

# B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
Fax +91 (22) 4345 5399

## Independent Auditor's Report

To the Members of RKSV Securities India Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of RKSV Securities India Private Limited (the 'Company'), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss and statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (the 'SAs') specified under section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.



**Independent Auditor's Report (Continued)**

**RKSV Securities India Private Limited**

**Management's Responsibility for the Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



**Independent Auditor's Report (Continued)**

**RKSV Securities India Private Limited**

**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**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 in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The balance sheet, the statement of profit and loss and the statement of cash flows 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;
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;



**Independent Auditor's Report (Continued)**

**RKSV Securities India Private Limited**

**Report on Other Legal and Regulatory Requirements (Continued)**

- f) The Company has been exempted from the requirement of its auditor reporting on whether the Company has adequate internal financial controls system in place and operating effectiveness of such controls (Clause (i) of section 143(3)).
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; *and*
  - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditor's Report under section 197 (16):

In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company and hence not commented by us.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248 W/W-100022



**Milind Ranade**  
Partner

Place: Mumbai  
Date: 28 September 2019

Membership No. 100564  
UDIN: 19100564AAAAET9099



**RKSV Securities India Private Limited**

**“Annexure A” to the Independent Auditor’s Report of even date on financial statements of RKSV Securities India Private Limited**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of Company the nature of its business.
- (c) The Company does not have any immovable properties. Accordingly, paragraph 3 (i) (c) of the Order is not applicable.
- ii. The Company does not have any inventory. Accordingly, paragraph 3 (ii) of the Order is not applicable.
- iii. In our opinion and according to the information and explanation given to us, during the year, the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act except for one loan of Rs. 10 lakhs granted during the month of October 2018 to its whole-time director who is also employee of the Company.
  - (a) In our opinion and according to the information and explanation given to us, the terms and conditions of grant of such loan are not prejudicial to the Company’s interest since such loan has been given by the Company its employee whole-time director as a part of the conditions of service and such loans are extended by the Company to all its employees. Further, the terms of the loan have been approved by the members of the Company by a special resolution at the extra-ordinary general meeting of the Company during the year.
  - (b) Such loan given by the Company to its employee whole-time director as a part of the conditions of service, it does not carry any rate of interest. Such loan is repayable in minimum monthly installments of Rs. 40,000 each from monthly salary payable by the Company to the employee whole-time director effective from March 2019.
  - (c) In respect of said loan, an amount of Rs.9.60 lakhs were outstanding as at 31 March 2019 and there is no overdue amount.
- iv. In our opinion and according to the information and explanation given to us, in respect of loans, investments, guarantees and securities, the provisions of section 185 and 186 of the Act have been complied with by the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under apply. Accordingly, paragraph 3 (v) of the Order is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under sub- section (1) of Section 148 of the Act, for any of the activities conducted/ services rendered by the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable.



**RKSV Securities India Private Limited**

**"Annexure A" to the Independent Auditor's Report of even date on financial statements of RKSV Securities India Private Limited (Continued)**

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, Goods and Service tax, Stamp duty and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, however, there have been delays in various cases of depositing deduction of taxes at source and goods and service tax by the Company with the appropriate authorities. Further, it has been observed that amounts have been withheld by Company towards deduction of tax at source under the relevant provisions of Section 192, 194-C, 194-H, 194-J, 194-I etc. of the Income Tax Act, 1961, however, remittance of the same to the government authorities have been made on aggregate basis using the Section reference of Section 192, 194-H and 194-J. As explained to us, the Company did not have any dues on account of Sales tax, Service Tax, duty of Customs, duty of Excise, Value added tax and Wealth tax for the year ended 31 March 2019.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income tax, Goods and Service tax, Stamp Duty and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Provident fund, Employees State Insurance, Income tax, Goods and Service tax, Stamp duty and other material statutory dues which have not been deposited by the Company on account of disputes.
- viii. In our opinion and according to the information and explanations given to us, the Company did not have any loans or borrowing from financial institution, government or dues to debentures holders during the year and the Company has not defaulted in repayment of loans and borrowing to banks.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instances of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year except for one instance of fraud as informed to us by management of the Company relating to forgery, misrepresentation and fraudulent embezzlement of funds of the Company by certain employees to the tune of Rs. 50 lakhs. Such employees have fraudulently mapped the details of Company's clients to certain business referral partners of the Company and wrong-fully attributed the share of brokerage revenue in favour of certain such business partners of the Company during the year. The Company has terminated the services of such employees and filed necessary police complaints in this regard.
- xi. Provisions of Section 197 read with Schedule V to the Act related to provisions regarding managerial remuneration are not applicable to the Company. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.

