

16th Annual Report

ASE CAPITAL MAREKTS LTD.

CIN: U67120GJ2000PLC037431

**Regd. Office: Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole,
Ambawadi, Ahmedabad- 380015**

ASE CAPITAL MARKETS LTD.

BOARD OF DIRECTORS_(As on 26th August, 2016)

Mr. Vicky R. Jhaveri – Member Director
Mr. Apurva R. Shah – Member Director
Mr. Ashish C. Chokshi – Member Director
Mr. Sunil B. Patel – Member Director
Mr. Hitesh R. Shah – Member Director
Mr. Shailesh B. Gandhi – PR Director
Mr. Vinod K. Mehta – PR Director
Ms. Dr. Sarla Achuthan – PR Director
Mr. Dilipkumar Daga – PR Director
Mr. Vipul Patel – Officer Director

STATUTORY AUDITORS

M/s. G. K. Choksi & Co.
Chartered Accountants
Ahmedabad

INTERNAL AUDITORS

M/s. Nautam R. Vakil & Co.
Chartered Accountants
Ahmedabad

BANKERS

Central Bank of India
HDFC Bank Ltd.
Kotak Mahindra Bank Ltd.
State Bank of India

REGISTERED OFFICE

Kamdhenu Complex
Opp. Sahajanand College
Panjara pole
Ahmedabad 380015
CIN: U67120GJ2000PLC037431

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ASE CAPITAL MARKETS LTD.

NOTICE

Notice is hereby given that the 16th (Sixteenth) Annual General Meeting of the members of ASE Capital Markets Ltd. will be held on Thursday, 29th September 2016 at 5.30 p.m. at Radisson Blu Hotel, Near Panchvati Cross Roads, Off C.G. Road, Ambawadi, Ahmedabad - 380006 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year 2015-16.
3. To take note of the retirement of Mr. Vicky R. Jhaveri, Member Director liable to retire by rotation, pursuant to Article 111 of Articles of Association of the Company.
4. To take note of the retirement of Mr. Apurva R. Shah, Member Director liable to retire by rotation, pursuant to Article 111 of Articles of Association of the Company.
5. To take note of the retirement of Mr. Ashish A. Chokshi, Member Director liable to retire by rotation, pursuant to Article 111 of Articles of Association of the Company.
6. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder, the appointment M/s. G. K. Choksi & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 101895W) as Auditors of the Company, by resolution passed at the 14th Annual General Meeting of the Company, to hold office from the conclusion of the 14th Annual General Meeting until the conclusion of the 19th Annual General Meeting, be and is hereby ratified for the another term of one year, i.e. from the conclusion of the 16th Annual General Meeting until the conclusion of 17th Annual General Meeting, on such remuneration plus service tax, out-of-pocket expenses, travelling and living expenses etc., as may be determined by the Board of Directors of the Company, based on the recommendation of the Audit Committee.”

Special Business:

7. Appointment of Member Directors

To consider and, if thought fit, to pass the ordinary resolutions for filling up two (2) vacancies of Member Directors on the Board of Directors of the Company, whose requisitions, if any, as may be received, in accordance with the provisions of Section 160 of the Companies Act, 2013.

By Order of the Board
For **ASE Capital Markets Ltd.**

Sd/-
Bhadren Darji
Company Secretary

Place : Ahmedabad
Date : 26th August, 2016

Notes:

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) is annexed hereto and forms part of this notice.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THAT A PROXY NEED NOT BE A MEMBER. The instrument appointing the proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. The register of members and share transfer registers will remain closed from Monday, 26th September 2016 to Thursday, 29th September 2016 (both the days inclusive) for the purpose of annual general meeting.

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4. The Notice of the AGM along with the Annual Report for the year 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
5. Members are requested to intimate the change in their e-mail ID and address, if any, Permanent Account Number or Corporate Identification Number; Unique Identification Number, if any; Occupation; Status; Nationality; in case member is a minor, name of the guardian and the date of birth of the member; name and address of nominee.
6. Members/Proxies are requested to bring their attendance slip duly filled in for attending the meeting and copy of the Annual Report and note that annual reports shall not be circulated at the AGM.
7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members seeking any information with regard to the Accounts are requested to write to the Company at least 7 days in advance, so as to enable the Management to keep the information ready at the meeting.
9. In terms of Section 205A read with Section 205C of the Companies Act, 1956 (Section 124 and 125 of the Companies Act, 2013), the dividend declared by the Company which remains unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF), established by the Central Government on the due dates. Members who have not encashed their dividend cheques in respect of the above period are requested to make their claim by surrendering the unencashed cheques immediately to the Company.
10. Corporate Members intending to send their authorized representative to attend and vote at the Meeting are requested to ensure that the authorized representative carries a duly certified true copy of the Board Resolution or Power of Attorney, authorizing him / her to attend and vote at the Meeting and any one of the valid photo identity proofs (viz, Driving License, PAN Card, Election Card, Passport).

(On a letterhead of Corporate Member)

“RESOLVED THAT pursuant to the provision of Section 113 and all other applicable provisions, if any, of the Companies Act, 2013, Shri..... or failing him/her, Shri..... be and is hereby authorized to act as the representative of (Name of Corporate member) to attend the Sixteenth Annual General Meeting of ASE Capital Markets Ltd. to be held on Thursday, 29th September 2016 at 5.30 p.m. at Radisson Blu Hotel, Near Panchvati Cross Roads, Off C.G. Road, Ambawadi, Ahmedabad - 380006 or at any adjournment thereof, for and on behalf of the Company as its representative.

RESOLVED FURTHER THAT the aforesaid representative of the Company, be and is hereby authorized to vote for and on behalf of the Company on any of the Resolutions as stated in the Notice of the Annual General Meeting of the ASE Capital Markets Ltd. or at any such adjournment thereof, as may be deemed fit, proper and necessary.”

The aforesaid RESOLUTION SHALL PREFERABLY BE SIGNED BY SUCH DIRECTOR whose specimen signature has been lodged with the company.

In terms of the provisions of the Companies Act, 2013, the representative of Corporate Member without proper authorizations, such as Board Resolution or Power of Attorney, shall not be permitted to attend and / or vote at the meeting or his presence in the meeting or voting for any resolution shall not be considered valid.

11. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them in physical form.

12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.

The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.

13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during the business hours on all working days except Saturday, upto and including the date of the Annual General Meeting of the Company.

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Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item no. 3, 4 & 5: Mr. Vicky R. Jhavei, Mr. Apurva R. Shah and Mr. Ashish A. Chokshi retire by rotation at this Annual General Meeting. Pursuant to Article 111 of AOA of the company, 1/3 of elected directors shall retire from the office, however, as per SEBI letter no. SMD/SEAD/9971/03 dated 21/05/2003, it is stated by SEBI that "The Member Director of the Governing board of the subsidiary company shall have a gap of at least one year after a consecutive period of two years before re-nomination for the governing board" and hence members are required to take note of the retirement of Mr. Vicky R. Jhavei, Mr. Apurva R. Shah and Mr. Ashish A. Chokshi at the ensuing AGM as per SEBI requirement.

Item no. 6: The members of the Company had at the 14th Annual General Meeting held on 18th September 2014 approved and subsequently at the 15th Annual General Meeting held on 29th September 2015 ratified the appointment of M/s. G. K. Choksi & Co., Chartered Accountants, Ahmedabad bearing ICAI Registration no. 101895W, as Statutory Auditors of the company, to hold office from the conclusion of that AGM to the conclusion of 19th AGM thereafter (subject to ratification of the appointment by the Members at every AGM held after that AGM).

Rule 3(7) of Companies (Audit and Auditors) Rules, 2014 states that appointment of the auditor shall be subject to ratification by the members at every AGM till the expiry of the term of the Auditor.

In view of the above, the existing appointment of M/s. G. K. Choksi & Co., Chartered Accountants, Ahmedabad covering the period from the conclusion of this ensuing AGM until the conclusion of the next Annual General Meeting to be held in the FY 2017-18, is being placed for members' ratification.

The Board commends the passing of the Ordinary Resolution at item no. 6 of the accompanying notice for approval by the members of the Company.

None of the Directors, Key Managerial Persons (KMPs) or the relatives of Directors or KMPs are in any way concerned or interested financially or otherwise in the said resolution.

Item No. 7: Pursuant to Article 111 of Articles of Association of the company, at Annual General Meeting of the Company, one third (1/3rd) of Elected Directors appointed under Article 106(a) shall retire from Office. Members may note that the Company intends to appoint 2 Directors under the provisions of Article No. 106 (a) of Articles of Association of the Company by passing the ordinary resolutions in the ensuing AGM. Interested member may submit a requisition to the Company, at least 14 clear days' before the Annual General Meeting, in accordance with relevant provisions of SEBI circulars/directives and Section 160 of the Companies Act, 2013 and Memorandum of Association and Articles of Association of the company. The documents pertaining to the requisition will be available for inspection by the members at time and venue of the Annual General Meeting of the company.

None of the Directors, Key Managerial Persons (KMPs) or the relatives of Directors or KMPs of the Company are in any way concerned or interested, financially or otherwise in the respective concerned resolutions to be passed under item no. 7 except the persons proposing themselves for directorships of the company.

By Order of the Board
For **ASE Capital Markets Ltd.**

Sd/-
Bhadren Darji
Company Secretary

Place : Ahmedabad
Date : 26th August, 2016

ASE CAPITAL MARKETS LTD.

