 (Contd.)

B. Transactions with related parties

Remuneration to directors (including perquisites)

	Current Year ₹	Previous Year ₹
A. K. Mittal	23,052,774	38,956,000
Deepak Mittal	10,475,360	7,838,360
Abhinav Kumar Mittal	5,400,000	7,200,000
Aditi Mittal	1,500,000	1,500,000
Ankit Gupta	1,429,150	-

Directors Sitting fees

Anshu	70,000	30,000
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Brokerage Received

A. K. Mittal	-	1,069
Aditi Mittal	724	1,008
A K Mittal HUF	500	-
Anshu	9,286	-
Purvi Jain	5,475	-

Demate Charges Received

A. K. Mittal	350	330
Aditi Mittal	441	340
A K Mittal HUF	325	-
Anshu	874	-
Purvi Jain	430	-

Rent paid

A. K. Mittal	6,606,000	6,377,716
Anshu	3,528,000	3,378,000
Abhinav Kumar Mittal	5,169,600	4,894,600

Repairs and Maintenance charges paid for car

M Square Automobile Private Limited	1,161,277	310,239
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Purchase of Car

M Square Automobile Private Limited	6,542,493	20,767,223
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Advance against Capital Goods

M Square Automobile Private Limited	-	7,589,182
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Refund of Capital Advance

M Square Automobile Private Limited	1,046,689	-
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Rent deposit given outstanding as at year end

A. K. Mittal	16,250,000	16,725,200
Anshu	7,450,000	7,450,000
Abhinav Kumar Mittal	11,962,000	11,962,000

Receivable as at year end

M Square Automobile Private Limited	-	7,589,182
Anshu	558	-
A K Mittal HUF	58	-
Aditi Mittal	50	-
Purvi Jain	16	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 30

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 (Unfunded)	
	Current Year ₹	Previous Year ₹
a. Change in present value of obligation		
Present value of obligation as at beginning of the year	13,329,207	11,333,791
Interest cost	1,066,337	906,703
Service cost	2,994,185	3,473,214
Benefits paid	(1,018,273)	(1,684,934)
Actuarial (gain)/loss on obligation	(2,499,798)	(699,567)
Present value of obligation as at year end	13,871,658	13,329,207
b. Amount recognized in the Balance Sheet		
Present value of obligation, as at year end	13,871,658	13,329,207
Fair value of plan assets as at year end	-	-
Net liabilities recognized in the Balance Sheet	13,871,658	13,329,207
c. Expense recognized during the year		
Current service cost	2,994,185	3,473,214
Interest cost	1,066,337	906,703
Expected return on plan assets	-	-
Net Actuarial (gain)/loss to be recognized	(2,499,798)	(699,567)
Net periodic cost	1,560,724	3,680,350
d. Assumptions used in accounting for the gratuity plan	% (p.a.)	% (p.a.)
Mortality rate	LIC	LIC
	(2006-08)	(1994-96)
Discount rate	9.00	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 31

DETAILS OF SALE OF SERVICES

	Current Year ₹	Previous Year ₹
Merchant banking fees	869,099,640	951,603,822
Advisory fees	88,187,382	80,243,255
Service charges	98,584	96,665
Syndication and other fees	127,015,050	106,736,000
Total	1,084,400,656	1,138,679,742

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 32

INCOME FROM TRADING IN SHARES AND SECURITIES:

	Current Year ₹	Previous Year ₹
Sales of shares and securities	68,779,640,675	76,810,718,165
Add: Closing inventories	4,262,624,083	4,677,196,538
Add: Transfer to Non Current Investment	363,554,690	-
Less: Opening inventories	4,677,196,538	2,471,642,855
Less: Purchases	68,694,119,808	78,918,739,355
Total	34,503,102	97,532,493

NOTE 33

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 overseas subsidiary (incorporated in Singapore during the year) is less than specified percentage as per Accounting Standard on Segment Reporting AS-17.

NOTE 34

EARNINGS PER SHARE (EPS)

	Current Year ₹	Previous Year ₹
Net profit after tax after adjusting minority interest	351,923,890	460,290,173
Weighted average number of equity shares outstanding at the year end (No.)	6,600,000	6,600,000
Basic and diluted earnings per share (₹)	53.32	69.74
Nominal value of share (₹)	10	10

NOTE - 35

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 - 36

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 - 37

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

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)

Kanchan Singh
Company Secretary
(ACS: A24596)

Place : Mumbai
Date : May 26, 2014

Place: Mumbai
Date: May 25, 2014

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR 2013-14

Name of the Subsidiary Company	A. K. Stockmart Private Limited	A. K. Capital Corporation Private Limited	A. K. Wealth Management Private Limited	A. K. Capital Finance Private Limited	A. K. Capital (Singapore) PTE Limited
Financial year ending	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
Date from which it became the subsidiary	February 20, 2006	January 29, 2007	May 12, 2010	September 4, 2008	July 29, 2013
Number of equity shares held by A. K. Capital Services Limited as on March 31, 2014.	12,000,000 Equity shares	2,100,000 Equity shares	2,250,000 Equity shares	19,653,740 Equity shares	399,108 Equity shares
Face Value equity shares	₹ 10	₹ 10	₹ 10	₹ 10	SGD 1
Paid –up Equity Share Capital (₹)	120,000,000	21,000,000	22,500,000	199,500,000	19,785,000
Extent of holding of A. K. Capital Services Limited as on March 31, 2014.	100%	100%	100%	98.51%	100%
Net aggregate profit/(loss) so far it concerns the members of the holding Company.					
(a) For the financial year ended on March 31, 2014					
(i) Not dealt with in the holding Company accounts (₹)	12,767,677	1,716,152	1,147,494	131,088,297	1,346,739
(ii) Dealt with the holding Company accounts (₹)	4,331	-	-	-	-
(b) For the subsidiary Company previous financial years since it became a subsidiary					
(i) Not dealt with in the holding Company accounts (₹)	316,128,609	2,560,442	7,517,792	544,923,474	-
(ii) Dealt with the holding Company accounts (₹)	183,966	-	-	-	-

SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Particular	A. K. Stockmart Private Limited ₹	A. K. Capital Corporation Private Limited ₹	A. K. Wealth Management Private Limited ₹	A. K. Capital Finance Private Limited ₹	A. K. Capital (Singapore) PTE Limited ₹
Share capital	120,000,000	21,000,000	22,500,000	199,500,000	19,785,000
Reserves and surplus	55,151,067	9,057,022	3,330,363	2,608,754,982	516,033
Total Assets	392,750,526	30,093,378	27,067,965	7,572,143,295	20,863,986
Total Liabilities	392,750,526	30,093,378	27,067,965	7,572,143,295	20,863,986
Investments	19,906,892	-	-	2,619,295,667	-
Total Revenue	703,761,583	2,526,686	7,052,751	753,250,158	4,793,210
Profit before Tax	18,135,628	2,484,954	1,752,318	195,934,439	1,404,258
Provision for taxation (including Deferred Tax)	5,363,620	768,802	604,824	64,846,142	57,519
Profit after Tax	12,772,008	1,716,152	1,147,494	131,088,297	1,346,739

For and on behalf of the Board of Directors

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

Deepak Mittal
Director
(DIN: 00043685)

Kanchan Singh
Company Secretary
(ACS: A24596)



A. K. Capital Services Limited

BUILDING BONDS

Registered Office : Flat No. N, Sagar Apartment, 6, Tilak Marg, New delhi - 110 001.