**RKSV Securities India Private Limited**

**"Annexure A" to the Independent Auditor's Report of even date on financial statements of RKSV Securities India Private Limited (Continued)**

- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the Section 188 of the Act where applicable, and details have been disclosed in the financial statements as required by the applicable accounting standards. Provision of Section 177 of the Act are not applicable to the Company.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3 (xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. The Company is rendering the services as stock broker and is registered with stock exchange and Securities and Exchange Board of India. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022



**Milind Ranade**

*Partner*

Place: Mumbai

Date: 28 September 2019

Membership No: 100564

UDIN: 19100564AAAAET9099

# RKSV Securities India Private Limited

## Balance Sheet

as at 31 March 2019

	Notes	31 March 2019	31 March 2018
<b>Equities and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,85,37,770	1,85,37,770
Reserves and surplus	4	28,18,49,788	15,12,28,920
<b>Non-current liabilities</b>			
Long-term provisions	5	75,97,200	59,41,495
<b>Current liabilities</b>			
Short term borrowings	6	50,08,384	-
Trade payables (refer note 22)	7	-	-
- total outstanding dues of micro, small and medium enterprises		-	-
- total outstanding dues of creditors other than micro, small and medium enterprises		1,84,16,33,570	1,18,50,20,967
Other current liabilities (refer note 22)	8	67,83,78,407	27,77,93,226
Short-term provisions	9	22,40,224	20,16,627
<b>TOTAL</b>		<b>2,83,52,45,343</b>	<b>1,64,05,39,005</b>
<b>Non-current assets</b>			
Property, Plant and Equipment			
Tangible assets	10	3,11,74,995	96,01,223
Intangible assets	10	8,83,105	10,25,978
Non-current investments	11	12,42,63,449	10,42,63,449
Deferred tax assets (net)	12	60,79,915	-
Long-term loans and advances	13	5,54,77,712	3,36,15,164
<b>Current assets</b>			
Trade receivables	14	1,74,99,214	84,24,971
Cash and bank balances	15	2,45,31,09,413	1,45,68,00,179
Short-term loans and advances	13	12,36,60,704	1,64,02,505
Other current assets	16	2,30,96,836	1,04,05,536
<b>TOTAL</b>		<b>2,83,52,45,343</b>	<b>1,64,05,39,005</b>

Significant accounting policies and notes to accounts

1 to 35

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

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Milind Ranade

Membership No: 100564

UDIN : 19100564AAAAET9099

Place : Mumbai

Date : 28 September 2019

For and on behalf of the Board of Directors of  
RKSV Securities India Private Limited



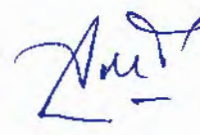
Ravi Chandran Kumar

Director

DIN : 02499607

Place : Mumbai

Date : 28 September 2019



Amit Chhotlal Lalani

Director

DIN : 03098172

Place : Mumbai





# RKSV Securities India Private Limited

## Statement of profit and loss

for the year ended 31 March 2019

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
<b>Revenue</b>			
Revenue from operations	17	56,63,88,619	25,04,90,082
Other income	18	12,37,863	17,87,998
<b>Total Revenue</b>		<b>56,76,26,482</b>	<b>25,22,78,080</b>
<b>Expenses</b>			
Employee benefit expenses	19	13,09,36,943	9,28,98,021
Finance costs		16,336	39,218
Depreciation and amortisation expenses	20	1,01,77,565	57,29,853
Other expenses	21	29,29,40,785	12,87,43,455
<b>Total Expenses</b>		<b>43,40,71,629</b>	<b>22,74,10,547</b>
<b>Profit before tax</b>		<b>13,35,54,853</b>	<b>2,48,67,533</b>
<b>Tax expenses</b>			
Current tax		3,04,40,809	-
Less : Minimum Alternate Tax (MAT) availed		(1,64,51,474)	-
Current tax - MAT (refer note 29)		-	49,75,435
Adjustment related to previous year (MAT)		(49,75,435)	-
Deferred tax		(60,79,915)	-
<b>Profit after tax for the year</b>		<b>13,06,20,868</b>	<b>1,98,92,098</b>
Earnings per equity share (EPS) (nominal value of shares Rs.10 (previous year Rs.10))	25		
Basic EPS		87.07	13.26
Diluted EPS		70.46	10.73