DIRECTORS' REPORT

Dear Shareholders,

The Directors take pleasure in presenting the Sixteenth (16th) Annual Report together with the audited financial statements for the Financial Year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

(₹ in Lacs)

Particulars	Year ended on 31.3.2016	Previous Year 31.3.2015
Revenue from Operations	510.64	435.57
Add: Other Income	177.29	163.42
Total Revenue	687.93	598.99
Profit Before Tax	352.32	288.49
Provision for taxation	116.24	97.29
Profit for the year	236.07	191.20
Balance brought forward from previous year/s	1182.16	1009.76
Sum available for appropriation	1418.23	1200.97
Appropriations:		
2% Interim Dividend on Equity Shares for the year and Dividend Tax	Nil	17.68
Proposed Dividend 3% on final Equity Shares for the year and Dividend Tax	22.11	NIL
Balance carried forward to balance sheet	1391.62	1182.16

DIVIDEND

Your company has a consistent record of dividend payment and considering the sustained financial performance of the company for the year 2015-16, the Directors have recommended a dividend of 3 paise (3%) on the capital of 7,37,00,500 equity shares of ₹ 1/- each, and the said dividend would involve cash outlay of Rs. 22,11,015.00 (excluding dividend distribution tax of Rs. 4,50,118.00) for the year 2015-16.

TRANSFER TO RESERVE

The Company did not transfer any amount to reserves during the year.

STATE OF COMPANY'S AFFAIRS

Stock market trends in India

The BSE Sensex moved from 28260.14 as on 1st April, 2015 to 25341.86 as on 31st March, 2016 (a decrease of 10.32%). During the same period NSE Nifty moved from 8586.25 to 7738.40 (a decrease of 9.87%). In the current fiscal, BSE Sensex has increased from the level of 25,269.64 points as on 1st April 2016 upto 28,051.86 points as on 31st July 2016 and NSE NIFTY also increased from 7713.05 points to 8638.50 during the same period. Higher volatility and increasing indices in the current fiscal show strong positive sentiments of the capital market and investors.

Overview of the Operations

During the year under review, the Company has earned operational revenue of ₹ 510.64lacs as compared to ₹435.57lacs in the previous year, showing an increase of ₹75.07 lacs (17.23%). The Profit after tax stood at ₹236.07lacs as compared to ₹191.20 lacs showing an increase of ₹ 44.87 lacs over the previous year and the Earning per Share of the Company has increased to ₹ 0.32 from ₹ 0.26 in the last fiscal.

The total trading volume of the company during the year remained under:

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Exchange	Segment	Year 2015-16 (₹ in crore)	Year 2014-15 (₹ in crore)
BSE	Cash	12148.29	12323.35
	F&O	122.69	271.20
NSE	Cash	17905.54	12711.15
	F&O	23809.20	20387.71
	Currency	6.28	17.63
	Total	53992.00	45711.04

As on 31st March 2016, the number of registered sub-brokers of the Company for BSE and NSE operations is 190 and 122 respectively (Previous year- 194-BSE & 125-NSE); Authorized persons in BSE Cash segment are 13 (Previous Year –17), NSE Cash segment are 3 (Previous Year – 3), BSE F&O segment 34 (Previous Year – 33), NSE F&O segment are 93 (Previous Year – 97), NSE Currency Derivatives segment are 25 (Previous Year 25). Your company, being a DP of NSDL and CDSL continued to provide demat related facilities to the sub-brokers / authorized persons and their clients. The total number of NSDL DP franchisees and active Demat accounts as on 31st March 2016 was 85 & 34763 (Previous year- 29917) respectively and active CDSL DP demat clients as on 31st March 2016 are 12705 (Previous year-12911).

During the previous two years i.e. 2014-15 & 2015-16, ACML's total business volume registered impressive growth on account of positive market sentiments and improved investors' confidence. The trading in NSE segment has grown as compared to business in BSE segment in ACML. However, the trading in NSE Currency Derivatives and BSE F&O continued to remain insignificant.

Future Outlook

In the current fiscal, Market Indices have continued to be vibrant owing to improved Gross Domestic Product (GDP) and Goods and Service Tax (GST) bill passed by the parliament will contribute in India's GDP growth in F.Y.2016-17. The momentum of growth is expected to be quickened by the normal monsoon raising agricultural growth and rural demand, as well as by the stimulus to consumption spending that can be expected from the disbursement of pay, pension and arrears following the implementation of the 7th Central Pay Commission's award. However, successive downgrades of global growth projections by multilateral agencies and the continuing sluggishness in world trade points to further slackening of external demand going forward.

CHANGE IN THE NATURE OF BUSINESS

Company is engaged in the stock broking and depository operations business and it has membership of nationwide exchanges i.e. BSE and NSE and is a depository participant of NSDL and CDSL. There is no change in the nature of business during the year.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial positions of the company which have occurred between the end of the financial year of the company to which the financial statement relate and the date of the report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OF TRIBUNALS

There are no significant and material orders passed by the regulators or courts of tribunals during the year impacting the going concern status and company's operations in future.

INTERNAL FINANCIAL CONTROLS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit assignment to the Internal Auditor. To maintain its objectivity and independence, the Internal Audit function reports to the Board of Directors and the Audit Committee of the Board.

The Internal Audit function monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, concerned heads of departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

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Internal control framework including clear delegation of authority and standard operating procedures are established and laid out across all businesses and functions. These are reviewed periodically at all levels. The company adopts a co-sourced model of internal audit. The risk and control measures are reviewed on a quarterly basis and control measures are tested and documented. These measures have helped in ensuring the adequacy of internal financial controls commensurate with the scale of operations of the company

COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year, no company has become or ceased to be the subsidiary, joint venture company or associate company. The Company is subsidiary of Ahmedabad Stock Exchange Ltd.

FIXED DEPOSITS

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

During the year (2015-16) under review, there is no change in the paid up share capital of the company and the paid up equity share capital of the company was ₹ 7.37 crore

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL

- (i) Appointment of Directors and Key Managerial Personnel – Mr. Sunil B. Patel and Mr. Hitesh R. Shah were appointed as Directors in the AGM held on 29th September 2015. Mr. Ritesh Goel, Sr. Manager (Accounts) was re-designated as Chief Financial Officer w.e.f. 06th May 2016.
- (ii) Vacation of Office of Directors and Key Managerial Personnel – Mr. Hitesh J. Patel and Mr. Amit G. Shah Directors were retired in the AGM held on 29th September 2015 and the nomination of the director Mr. Vinod Kumar Sharma, was also withdrawn by Ahmedabad Stock Exchange Ltd., the holding company w.e.f. 06th May, 2016

Mr. Vicky R. Jhaveri, Mr. Apurva R. Shah and Mr. Ashish A. Chokshi, appointed as Directors in the AGM held on 18th September 2014 retire at the ensuing AGM. The Board places on record its appreciation and thanks for the valuable guidance and services rendered by the outgoing Directors.

BOARD MEETINGS

During the year 2015-16, 8 (Eight) meetings of the Board of Directors of the company were held on 22nd April 2015, 29th April 2015, 18th June 2015, 2nd September 2015, 28th October 2015, 12th January 2016, 29th January 2016 and 23rd February 2016. The attendance details of each of the directors in the meeting of the Board of Directors are annexed hereto as **Annexure 1**.

AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors consisting of Mr. Vinod K. Mehta, Mr. Dilipkumar Daga, Mr. V. K. Sharma (nomination withdrawn), Mr. Vicky R. Jhaveri and Mr. Apurva R. Shah. Further, Mr. Sunil B. Patel and Mr. Hitesh R. Shah also became members of audit committee w.e.f. 6th May 2016. During the year under review, 5 meetings of the Audit Committee (including 1 subcommittee meeting) were held and discussions were held with auditors periodically for the accounts, audit and internal control systems. Further, annual financial statements were also reviewed by the Audit Committee. The attendance details of each of the committee members in the meetings of the Audit Committee are annexed hereto as **Annexure 1**.

OTHER COMMITTEES

The Company has other committees namely Computerization Committee, Human Resource Committee and Share Allotment and Transfer Committee. The names of committee members, no. of committee meetings held and attendance details of each of the committee members in the meetings for the said committees are annexed hereto as **Annexure 1**.

RISK MANAGEMENT POLICY

The company has framed the risk management policy for its business operations, including norms for cash, F&O and currency segments, client margining, debarred entities, anti money laundering policy along with the business rules of the company. As the company is engaged in stock market business including trading of securities and depository operation, the board of directors in its opinion believes that market trends, regulatory changes, business partners that are sub-brokers, authorized persons or client defaults, business and regulatory compliance default risk which in the opinion of the Board may threaten the existence of the company. These risks are based on the factors such as previous experience, probability of occurrence, probability of non-detection and its impact on business.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure-2**.

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

The details pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed herewith as **Annexure-3**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes 10 to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 is annexed herewith as **Annexure-4**.

PARTICULARS OF EMPLOYEES

There are no employees whose information is required to disclose in the Board's report pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DISCLOSURE UNDER SEXUAL HARASSMENT ACT

The company has set up Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. There was no complaint reported during the year under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

STATUTORY AUDITORS

At the 14th Annual General Meeting held on 18th September, 2014 the members had approved appointment of M/s. G. K. Choksi & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 101895W) and the said appointment was also ratified in the previous AGM held on 29th September 2015, to hold office from the conclusion of the 14th Annual General Meeting until the conclusion of the 19th Annual General Meeting, (subject to ratification of the appointment by the members, at every Annual General Meeting held after the every 14th Annual General Meeting) on such remuneration plus service tax, out-of-pocket expenses, travelling and living expenses etc., as may be determined by the Board of Directors of the Company.