Significant accounting policies and notes to accounts

1 to 35

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

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Milind Ranade

Membership No: 100364

UDIN : 19100564AAAAET9099

Place : Mumbai

Date : 28 September 2019

For and on behalf of the Board of Directors of  
RKSV Securities India Private Limited



Ravi Chandran Kumar

Director

DIN : 02499607

Place : Mumbai

Date : 28 September 2019



Amit Chhotalal Lalan

Director

DIN : 03098172

Place : Mumbai



# RKSV Securities India Private Limited

## Statement of cashflow

for the year ended 31 March 2019

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Cash flows from operating activities</b>		
Profit before tax	13,35,54,853	2,48,67,533
<b>Adjustments for:</b>		
Depreciation	1,01,77,565	57,29,853
Provisions for gratuity	15,82,064	13,92,093
Provisions for compensated expenses	1,46,571	12,57,520
Provision for doubtful debts	77,09,673	-
Provision for lease equalisation	1,50,667	-
Interest expense	16,336	39,218
Interest on income tax refund	(4,43,920)	(2,66,980)
Profit on sale of Investments	-	(15,21,018)
<b>Working capital changes:</b>		
(Increase) / Decrease in trade and other receivables	(1,67,83,917)	(22,09,409)
(Increase) / Decrease in other receivables	(1,26,91,299)	34,10,900
(Increase) / Decrease in other assets	(10,78,69,489)	28,60,42,985
(Increase) / Decrease in deposits	(72,27,00,000)	(79,45,00,000)
Increase / (Decrease) in trade payables	1,05,71,97,784	64,02,04,739
<b>Cash generated from operations</b>	<b>35,00,46,888</b>	<b>16,44,47,434</b>
Income taxes paid (net of income-tax refunds received)	(2,98,21,238)	(40,66,711)
<b>Net cash generated from operating activities</b>	<b>I 32,02,25,650</b>	<b>16,03,80,723</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,16,08,464)	(31,97,720)
Proceeds from sale of equipment	-	2,85,00,000
Acquisition of non-current investments	(2,00,00,000)	(4,83,99,999)
<b>Net cash used in investing activities</b>	<b>II (5,16,08,464)</b>	<b>(2,30,97,719)</b>
<b>Cash flows from financing activities</b>		
Bank overdraft obtained	50,08,384	-
Interest expense	(16,336)	(39,218)
<b>Net cash flows from financing activities</b>	<b>III 49,92,048</b>	<b>(39,218)</b>
<b>Net increase in cash and cash equivalents</b>	<b>I+II+III 27,36,09,234</b>	<b>13,72,43,786</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>19,57,50,179</b>	<b>5,85,06,393</b>
<b>Cash and cash equivalents at end of year</b>	<b>46,93,59,413</b>	<b>19,57,50,179</b>

Note for indirect method :

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

As per our report of even date

For BSR & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022



Milind Ranade  
Membership No: 100564  
UDIN : 19100564AAAAET9099  
Place : Mumbai  
Date : 28 September 2019

For and on behalf of the Board of Directors of  
RKSV Securities India Private Limited



Ravi Chandran Kumar  
Director  
DIN : 02499607  
Place : Mumbai  
Date : 28 September 2019



Amit Chhotalal Lalan  
Director  
DIN : 03098172  
Place : Mumbai



# RKSV Securities India Private Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

### 1. Background

RKSV Securities India Private Limited (the 'Company') was incorporated on 6 April 2009 to carry on the business of provider of broking services to its clients in securities capital market. The Company is registered as a 'Stock Broker' with the Securities and Exchange Board of India ('SEBI'). The Company is a member of National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). As a brokerage house, its activities comprise several classes of services including agency transactions, subscription based services and distribution of financial products.

### 2. Significant accounting policies

#### (a) Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under Section 133 and the relevant provisions of the Companies Act, 2013. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Assets and liabilities have been classified as Current or Non-Current on the basis of the Company's normal operating cycle and other criteria set out in Schedule III to the Act.

#### (b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions considered in the reporting amounts of assets, liabilities (including contingent liabilities) and the reported incomes and expenses during the year. The Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognised in the periods in which the results are known/ materialise.

#### (c) Revenue Recognition

Income from broking and allied services rendered as a broker is recognised upon rendering of the services.

Income from services recognised as aforesaid are exclusive of service tax, goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.



# RKSV Securities India Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

### 2. Significant accounting policies (Continued)

#### (d) Fixed assets and depreciation

##### Tangible assets

Tangible assets are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses arising from disposal or retirement of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the written down value method from date of put to use

For the following category of assets, Depreciation on tangible fixed assets has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013

Class of assets	Estimated Useful Life
Office equipment (excluding mobile)	5 years
Mobile	5 years
Furniture and fittings	10 years
Computers	3 years
Servers	6 years
Vehicles	8 years
Leasehold improvements	Over the remaining period of the lease

Useful lives are reviewed at each financial year end and adjusted if required.

#### (e) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalized.

Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.





# RKSV Securities India Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

### 2. Significant accounting policies (Continued)

Intangible assets are amortised on a written down value basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each reporting date. If the expected useful life of the asset is significantly different from the previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are :

Class of assets	Estimated Useful Life
Computer Software	3 years

#### (f) Impairment of assets

The Company assesses at balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or of the cash generating unit to which the asset belongs. If such estimated recoverable amount of the assets or the cash generating unit is less than the carrying amount, the carrying amount is reduced to its estimated recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

#### (g) Investments

Investments are classified into non-current and current based on the management's intention at the time of purchase.

Non-current investments are carried at carrying cost and any decline in the carrying value, other than temporary in nature is provided for, determined separately for each independent investment.

Current investments are valued at cost or market/ net realisable value whichever is lower. The comparison of cost and net realisable value is done separately in respect of each individual investment.

Purchase and sale of investment are recorded on trade date. The gains and losses on sale of investments are recognised in the profit and loss account on the trade date. Profit and loss on sale of investment is determined on weighted average basis.



# RKSV Securities India Private Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

### 2. Significant accounting policies (*Continued*)

#### (h) *Employee Benefits*

##### i) *Short term*

Short term employee benefits include salaries and performance incentives. A liability is recognised for the amount expected to be paid under short-term cash bonus or target

based incentives if the Company has a present legal or informal obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company

##### ii) *Long term*

The Company offers its employees long term benefits by way of defined contribution and defined benefit plans.

##### *Defined contribution plans*

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. This comprises contribution to the employees' provident fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers

##### *Defined benefit plans*

Expenses for defined benefit gratuity plan are calculated as at the balance sheet date by an independent actuary in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. The fair values of the plan assets are deducted in determining the net liability. When the fair value of plan assets exceeds the commitments computed as aforesaid, the recognised asset is limited to the net total of any cumulative past service costs and the present value of any economic benefits available in the form of reductions in future contributions to the plan.

Actuarial losses or gains are recognised in the Statement of Profit and Loss in the year in which they arise.

##### *Other employee benefits*

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be availed in twelve months immediately following the year in which the employee has rendered service are reported as expenses during the year in which



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# RKSV Securities India Private Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

### 2. Significant accounting policies (*Continued*)

the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits.

#### (i) Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Company's Balance Sheet. Lease expenses on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

#### (j) Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax is measured at the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961

Deferred tax is recognised for all the timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

#### Minimum alternate tax

Minimum Alternative Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the profit and loss account. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.



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# RKSV Securities India Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

### 2. Significant accounting policies (Continued)

#### (k) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

#### (l) Earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to equity shareholders by weighted average number of equity shares outstanding during the reporting year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares (other than the conversion of potential equity shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed dilutive only if their conversion into equity shares would decrease the net per share from continuing ordinary operations. Potential equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares).

#### (m) Foreign Currency transaction

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognized in the Statement of Profit and Loss Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognised in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the balance sheet.