In accordance with Section 139 of the act, Members are requested to ratify the appointment of the auditors for further one year and accordingly they continue to hold office from the conclusion of the 16th Annual General Meeting until the conclusion of 17th Annual General Meeting. The specific notes forming part of the accounts referred to in the Auditor's Report are self-explanatory and give complete information.

INTERNAL AUDITORS

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M/s. Nautam R. Vakil & Co., Chartered Accountants, Ahmedabad are the Internal Auditors of the Company for the year 2015-16 and the scope of the internal audit function is as per the terms and conditions of the contract their appointment which *inter alia* includes internal audit of accounts, stock broking and system audit.

DIRECTORS' RESPONSIBILITY STATEMENT

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

The Board places on record its sincere appreciation and gratitude for the co-operation and guidance received from regulators, exchanges, depositories and other Government Agencies, Bankers, Auditors, Sub brokers, Authorised Persons and clients of the company. The Board also expresses its appreciation for the support extended by the shareholders and employees of the organization.

For and on behalf of the Board

(Vicky R. Jhaveri)
Chairman

Place: Ahmedabad

Date: 26th August 2016

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Annexure: 1 Attendance Details of the meetings of the Board of Directors and Committees thereof during the financial year 2015-16

Board meetings:

Sr. no.	Name of Director	Date of Board meeting and whether attended – Yes or No								Total meeting	Attendance
		22/04/2015	29/04/2015	18/06/2015	02/09/2015	28/10/2015	12/01/2016	29/01/2016	23/02/2016		
										8	
1	Amit G. Shah	No	No	Yes	Yes	-	-	-	-	4	2
2	Hitesh J. Patel	No	Yes	Yes	Yes	-	-	-	-	4	2
3	Vicky R. Jhaveri	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	8
4	Apurva R. Shah	No	Yes	Yes	Yes	No	No	Yes	No	8	4
5	Ashish A. Chokshi	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	7
6	Sunil B. Patel	-	-	-	-	Yes	Yes	Yes	Yes	4	4
7	Hitesh R. Shah	-	-	-	-	Yes	Yes	Yes	Yes	4	4
8	Vinod K. Mehta	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	8
9	Dilipkumar Daga	No	Yes	Yes	Yes	Yes	No	Yes	Yes	8	6
10	Shailesh B. Gandhi	No	No	Yes	Yes	No	No	Yes	No	8	3
11	Sarla Achuthan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	8	7
12	Vinod Kumar Sharma	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	8
13	Vipul R. Patel	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	8

Audit Committee meetings:

Sr. No.	Name of committee member	Date of Audit committee meeting and whether attended- Yes or No					Total meeting	Attendance
		29/04/2015	13/08/2015	02/09/2015	29/01/2016	08/02/2016 (sub-committee)		
							5	
1	Vicky R. Jhaveri	Yes	Yes	Yes	Yes	Yes	5	5
2	Apurva R. Shah	Yes	Yes	Yes	Yes	-	4	4
3	Vinod K. Mehta	Yes	Yes	Yes	Yes	Yes	5	5
4	Dilip Kumar Daga	Yes	Yes	Yes	Yes	-	4	4
5	Vinod Kumar Sharma	Yes	Yes	Yes	Yes	-	4	4
6	Ashish A. Chokshi	-	-	-	-	Yes	1	1

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Human Resource Committee meetings:

Sr. No.	Name of committee member	Date of HR committee meeting and whether attended- Yes or No			Total meeting	Attendance
		9/22/2015	12/29/2015	3/29/2016		
		Yes	Yes	Yes	3	
1	Vinod Kumar Sharma	Yes	Yes	Yes	3	3
2	Dr. Sarla Achuthan	Yes	Yes	Yes	3	3
3	Vicky R. Jhaveri	Yes	Yes	Yes	3	3
4	Apurva R. Shah	No	Yes	Yes	3	2

Computer Committee meetings:

Sr. No.	Name of committee member	Date of Computer committee meeting and whether attended- Yes or No		Total meeting	Attendance
		28/05/2015	12/01/2016		
		Yes	Yes	2	
1	Vinod Kumar Sharma	Yes	Yes	2	2
2	Vicky R. Jhaveri	Yes	Yes	2	2
3	Ashish C. Chokshi	Yes	No	2	1
4	Hitesh J. Patel	Yes	-	1	1
5	Amit G. Shah	Yes	-	1	1

Share Allotment and Transfer Committee meetings:

Sr. No.	Name of committee member	Date of Share Allotment and Transfer committee meeting and whether attended- Yes or No	Total meeting	Attendance
		Yes	1	1
1	Vinod K Mehta	Yes	1	1
2	Amit G Shah	Yes	1	1
	Hitesh J Patel	Yes	1	1

ASE CAPITAL MARKETS LTD.

Annexure: 2

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2016
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i) CIN	67120GJ2000PLC037431
(ii) Registration Date	25 th February 2000
(iii) Name of the Company	ASE CAPITAL MARKETS LIMITED
(iv) Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
(v) Address of the Registered office and contact details	Kamdhenu Complex, Opp. Sahajanand College, Nr. Panjarapole, Ahmedabad, Gujarat, India- 380015 Te. 079-26308875
(vi) Whether listed company	No
(vii) Name, Address and Contact details of Registrar and Transfer Agents, if any	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Mary, Bhandup (West), Mumbai- 400078 Contact-02225946970 Fax- 02225946969 Email id- dematremat@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Stock Broking	99715210	50.09
2	Depository Operations	99715230	20.68

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1	Ahmedabad Stock Exchange Ltd.	U67110GJ2005PLC045636	Holding	54.27	2(46)
2	ASE Capital Market Development Board	U72300GJ2000NPL037393	Associate	22.94	2(6)

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

(i) Category-wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	-	-	-	-	-	-	-	-	
(1) Indian	-	-	-	-	-	-	-	-	
a) Individual/HUF	-	-	-	-	-	-	-	-	
b) Central Govt.	-	-	-	-	-	-	-	-	

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c) State Govt(s)	-	-	-	-	-				
d) Bodies Corp.	-	40000000	40000000	54.27	-	40000000	40000000	54.27	-
e) Banks/FI	-	-	-	-	-				
f) Any other....	-	-	-	-	-				
Sub-total (A)(1):-	-	40000000	40000000	54.27	-	40000000	40000000	54.27	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	40000000	40000000	54.27	-	40000000	40000000	54.27	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non- Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	25300055	25300055	34.33	-	25300055	25300055	34.33	-
ii) Overseas									
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	-	8400445	8400445	11.40	-	8400445	8400445	11.40	-
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-

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c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	-	33700500	33700500	45.73	-	33700500	33700500	45.73	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	33700500	33700500	45.73	-	33700500	33700500	45.73	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	73700500	73700500	100.00	-	73700500	73700500	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Ahmedabad Stock Exchange Ltd.	40000000	54.27	-	40000000	54.27	-	-
	Total	40000000	54.27	-	40000000	54.27	-	-

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	No change during the year			
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No change during the year			
	At the end of the year	No change during the year			

(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in shareholding during the year		Reason	Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Date	Increase / Decrease in shareholding during the year		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
1	ASE CAPITAL MARKET DEVELOPMENT BOARD	16904800	22.94	-	-	-	16904800	22.94	16904800	22.94
2	NIMISH PRAVINCHANDRA VORA	83399	0.1	-	-	-	83399	0.1	83399	0.1

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3	RAMANLAL GULABCHAND SHARE BROKERS PRIVATE LIMITED	81031	0.1	-	-	-	81031	0.1	81031	0.1
4	MITESHBHAI M.SHETH	81030	0.1	-	-	-	81030	0.1	81030	0.1
5	INTERFACE BROKERAGE & RESEARCH LTD.	80899	0.1	-	-	-	80899	0.1	80899	0.1
6	AJAY SARABHAI DALAL	80337	0.1	-	-	-	80337	0.1	80337	0.1
7	RAKESH ARVINDBHAI GHIYA	78653	0.1	-	-	-	78653	0.1	78653	0.1
8	CHHAGANLAL KARSHANLAL KOTHARI	77530	0.1	-	-	-	77530	0.1	77530	0.1
9	MEETA SANJAY SHAH	75846	0.1	-	-	-	75846	0.1	75846	0.1
10	G.N.G. INVESTMENT LTD	74723	0.1	-	-	-	74723	0.1	74723	0.1

(v) Shareholding of Directors and Key Managerial Personnel

No directors are holding any shares as on 31st March 2016, however, the position of directors holding the shares during the year is as under.

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	For Each of the Directors and KMP				
	Directors:				
1	Mr. Amit G. Shah, Director				
	At the beginning of the year	80899	0.10	80899	0.10
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the year*	80899	0.10	80899	0.10
	• Mr. Amit G. Shah was retired during the previous AGM held on 29 th September 2015.				
	Key Managerial Personnel (KMP):				
	At the beginning of the year	None of the KMP hold shares in the Company			
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	None of the KMP hold shares in the Company			
	At the end of the year	None of the KMP hold shares in the Company			

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-

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(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		-----	-----	----	-
1	Gross Salary	-	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify....	-	-	-	-
4	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	-	-	-	-

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors					TOTAL AMOUNT
	1. Independent Directors						
	Fee for attending Board/Committee Meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
	2. Other Non Executive Directors	Mr. Vinod Mehta	Mr. Vinod Sharma	Mr. Dilipkumar Daga	Dr. Sarla Achuthan	Mr. Shailesh Gandhi	
	Fee for attending Board/Committee Meetings	80000	80000	55000	57000	21000	293000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-

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	Total (2)	80000	80000	55000	57000	21000	293000
	Total (B)= (1)+ (2)	80000	80000	55000	57000	21000	293000
	Total Managerial Remuneration	80000	80000	55000	57000	21000	293000
	Overall Ceiling as per the Act	1700000	1700000	1100000	1100000	300000	5900000

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total (Amount ₹)
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	907234	606041	1513275
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	10800	-	10800
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Options	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify....	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (C)	-	918034	606041	1524075

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

Annexure: 3

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

(A) Conservation of energy-

- (i) the steps taken or impact on conservation of energy: Nil, The operation of the company are not energy intensive.
- (ii) the steps taken by the company for utilizing alternate sources of energy: Nil. Though the operations of the company are not energy intensive, the company shall explore alternative sources of energy, as and when the necessity arises.
- (iii) the capital investment on energy conservation equipments: Nil

(B) Technology absorption-

- (i) the efforts made towards technology absorption: The management keeps itself abreast of the technological advancements in the industry and has adopted the state of art transaction, billing and accounting systems and also risk management solutions.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –
 - (a) the details of technology imported;- Nil
 - (b) the year of import; - N.A.
 - (c) whether the technology been fully absorbed;- N.A.
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;-N.A.
- (iv) the expenditure incurred on Research and Development - Nil

(C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows- Nil

Annexure : 4

Form No. AOC-2

Particulars of contracts or arrangements with related parties

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

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

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

- (a) Name(s) of the related party and nature of relationship: Ahmedabad Stock Exchange Ltd.
- (b) Nature of contracts/arrangements/transactions: Facilitation and Infrastructure Usage services & any other related services
- (c) Duration of the contracts / arrangements/transactions: MOU shall continue to be in full force and effect, till the agreement is terminated / amended by both the parties with mutual consent and that both ACML and ASEL may terminate the MOU with respect to one or more or complete support, at any time by giving advance written notice of 60 days
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any –ACML shall pay notional rent/service charges @ ₹ 10/- per sq. ft. Per month for 40% of the office space of the Kamdhenu Complex building being utilized by both ASEL and ACML. (Total approximate office space is 16000 sq. ft. hence; the allocated 40% office space for the purpose of payment of above notional rent/service charges by ACML is 6400 sq.ft.)
- (e) Justification for entering into such contracts or arrangements or transactions:

The company is a subsidiary of Ahmedabad Stock Exchange Ltd. which is one of the oldest stock exchanges in India. The exchange floated the subsidiary pursuant to SEBI guidelines and provided platform to its stockbrokers to trade through the subsidiary platform as sub-brokers of subsidiary in nationwide exchanges i.e. NSE and BSE and the subsidiary is using the same infrastructure which was already in use by the stock brokers as provided by the Exchange.

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(f) date(s) of approval by the Board:

Date of approval of Original MoU by the Board - 11.12.2006

Date of approval of Supplementary MoU by the Board – 23.08.2010

Date of approval by the board – 17.03.2015

(g) Amount paid as advances, if any: Nil

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 – N.A.

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

(a) Name(s) of the related party and nature of relationship: Ahmedabad Stock Exchange Ltd., Holding company

(b) Nature of contracts/arrangements/transactions: Facilitation and Infrastructure Usage services & any other related services

(c) Duration of the contracts / arrangements/transactions: MOU shall continue to be in full force and effect, till the agreement is terminated / amended by both the parties with mutual consent and that both ACML and ASEL may terminate the MOU with respect to one or more or complete support, at any time by giving advance written notice of 60 days

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

A. ACML shall pay/ reimburse to ASEL 40% of all the expenses which are incurred by ASEL for the common benefit of both the organizations.

B. The expenses, for which direct reference is available i.e. direct expenses on telephones, postage, stationary & printing, courier etc., shall be borne by the respective organizations; and where the common expenses/overheads which cannot be segregated like electricity, security guard charges shall be charged in the ratio of 40:60 for ACML and ASEL.

C. ACML shall pay to ASEL the user charges @ ₹ 1/- per sq. ft. per month on the above allocated office space of 6400 sq. ft., toward the utilization of old furniture and fixtures, etc. of ASEL.

D. ACML shall dispense with the services of ASEL staff and none of them shall work for nor be charged for ACML with effect from 1st April 2010.

(e) Date(s) of approval by the Board, if any:

Date of approval of Original MoU by the Board - 11.12.2006

Date of approval of Supplementary MoU by the Board – 23.08.2010

Date of approval by the board – 17.03.2015

(f) Amount paid as advances, if any: Nil

For and on behalf of the Board

(Vicky R. Jhaveri)

Chairman

Place: Ahmedabad

Date: 26th August 2016

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
ASE CAPITAL MARKETS LIMITED
Ahmedabad.

Report on the Financial Statements

We have audited the accompanying financial statements of **ASE CAPITAL MARKETS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31st, 2016, 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 the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 25 to the financial statements with regard to pendency resolution of disputes on account of recovery from CITI Bank N. A. and pendency of final outcome of the lawsuit filed against CITI Bank N. A. the company pursuant to resolution passed by Board of Directors, has made provision for doubtful recovery amounting to ₹ 33,91,385/- in the books on account in the financial year 2012-13.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to our best of our information and according to the explanations given to us :
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer notes 30 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : 26th August, 2016

Annexure - A to the Independent Auditors' Report of even date on financial statements of ASE Capital Markets Limited

- (i) (a) The Company *is in the process of* updating proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) *We were informed that the fixed assets were not physically verified by the Management at the end of the year however the company has a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its business. Since the fixed assets records are still under compilation no comparison with the book records have yet been made. In the absence of such comparison opinion as to discrepancies if any cannot be given.*
- (c) As the Company does not have any immovable properties, therefore the Clause 3(i)(c) is not applicable.
- (ii) The company's nature of operation does not require it to hold inventories. Accordingly, clause 3(ii) of the Companies (Auditor's Report) Order, 2015 is not applicable.
- (iii) The Company has not granted any secured / unsecured loan to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.
- (v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) The provisions of Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of Companies Act, 2013 are not applicable. Accordingly the clause 3(vi) of the order is not applicable.
- (vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31st March, 2016 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at 31st March, 2016 other than stated below:

Name of the Statute	Nature of the Dues	Amount ₹	Period to which the amount relates (F.Y.)	Forum where dispute is pending
The Bombay Stamp Act, 1958	Stamp Duty on Turnover with BSE and NSE	1,97,38,151	2003-2004 to 2005-2006	The Additional Superintendent of Stamps
The Finance Act, 1994 (Service Tax)	Service Tax on NSE / BSE Transaction Charges, SEBI Turnover Charges, Demat Charges	99,83,544 (Service Tax demand ₹ 33,27,848 and Penalty ₹ 66,55,696)	2001-2002 to 2006-2007	Custom, Excise and Service Tax Appellate Tribunal.

... Continued..

(b) ... Continued..

Name of the Statute	Nature of the Dues	Amount ₹	Period to which the amount relates (F.Y.)	Forum where dispute is pending
	Service Tax on NSE / BSE Transaction Charges, SEBI Turnover Charges, Demat Charges	4,62,029 (Service Tax demand ₹ 1,54,023 and Penalty ₹ 3,08,046)	01/04/2008 to 30/09/2008	First Adjudication Level
	Service Tax on NSE / BSE Transaction Charges, SEBI Turnover Charges, Demat Charges	14,12,913 (Demand ₹ 4,70,971 and Penalty ₹ 9,41,834)	01/04/2007 to 30/09/2007	Custom, Excise and Service Tax Appellate Tribunal.
	Service Tax on Demat Charges	5,56,170 (Demand ₹ 1,85,390 and Penalty ₹ 3,70,780)	01/04/2007 to 30/09/2007	Custom, Excise and Service Tax Appellate Tribunal.
	Service Tax on NSE / BSE Transaction Charges, SEBI Turnover Charges, Demat Charges	18,53,331 (Demand ₹ 6,17,777 and Penalty ₹ 12,35,554)	01/10/2007 to 31/03/2008	Custom, Excise and Service Tax Appellate Tribunal.
Income tax Act, 1961	Demand u/s. 143(2)	15,48,235	01/04/2006 to 31/03/2007	Income-tax Appellate Tribunal
Income tax Act, 1961	Demand u/s. 143(2)	12,11,940	01/04/2007 to 31/03/2008	Income-tax Appellate Tribunal
Income tax Act, 1961	Demand u/s. 143(2)	16,91,600	01/04/2009 to 31/03/2010	CIT (A)
Income tax Act, 1961	Demand u/s. 143(2)	34,84,990	01/04/2011 to 31/03/2012	CIT (A)

- (viii) According to the records of the company examined by us and on the basis of information and explanations given to us, the company has neither taken any loans from a financial institutions and a bank nor issued any debentures. Accordingly clause 3(viii) of the order is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year.
- (x) According to the information and explanations given to us, no fraud by company or any fraud on the company by its officers and employees have been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has been paid / provided in accordance with requisite approval mandated by the provisions of Section 197 read with Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : 26th August, 2016

Annexure - B to the Independent Auditors' Report of even date on the Financial Statements of ASE Capital Markets Limited

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

We have audited the internal financial controls over financial reporting of **ASE CAPITAL MARKETS LIMITED** ("the Company") as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : 26th August, 2016

ASE CAPITAL MARKETS LIMITED

Balance Sheet as at 31st March, 2016

[Amount in ₹]

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	7 37 00 500	7 37 00 500
Reserves and Surplus	3	<u>15 23 36 148</u>	<u>13 13 89 933</u>
		22 60 36 648	<u>20 50 90 433</u>
Non-current Liabilities			
Other Long Term Liabilities	4	2 29 82 144	2 38 83 610
Long Term Provisions	5	<u>17 13 021</u>	<u>17 93 458</u>
		2 46 95 165	<u>2 56 77 068</u>
Current Liabilities			
Trade Payables	6		
Due to Micro and Small Medium		0	0
Due to Others		14 66 08 963	10 83 14 885
Other Current Liabilities	7	29 21 00 053	28 82 11 224
Short Term Provisions	8	<u>29 07 949</u>	<u>18 89 796</u>
		44 16 16 965	<u>39 84 15 905</u>
Total		<u><u>69 23 48 778</u></u>	<u><u>62 91 83 406</u></u>
ASSETS			
Non-current Assets			
Fixed Assets	9		
Tangible assets		23 65 689	14 87 993
Intangible assets		<u>11 40 190</u>	<u>6 45 277</u>
		35 05 879	<u>21 33 270</u>
Non-current investments	10	7 92 189	7 92 189
Deferred Tax Asset (net)	11	4 95 693	6 20 664
Long-term Loans & Advances	12	4 60 33 915	4 54 87 778
Other Non-current Asset	13	14 42 00 000	16 53 00 000
Current Assets			
Trade Receivables	14	57 65 973	44 55 970
Cash and Cash Equivalents	15	32 93 50 633	26 59 94 798
Short-term Loans and Advances	16	15 76 65 114	13 93 90 360
Other Current Assets	17	<u>45 39 382</u>	<u>50 08 377</u>
		49 73 21 102	<u>41 48 49 505</u>
Total		<u><u>69 23 48 778</u></u>	<u><u>62 91 83 406</u></u>
Significant Accounting Policies	1	-	-

The accompanying notes are an integral part of the financial statements

As per attached report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI

Partner

Mem. No. 31103

FOR AND ON BEHALF OF THE BOARD

VICKY JHAVERI

Chairman &
Member Director

DIN : 00290778

VINOD K. MEHTA

Chairman-Audit
Committee & PR
Director

DIN : 02683832

RITESH GOEL

Chief Finance
Officer

BHADREN DARJI

Company Secretary

Place : Ahmedabad

Date : 26th August, 2016

Place : Ahmedabad

Date : 26th August, 2016

ASE CAPITAL MARKETS LIMITED

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

[Amount in ₹]

Particulars	Notes	2015-2016	2014-2016
REVENUE			
Revenue from Operations	18	5 10 64 411	4 35 57 722
Other Income	19	<u>1 77 29 972</u>	<u>1 63 41 666</u>
		6 87 94 383	<u>5 98 99 388</u>
EXPENSES			
Operative Expenses	20	1 38 60 349	1 35 38 478
Employees Benefit Expenses	21	1 19 97 548	1 21 30 791
Depreciation & Amortization		14 77 684	2 37 853
Other Expenses	22	<u>62 26 483</u>	<u>51 42 517</u>
		3 35 62 064	3 10 49 639
Profit Before Tax		3 52 32 319	2 88 49 749
Tax expense:			
Current tax		1 15 00 000	1 00 00 000
Deferred tax		<u>1 24 970</u>	<u>(2 70 392)</u>
		1 16 24 970	<u>97 29 608</u>
Profit for the year		<u>2 36 07 349</u>	<u>1 91 20 141</u>
Earnings per equity share:	23		
Basic and Diluted ₹		0.32	0.26

The accompanying notes are an integral part of the financial statements

As per attached report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

ROHIT K. CHOKSI

Partner
Mem. No. 31103

VICKY JHAVERI

Chairman &
Member Director

DIN : 00290778

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Committee & PR
Director

DIN : 02683832

RITESH GOEL

Chief Finance
Officer

BHADREN DARJI

Company Secretary

Place : Ahmedabad

Date : 26th August, 2016

Place : Ahmedabad

Date : 26th August, 2016

ASE CAPITAL MARKETS LIMITED
Cash Flow Statement for the year ended 31st March, 2016

[Amount in ₹]

Sr. No Particulars	2015-2016	2014-2015
A Cash from Operating Activities		
Net Profit Before Tax from Continuing Operation	3 52 32 319	2 88 49 749
Depreciation and Amortization	14 77 684	2 37 853
Interest Received	(1 76 15 614)	(1 62 82 598)
Dividend Income	(1 14 285)	(56 428)
	<u>(1 62 52 215)</u>	<u>(1 61 01 173)</u>
Adjustment for Movements in Working Capital:		
Increase/(decrease) in Other Long Term Liabilities	(9 01 466)	(64 990)
Increase/(decrease) in Long Term Provisions	(80 437)	3 68 466
Increase/(decrease) in Trade Payables	3 82 94 078	(4 22 84 173)
Increase/(decrease) in Other Current Liabilities	38 88 829	9 23 04 788
Increase/(decrease) in Short Term Provisions	1 25 733	(27 134)
Increase/(decrease) in Long Term Loans and Advances	2 36 294	12 09 664
Increase/(decrease) in Trade Receivables	(13 10 003)	20 31 802
Increase/(decrease) in Short Term Loans and Advances	(1 82 74 754)	(6 30 25 267)
Increase/(decrease) in Other Current Assets	4 68 995	3 91 082
	<u>2 24 47 269</u>	<u>(90 95 762)</u>
Cash Generated from Operations	<u>4 14 27 373</u>	<u>36 52 814</u>
Direct Taxes (paid) / refund	(1 22 82 431)	(78 91 989)
Net Cash Flow from Operations	[A] <u>2 91 44 942</u>	<u>(42 39 175)</u>
B Cash flow from Investing Activities		
Purchase of Fixed Assets	(28 50 293)	(12 04 960)
Maturity of / (Investment in) Fixed Deposits	1 06 00 000	(8 75 74 285)
Interest Received	1 76 15 614	1 62 82 598
Dividend Income	1 14 285	56 428
Net cash (used in) / generated from Investing Activities	[B] <u>2 54 79 606</u>	<u>(7 24 40 219)</u>
C Cash flow from Financing Activities		
Dividend Paid	(17 68 713)	(17 12 800)
Net cash (used in) / generated from Financing Activities	[C] <u>(1 76 87 713)</u>	<u>(17 12 800)</u>
Net Increase/(Decrease) in cash and cash equivalents	[A+B+C] <u>5 28 55 835</u>	<u>(7 83 92 194)</u>
Cash and Cash Equivalents at the beginning of the year	<u>9 40 94 798</u>	<u>17 24 86 992</u>
Cash and Cash Equivalents at the end of the year	<u>14 69 50 633</u>	<u>9 40 94 798</u>

1 The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Accounting Standard 3 as prescribed by The Institute of Chartered Accountants of India.

2 Figures in brackets indicate cash outflows.

3 Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

This is the Cash Flow referred to in our report of the even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

ROHIT K. CHOKSI

Partner

Mem. No. 31103

FOR AND ON BEHALF OF THE BOARD

VICKY JHAVERI VINOD K. MEHTA RITESH GOEL

Chairman & Director Chairman-Audit Chief Finance

Committee & PR Officer

Director

BHADREN DARJI

Company Secretary

Place : Ahmedabad

Date : 26th August, 2016

Place : Ahmedabad

Date : 26th August, 2016

ASE CAPITAL MARKETS LIMITED

Notes forming part of accounts

1. Significant Accounting Policies

(a) Accounting Conventions

- (i) The financial statements of the company have been prepared and presented in accordance with the generally accepted accounting principle under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- (ii) The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

(b) Use of estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognised in the period in which the results are known/ determined.

(c) Revenue Recognition

- (i) Brokerage income is accounted for on an accrual basis, net of commission to sub brokers.
- (ii) Depository Participants income is accounted for on an accrual basis, net of commission to sub brokers.
- (iii) Interest income is accounted for on an accrual basis.

(d) Fixed Assets

Fixed Assets are stated at their original cost including incidental expenses related to acquisition and installation, less accumulated depreciation. Cost comprises of the purchase price and other attributable cost of bringing the assets to its working condition for its intended use.

(e) Impairment of Assets

An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount

(f) Depreciation / Amortisation

Depreciation on Tangible Fixed Assets is provided on written down value method at rates and over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013 read with the relevant notifications issued by the Department of Company affairs. Depreciation on addition/deletion to assets during the period is provided on pro-rata basis.

Intangible Assets are amortised over the period of three years.

(g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long Term Investment has been stated at the cost price. Provision for diminution in the value of Long Term Investment is made only if; such decline is not temporary in nature in the opinion of the management.

Classification of Investment into Short term and Long term in balance sheet is based on the management decision regarding there intention of holding the Investment.

ASE CAPITAL MARKETS LIMITED

Notes forming part of accounts

(h) Retirement Benefits

(i) Defined Contribution Plan

Contribution to Defined Contribution Schemes such as Provident Fund and Employees State Insurance Corporation are charged to the Statement of Profit and loss as and when incurred.

(ii) Defined Benefit Plan

Gratuity and Leave Benefits with respect to defined benefit schemes are accrued based on actuarial valuations, carried out by an independent actuary as at the balance sheet date and are charged against revenue. Contributions towards Gratuity are covered through Group Gratuity Scheme with Life Insurance Corporation of India.

(i) Taxation

(i) Current year tax is provided based on the taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

(ii) Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in the tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising from unabsorbed depreciation or carry forward losses under tax laws are recognised only to the extent that there is virtual certainty of realisation. Other deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty of realisation.

(j) Earnings per Share

Earning per equity share (basic/diluted) is arrived at based on Net Profit after taxation available to equity shareholders to the basic/weighted average number of equity shares.

(k) Provisions, Contingent Liabilities and Contingent Assets

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

ASE CAPITAL MARKETS LIMITED

Notes forming part of accounts

2 Share Capital

[Amount in ₹]

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Authorised		
10,00,00,000 (P.Y. 10,00,00,000) Equity Shares per value of ₹ 1/- per share	10 00 00 000	10 00 00 000
(b) Issued, Subscribed and Paidup		
Equity Shares Capital 7,37,00,500 (P.Y. 7,37,00,500) shares of ₹ 1/- each fully paid up	7 37 00 500	7 37 00 500
	<u>7 37 00 500</u>	<u>7 37 00 500</u>

Note

During the period of five financial years immediately preceeding the Balance Sheet date, the company has not:

- (i) allotted any fully paidup equity shares by way of bonus shares;
- (ii) allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) brought back any equity shares

(c) Reconciliation of number of shares

Particulars	Number of Equity Shares	
	2015-2016	2014-2015
As at April 1	7 37 00 500	7 37 00 500
Add :		
Shares issued for Cash or Right Issue or Bonus	0	0
Exercise of Share Option under ESOS / ESOP	0	0
Shares issued in Business Combination	0	0
	<u>7 37 00 500</u>	<u>7 37 00 500</u>
Less :		
Shares bought back / Redemption etc.	0	0
As at March 31	<u>7 37 00 500</u>	<u>7 37 00 500</u>

(d) Rights, Preferences and Restrictions

- (i) All shares issued are fully paid up ordinary shares. The company has only one class of shares referred to as equity shares having a par value of ₹ 1/-.
- (ii) The holders of equity shares are entitled to receive dividends as declared from time to time. No dividend shall be payable except out of profits of the Company arrived at in the manner provided for in Section 123 of the Companies Act, 2013.
- (iii) All shares rank equally with regard to Company's residual assets. The distribution will be in proportion to the number of equity shares held by shareholders.

(e) Details of Shareholding

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	(%)	Number	(%)
Number of Shares held by				
Holding Company				
Ahmedabad Stock Exchange Ltd.	4 00 00 000	54.27	4 00 00 000	54.27

ASE CAPITAL MARKETS LIMITED

Notes forming part of accounts

Shareholders holding more than 5% shares

Ahmedabad Stock Exchange Ltd.	4 00 00 000	54.27	4 00 00 000	54.27
ASE Capital Market Development Board	1 69 04 800	22.94	1 69 04 800	22.94

3 Reserves and Surplus

[Amount in ₹]

Particulars	As at 31st March, 2016	As at 31st March, 2015
General Reserve	1 03 00 170	1 03 00 170
Capital Reserve (Refer Note 26)	18 73 732	18 73 733
Customers Protection Fund	10 00 000	10 00 000
Surplus in Statement of Profit & Loss		
At the beginning of the year	11 82 16 030	10 09 76 946
Add : Profit for the year	<u>2 36 07 349</u>	<u>1 91 20 141</u>
	<u>14 18 23 379</u>	<u>12 00 97 087</u>
Add / (Less) :		
Adjustment due to change in useful life of fixed assets	0	(1 66 312)
Deferred Tax on adjustment due to change in useful life of fixed assets	<u>0</u>	<u>53 968</u>
	<u>0</u>	<u>(1 12 344)</u>
Less : Appropriations		
Interim Dividend on Equity Shares	0	14 74 010
Proposed Dividend on Equity Shares	22 11 015	0
Dividend Tax on Proposed Dividend	<u>4 50 118</u>	<u>2 94 703</u>
	<u>26 61 133</u>	<u>17 68 713</u>
	13 91 62 246	11 82 16 030
	<u>15 23 36 148</u>	<u>13 13 89 933</u>

4 Other Long Term Liabilities

[Amount in ₹]

Particulars	As at 31st March, 2016	As at 31st March, 2015
Base Minimum Capital from Sub-brokers		
Cash Segment	1 89 30 144	1 96 31 610
F & O Segment	39 72 000	41 62 000
Currency Derivatives	80 000	90 000
	<u>2 29 82 144</u>	<u>2 38 83 610</u>

5 Long Term Provisions

[Amount in ₹]

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee Benefits	<u>17 13 021</u>	17 93 458

ASE CAPITAL MARKETS LIMITED

Notes forming part of accounts

17 13 021 17 93 458

6 Trade Payables

Particulars	[Amount in ₹]	
	As at 31st March, 2016	As at 31st March, 2015
Due to Micro, Small and Medium Enterprises	0	0
Due to Others		
Related Party - Holding Company	10 55 594	10 80 169
Payables to Clients	14 31 66 702	10 50 48 473
Other Trade Payables	23 86 667	21 86 243
	14 66 08 963	10 83 14 885
	14 66 08 963	10 83 14 885

7 Other Current Liabilities

Particulars	[Amount in ₹]	
	As at 31st March, 2016	As at 31st March, 2015
Margin Received for Exchange Trades - F&O	14 74 64 618	12 89 98 943
Additional BMC Cash Segment	13 45 47 175	14 70 16 502
Interest Payable to Sub-broker on Additional BMC	2 03 741	6 02 686
Income received in advance	40 97 549	35 61 476
Bank Book Over Draft	22 84 292	62 17 447
Unpaid Dividend (At year end, no amount is due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013)	2 53 340	53 921
Other Payables		
DP Dividend Payable	16 29 124	2 64 408
Statutory Liabilities	11 50 081	7 48 944
Other	4 70 133	7 46 897
	29 21 00 053	28 82 11 224

8 Short Term Provisions

Particulars	[Amount in ₹]	
	As at 31st March, 2016	As at 31st March, 2015
Provision for Provident Fund	1 30 312	0

ASE CAPITAL MARKETS LIMITED

Notes forming part of accounts

Provision for ESIC	10 780	0
Provision for Leave Encashment	1 05 724	1 21 083
Interim Dividend	0	14 74 010
Proposed Dividend	22 11 015	0
Provision for Dividend Distribution Tax	4 50 118	2 94 703
	<u>29 07 949</u>	<u>18 89 796</u>

10 Non-current Investments

[Amount in ₹]

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	Value ₹	Number	Value ₹
In Equity Instruments				
Unquoted, Non-trade				
BSE Ltd.	12 857	7 92 189	12 857	7 92 189
		<u>7 92 189</u>		<u>7 92 189</u>

As at balance sheet date, the company holds 250 shares (P.Y. 250 shares) of CSE Ltd. for which the company has not paid any consideration.

11 Deferred Tax Asset (Net)

[Amount in ₹]

Particulars	As at	As at
	31st March, 2016	31st March, 2015
Related to Fixed Assets	(94 490)	(605)
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	5 90 183	6 21 269
Net Deferred Tax Liabilities / (Assets)	<u>4 95 693</u>	<u>6 20 664</u>

12 Long-term Loans and Advances

(Considered good unless otherwise stated)

[Amount in ₹]

Particulars	As at	As at
	31st March, 2016	31st March, 2015
Deposits with Stock Exchanges/Depositories		
Bombay Stock Exchange	16 25 000	16 25 000
National Stock Exchange	2 47 61 342	2 47 61 342
National Stock Exchange Clearing Corporation Ltd.	1 34 00 000	1 39 00 000

ASE CAPITAL MARKETS LIMITED

Notes forming part of accounts

CDSL Security Deposits	5 00 000	5 00 000
National Securities Depository Ltd.	10 00 000	10 00 000
Other Deposit	1 50 732	2 70 732
Loans and Advances to Employees	7 79 479	3 95 773
Advance Tax (Net of Provision)	38 17 362	30 34 931
	4 60 33 915	4 54 87 778

(Amount receivable from Related Parties, Directors and Officers ₹ 1,38,986 (P. Y. ₹ NIL)

13 Other Non-current Assets

(Considered good unless otherwise stated)

[Amount in ₹]

Particulars	As at	As at
	31st March, 2016	31st March, 2015
Fixed Deposits with Original Maturity for more than 12 months	14 42 00 000	16 53 00 000
[Of the above deposits amounting to ₹ 13,43,00,000/- (P.Y. ₹ 15,65,00,000/-) have been placed as margin money with Stock Exchanges]		
	14 42 00 000	16 53 00 000

14 Trade Receivables

(Considered good unless otherwise stated)

[Amount in ₹]

Particulars	As at	As at
	31st March, 2016	31st March, 2015
Outstanding for a period exceeding six months	49 77 292	39 29 613
Other Receivables	7 88 681	5 26 357
	57 65 973	44 55 970

(Amount receivable from Related Parties, Directors and Officers ₹ NIL (P. Y. ₹ NIL)

15 Cash Bank Balances

[Amount in ₹]

Particulars	As at	As at
	31st March, 2016	31st March, 2015
Cash and Cash Equivalents		
Cash in hand	90 294	34 273
Balances with Banks		
In Current Account	13 25 02 287	9 22 47 695
[Net of provision for doubtful recovery as referred in note 26]		
Unclaimed Dividend in Escrow Account	18 58 052	18 12 830
Deposit with Original Maturity for less than 3 Months	1 25 00 000	
[Of the above deposits placed as margin money with Stock Exchanges ₹ 75,00,000 (P.Y. NIL)]		
	14 69 50 633	9 40 94 798
Other Bank Balances		
Deposit with Original Maturity for more than 3 Months but less than 12 months	18 24 00 000	17 19 00 000

ASE CAPITAL MARKETS LIMITED

Notes forming part of accounts

[Of the above deposits placed as margin money with Stock Exchanges ₹ 17,11,00,000 (P.Y. ₹ 16,34,00,000)]

32 93 50 633 26 59 94 798

16 Short-term Loans and Advances

(Considered good unless otherwise stated)

[Amount in ₹]

Particulars	As at	
	31st March, 2016	31st March, 2015
Margin Money with Stock Exchanges - F&O	14 74 64 618	12 89 98 943
Loans and Advances to Employees	5 62 467	7 35 022
Advances recoverable in cash or in kind	26 45 874	38 22 824
Security Deposit	36 03 775	36 03 775
Prepaid Expenses	12 62 948	11 96 273
Balances with Revenue Authorities	10 58 850	8 07 350
Others Receivables	10 66 582	2 26 173
	<u>15 76 65 114</u>	<u>13 93 90 360</u>

(Amount receivable from Related Parties, Directors and Officers ₹ 49,030 (P. Y. ₹ NIL)

17 Other Current Assets

(Considered good unless otherwise stated)

[Amount in ₹]

Particulars	As at	
	31st March, 2016	31st March, 2015
Interest accrued on Deposits	45 39 382	50 08 377
	<u>45 39 382</u>	<u>50 08 377</u>

18 Revenue from Operations

[Amount in ₹]

Particulars	As at	
	2015-2016	2014-2015
Sale of Services		
Brokerage and Other Charges	3 44 60 952	2 74 84 752
Depository Income	1 42 33 177	1 29 85 662
	<u>4 86 94 129</u>	<u>4 04 70 414</u>
Other Operating Income	23 70 282	30 87 308
	<u>5 10 64 411</u>	<u>4 35 57 722</u>

19 Other Income

[Amount in ₹]

Particulars	As at	
	2015-2016	2014-2015

ASE CAPITAL MARKETS LIMITED

Notes forming part of accounts

Interest on		
Fixed Deposit (Net)	1 75 00 675	1 61 78 780
[Net of ₹ 1,39,83,066/- (P.Y. ₹ 1,33,55,785) being interest paid to Sub-brokers on Additional Base Minimum Capital]		
Others	1 14 939	1 03 818
	1 76 15 614	1 62 82 598
Dividend on Investment in Shares	1 14 285	56 428
Other Non-Operating Income	73	2 640
	1 77 29 972	1 63 41 666

20 Operative Expenses

[Amount in ₹]

Particulars	2015-2016	2014-2015
Stock Exchange Charges	15 08 626	14 27 653
Depositories Charges	42 55 039	44 06 803
Infrastructure and other facilities Usage Charges	21 39 055	22 00 696
Software Development and Maintenance Charges	25 37 344	25 69 600
Electricity Expenses	16 23 873	14 73 378
Internet Expenses	2 62 227	3 13 200
Printing, Stationery and Franking	15 34 185	11 47 148
	1 38 60 349	1 35 38 478

21 Employees Benefit Expenses

[Amount in ₹]

Particulars	2015-2016	2014-2015
Salary and Allowances	91 39 133	97 00 406
Contribution to Provident Fund & Other Funds	24 25 483	21 14 849
Staff Welfare Expenses	4 32 932	3 15 536
	1 19 97 548	1 21 30 791

22 Other Expenses

[Amount in ₹]

Particulars	2015-2016	2014-2015
Telephones and Postage	8 37 259	10 70 632
Repairs and Maintenance Expenses	14 64 349	11 50 590
Professional Fees and Legal Charges	10 02 780	5 49 135
Travelling and Conveyance	3 66 978	3 97 921
Meeting Expenses	1 75 956	89 051
Auditor's Remuneration # (Refer Note (i) below)	4 00 000	2 75 000
Prior period items (net) # (Refer Note (ii) below)	0	1 79 561
Miscellaneous Expenses	19 79 161	14 30 627
	62 26 483	51 42 517

ASE CAPITAL MARKETS LIMITED

Notes forming part of accounts

(i) Breakup of Payment to Auditor		
As Auditors	3 75 000	2 50 000
In Other Capacity		
Company Law Matters	25 000	25 000
Others		
	<u>4 00 000</u>	<u>2 75 000</u>
(ii) Breakup of Prior period items (Net)		
Expenses		
Brokerage	0	79 561
NSE FO Transaction Charges	0	1 00 000
	<u>0</u>	<u>1 79 561</u>

23 Basic and Diluted Earnings Per Equity Share

Particulars	[Amount in ₹]	
	2015-2016	2014-2015
Net Profit / (Loss) for the year ₹	2 36 07 349	1 91 20 141
Weighted Number of equity shares	7 37 00 500	7 37 00 500
Nominal value of the share ₹	1	1
Earning per share ₹	0.32	0.26

Note : There is no change in the number of equity shares during the year.

ASE CAPITAL MARKETS LIMITED

Notes forming part of financial statements

24. Contingent Liabilities and capital commitments

[Amount in ₹]

Particulars	2015-2016	2014-2015
Counter Bank Guarantees	1,50,00,000	1,50,00,000
Claims not acknowledged as debts		
Service Tax		
▪ Tax Demand	47,56,009	47,56,009
▪ Penalty	95,11,910	95,11,910
Income Tax		
▪ A. Y. 2007-2008	15,48,235	15,48,235
▪ A. Y. 2008-2009	12,11,940	12,11,940
▪ A. Y. 2010-2011	16,91,600	16,91,600
▪ A. Y. 2012-2013	34,84,990	34,84,990
Stamp Duty	1,97,38,151	1,97,38,151
Disputed Charges (CITI Bank) (Refer Note – 25 below)	Undetermined	Undetermined

25. Pending issues with CITI Bank N. A.

The company has been maintaining two different bank accounts with CITI Bank N. A. Ahmedabad branch for the purpose of client's pay outs resulting from of business transacted at BSE and NSE. The company has initiated the process of reconciling the transactions since the commencement of operations in aforesaid accounts as the bank had arbitrarily recovered the charges inspite of the bank's offer to serve free of cost. The company has disputed such recoveries since the details of the same have not been provided by bank and also requested bank to grant refund of the sum already recovered.

During the financial year 2009-2010, upon request by the bank, the company had transferred the sum of ₹ 32,89,500 in addition to funds already transferred to facilitate the client's pay-out without any hindrance. In addition to such amount, the company has further transferred the sum of ₹ 1,01,885/- to facilitate the client's pay-out. In spite of company's request to provide details of utilization of such funds and cheques outstanding for presentation, the bank failed to furnish the requisite details and therefore company has insisted bank to appoint an independent agency to reconcile the transactions. The bank has appointed a firm of Chartered Accountant to reconcile the transactions since commencement of operations. However, the process of reconciliation by the said firm of chartered accountants is yet to initiate.

The company has filled Civil Suit before Hon'ble City Civil Court, Ahmedabad to resolve the dispute with a claim of ₹ 64,75,638/- inclusive of funds transfer, interest thereon and charges debited by Bank. In response to inquiry by the management, the council appointed for the purpose of arguing the case, has informed that the hearing is yet to take place and therefore the current position of the case is status quo.

In view of the above matter the company has already provided for bad recoveries in the financial year 2012-13.

26. Assignment of Beneficiary Owners Accounts with CDSL

In pursuance of the resolution passed by Board of Directors in its meeting held on 15/10/2013, the deed of assignment executed between the Company and Ahmedabad Stock Exchange Limited (The Assignor) on 24th January, 2014 and subsequent communication dated 31st March, 2015 jointly by the Company and the Assignor to Central Depository Services (India) Ltd. w.e.f. 1st April, 2014, the assignor has assigned the functions as Depository Participants of Central Depository Services (India) Ltd. in respect of accounts opened by the Beneficial Owners together with benefits, advantages, rights, privileges, obligation and liabilities in favour of company and consequently the company has taken over the relevant records from the assignor and recognized the sum of Rs. 24,67,243/- being receivable from Beneficial Owners (Dr.) and the sum of Rs. 5,93,510/- being advance received from Beneficial Owners (Cr.), with corresponding net credit of Rs. 18,73,733/- to Capital Reserve Account in the financial year 2014-15.

ASE CAPITAL MARKETS LIMITED

Notes forming part of financial statements

27. Pending adjustments / recovery of certain balances

- (a) The company has identified the amount, outstanding exceeding twelve months for NSDL Transaction Charges Receivable amounting to ₹ 28,59,226/- (P. Y. ₹ 24,56,489/-) against which company recovered ₹ 16,49,692/- (P. Y. 20,61,105/-) resulting net balance of ₹ 12,09,534/- being NSDL Transaction Charges Receivable and outstanding exceeding twelve months for CDSL Transaction Charges Receivable ₹ 23,23,866/- (P. Y. ₹ NIL), recoverable from various clients for which the recovery, although initiated, is pending inspite of persuasive efforts. The company expects the recovery of the said amounts in near future and therefore considered the same as good for recovery and no provision is made.
- (b) The company is yet to identify the clients in respect of DP Dividend Payable amounting to ₹ 1,42,965/- (P. Y. ₹ 1,39,151/-).

28. Micro and Small Medium Enterprises Details

[Amount in ₹]

Sr. No.	Particulars	2015-2016	2014-2015
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL	NIL

The company has initiated the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) but has not received the same in totality. The above information is compiled based on the extent of responses received by the company from its suppliers.

ASE CAPITAL MARKETS LIMITED

Notes forming part of financial statements

29. Employee Benefits

Defined contribution to Provident Fund

The company makes contribution towards employees' provident fund plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The company during the year recognised ₹ 3,59,095/- (P. Y. ₹ 4,14,693/-) as expense towards contributions to these plans.

[Amount in ₹]

Particulars	March 31, 2016		March 31, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Changes in Present Value of Obligations				
Present Value of Obligation as at the beginning of the year	12,32,908	19,14,541	9,21,302	14,87,600
Interest Cost	94,834	1,44,612	82,357	1,32,523
Current Service Cost	2,28,625	5,60,916	2,02,417	2,23,584
Actuarial (gain) / Loss on obligations	5,950	6,10,887	91,601	2,97,274
Prior Year Change	NIL	NIL	NIL	NIL
Benefits paid – from plan assets	NIL	(14,12,211)	(1,50,378)	(2,26,440)
Benefits payable	NIL	NIL	85,609	NIL
Benefits paid – from own funds	NIL	NIL	NIL	NIL
Present value of Obligation as at the end of the year	15,62,317	18,18,745	12,32,908	19,14,541
Changes in fair value of plan assets				
Fair Value of Plan Assets at the beginning of the year	15,32,628	NIL	12,63,243	NIL
Expected Return on Plan Assets	1,42,612	NIL	1,26,468	NIL
Contributions	2,05,648	NIL	3,13,805	NIL
Expenses deducted from the fund	NIL	NIL	(9,488)	NIL
Actuarial Gain / (loss) on Plan Assets	(25,540)	NIL	(11,022)	NIL
Benefits paid	NIL	NIL	(1,50,378)	NIL
Fair Value of Plan Assets at the end of the year	18,55,348	NIL	15,32,628	NIL
Amount recognized in balance sheet				
Present Value of Obligations as at the end of the year	(15,62,317)	(18,18,745)	(12,32,908)	(19,14,541)
Fair value of plan Assets as at the end of the year	18,55,348	NIL	15,32,628	NIL
Net Asset / (Liability) recognized in Balance sheet	2,93,031	(18,18,745)	2,99,720	(19,14,541)

... Continued..

ASE CAPITAL MARKETS LIMITED

Notes forming part of financial statements

29. Employee Benefits ... Continued..

[Amount in ₹]

Particulars	March 31, 2016		March 31, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Expenses recognized in the Profit and loss account				
Current Service Cost	2,28,625	5,60,916	2,02,417	2,23,584
Interest Cost	94,834	1,44,612	82,357	1,32,523
Expected Return on Plan Assets	(1,42,612)	NIL	(1,26,468)	NIL
Expenses deducted from the fund	NIL	NIL	9,488	NIL
Net actuarial (gain) / loss recognized in the year	31,490	6,10,887	1,02,623	2,97,274
Prior Year Change	NIL	NIL	NIL	NIL
Expenses Recognized in the statement of Profit & Loss	2,12,337	13,16,415	2,70,417	6,53,381
* Encashment out of current year's accrual to be charged directly to P&L	NIL	NIL	NIL	2,97,601
Investment details				
Funds with Life Insurance Corporation	100%	NIL	100%	NIL
Assumptions				
Discount rate	7.70%	7.70%	7.80%	7.80%
Rate of increase in compensation levels	6.00%	6.00%	6.00%	6.00%
Rate of return on plan assets	7.70%	--	8.75%	--

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The actuary certifies the above information.

30. Related Party Disclosures

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

- (a) List of related parties with whom transactions have taken place during the year and relationship:

Sr. No.	Name of the Related Party	Relationship
1	Ahmedabad Stock Exchange Limited	Holding Company
2	Shri Bhadren Darji – CEO (O)	Key Management Personnel

- (b) Transactions with related parties

[Amount in ₹]

Sr. No.	Nature of transaction	2015-2016	2014-2015
(i)	Managerial Remuneration - Key Management personnel	9 18 034	10 97 489
(ii)	Facilitation and Infrastructure Usage Charges - Holding Company	12 94 255	22 00 696
(iii)	Assignment of Beneficial Accounts with CDSL - Holding Company (Refer Note - 26)	NIL	NIL

ASE CAPITAL MARKETS LIMITED

Notes forming part of financial statements

(c) Outstanding Balances as at March 31, 2016

[Amount in ₹]

Sr. No.	Particulars	2015-2016	2014-2015
(i)	<i> Holding Company</i> - Due by company	12 94 255	10 80 169

31. In the opinion of the Directors, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business equal to the amount at which they are stated in the Balance Sheet.
32. Balance of sundry debtors, creditors, loans and advances are subject to confirmation by party concerned.
33. Additional information as required under paragraphs 5 (viii) (c) of general instructions for preparation of the statement of profit and loss as per Schedule III to the Companies Act, 2013, are NIL.
- 34. Statement of Management**
- (a) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.
- (b) Balance Sheet, Statement of Profit and Loss and cash flow statement read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and results of the Company for the year under review.
35. The previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

ROHIT K. CHOKSI
Partner
Mem. No. 31103

VICKY JHAVERI
*Chairman &
Member Director*

VINOD K. MEHTA
*Chairman-Audit
Committee & PR
Director*

RITESH GOEL
*Chief Finance
Officer*

BHADREN DARJI
*Company
Secretary*

Place : Ahmedabad
Date : 26th August, 2016

Place : Ahmedabad
Date : 26th August, 2016

ASE CAPITAL MARKETS LIMITED

Notes forming part of accounts

9 Fixed Assets

[Amount in ₹]

Name of Assets	Gross Block (At cost)				Depreciation/Amortisation/Impairment				Net Block	
	As at 01/04/2015	Additions	Adjustments	As at 31/03/2016	Up to 31/03/2015	For the year	Adjustments	Up to 31/03/2016	As at 31/03/2016	As at 31/03/2015
Tangible Assets										
Computers	1 59 26 797	10 85 015	0	1 70 11 812	1 45 45 600	7 39 842	0	1 52 85 442	17 26 370	13 81 197
Furniture and Fixture	9 94 357	1 52 265	0	11 46 622	9 57 116	35 963	0	9 93 079	1 53 543	37 241
Office Equipment	2 51 757	7 23 275	0	9 75 032	2 11 483	3 07 054	0	5 18 537	4 56 495	40 274
Vehicle	5 85 628	0	0	5 85 628	5 56 347	0	0	5 56 347	29 281	29 281
	1 77 58 539	19 60 555	0	1 97 19 094	1 62 70 546	10 82 859	0	1 73 53 405	23 65 689	14 87 993
Intangible Assets (Other Than Internally Generated)										
Membership Rights (See Note 1 Below)	11 00 000	0	0	11 00 000	11 00 000	0	0	11 00 000	0	0
Softwares	1 49 70 110	8 89 738	0	1 58 59 848	1 43 24 833	3 94 825	0	1 47 19 658	11 40 190	6 45 277
	1 60 70 110	8 89 738	0	1 69 59 848	1 54 24 833	3 94 825	0	1 58 19 658	11 40 190	6 45 277
Grand Total :	3 38 28 649	28 50 293	0	3 66 78 942	3 16 95 379	14 77 684	0	3 31 73 063	35 05 879	21 33 270
Previous Year :	3 26 23 689	12 04 960	0	3 38 28 649	3 12 91 214	2 37 853	1 66 312	3 16 95 379	21 33 270	

Note :

1 Accumulated Depreciation ₹ 3,31,73,063/- includes ₹ 10,25,205/- being Provision for Impairment of Membership Right with MCX.

ASE CAPITAL MARKETS LTD.

CIN: U67120GJ2000PLC037431

Registered office: **Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad-380015**

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting place)

I/We hereby record my/our presence at the Sixteen Annual General meeting of the Company being held on Thursday, 29th September 2016 at 5.30 p.m. at Radisson Blu Hotel, Near Panchvati Cross Roads, Off C.G. Road, Ambawadi, Ahmedabad-380006

Full Name of Member (in Block Letters) _____
Registered Folio No. _____ No. of Equity Shares held _____
Full Name of the Proxy (in Block Letters) _____
Signature of the Member (s) / Proxy Present _____

Please complete and sign this attendance slip and hand over at the entrance of the meeting place. Only Members(s) or his/her/their proxy with this attendance slip will be allowed entry to the meeting.

----- cut here -----

**Form No. MGT-11
Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: **U67120GJ2000PLC037431**

Name of the company: **ASE Capital Markets Ltd.**

Registered office: **Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad-380015**

Name of the member (s): Registered address: E-mail Id: Folio No/ DP ID and Client Id:
--

I/We, being the member (s) of shares of the above named company, hereby appoint

- 1. Name:
Address:
E-mail Id:
Signature:....., or failing him
- 2. Name:
Address:
E-mail Id:
Signature:....., or failing him
- 3. Name:
Address:
E-mail Id:
Signature:.....,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual general meeting of the company scheduled to be held on Thursday, 29th September 2016 at 5.30 p.m. at Radisson Blu Hotel, Near Panchvati Cross Roads, Off C.G. Road, Ambawadi, Ahmedabad-380006 and at any adjournment thereof, in respect of such resolutions as are indicated below:

Resolution No.

- 1. Adoption of Accounts, Auditor's' report and Directors' report thereon
- 2. To declare dividend on equity shares for the financial year 2015-16
- 3. To take note of the retirement of Mr. Vicky R. Jhaveri, Member Director
- 4. To take note of the retirement of Mr. Apurva R. Shah Shah, Member Director
- 5. To take note of the retirement of Mr. Ashish A. Chokshi, Member Director
- 6. Appointment of Auditors
- 7. Appointment of Directors

Signed this day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

Affix 15 paisa Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.