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# RKSV Securities India Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2019

### Note : 3

Share capital:	31 March 2019	31 March 2018
<b>Authorised capital</b>		
2,000,000 of Equity shares of Rs 10 each [31 March 2018 : 20,00,000 of Equity Shares of Rs 10 each]	2,00,00,000	2,00,00,000
5,00,000 of Preference shares of Rs 10 each [31 March 2018 : 5,00,000 of Preference Shares of Rs 10 each]	50,00,000	50,00,000
<b>Issued, Subscribed and paid up capital</b>		
1,500,200 of Equity shares of Rs 10 each [31 March 2018 : 15,00,200 of Equity Shares of Rs 10 each]	1,50,02,000	1,50,02,000
3,28,960 of Preference shares of Rs 10 each of Series A CCPS [31 March 2018 : 3,28,960 of Preference Shares of Rs 10 each of Series A CCPS]	32,89,600	32,89,600
24,617 of Preference Shares of Rs 10 each of Series A2 CCPS [31 March 2018 : 24,617 of Preference Shares of Rs 10 each of Series A2 CCPS]	2,46,170	2,46,170
<b>Total</b>	<b>1,85,37,770</b>	<b>1,85,37,770</b>

### (n) Rights, preferences and restriction attached to shares

#### Equity Shares

The Company has one class of equity shares having a par value of Rs 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### Preference Shares

The Company has two class of preference shares namely Series A CCPS (Compulsorily Convertible Cumulative Non-Participating Preference Shares) and Series A2 CCPS (Compulsorily Convertible Cumulative Non-Participating Preference Shares) having a par value of Rs 10 each are issued at a minimum preferential dividend rate of 0.001% (Zero point Zero Zero One percent) per annum on a pari passu basis. However, the Preferential Dividend shall be due only when declared by the Board.

Series A and A2 CCPS may be converted into Equity Shares at any time at the option of the holder at the conversion price then in effect upon earlier of (i) one day prior to the expiry of 20 years from the date of issuance thereof or (ii) in connection with any public offering by the Company including the Qualified Institutional Placement, prior to the filing of prospectus (or equivalent document by whatever name called) by the Company with competent authority or such later date as may be permitted under Law.

### (b) Reconciliation of Number of Shares

#### Equity Shares

	31 March 2019		31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	15,00,200	1,50,02,000	15,00,200	1,50,02,000
Add : Issued during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>15,00,200</b>	<b>1,50,02,000</b>	<b>15,00,200</b>	<b>1,50,02,000</b>

#### Preference Shares - Series A CCPS

	31 March 2019		31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	3,28,960	32,89,600	3,28,960	32,89,600
Add : Issued during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>3,28,960</b>	<b>32,89,600</b>	<b>3,28,960</b>	<b>32,89,600</b>

#### Preference Shares - Series A2 CCPS

	31 March 2019		31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	24,617	2,46,170	24,617	2,46,170
Add : Issued during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>24,617</b>	<b>2,46,170</b>	<b>24,617</b>	<b>2,46,170</b>

### (c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholders	31 March 2019		31 March 2018	
	%	Number of Shares	%	Number of Shares
<b>Equity Share</b>				
Ravi Chandran Kumar	33.35%	5,00,277	87.49%	13,12,500
Raghu Nathan Kumar	31.40%	4,70,997	0.00%	-
Kavitha Subramanian	13.01%	1,95,207	0.00%	-
Shrinivas Viswanath	22.23%	3,33,519	12.50%	1,87,500
<b>Preference Share</b>				
<b>Series A CCPS</b>				
Kalaari Capital Partners III, LLC	79.74%	2,81,952	79.74%	2,81,952
Ganapati Venkata Sanjay Reddy	6.65%	23,504	6.65%	23,504
Davinder Singh Brar	6.65%	23,504	6.65%	23,504
<b>Series A2 CCPS</b>				
Ratan Naval Tata (Series A2 CCPS)	6.96%	24,617	6.96%	24,617



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# RKSV Securities India Private Limited

## Notes to the financial statements (Continued) as at 31 March 2019

(d) The Company does not have any Holding Company

(e) Number of Shares issued as bonus, shares issued pursuant to contract without payment received in cash and shares  
bought back during the period of five years immediately preceding the balance sheet date - Rs Nil (31 March 2018 - Rs Nil)

### Note : 4

Reserves And Surplus	31 March 2019	31 March 2018
<b>Securities Premium</b>		
Balance as at the beginning of the year	24,72,69,293	24,72,69,293
Additions during the year	-	-
Balance as at the end of the year	24,72,69,293	24,72,69,293
<b>Balance in the statement of profit and loss</b>		
Balance as at the beginning of the year	(9,60,40,373)	(11,59,32,471)
Add : Profit after tax for the year	13,06,20,868	1,98,92,098
Balance as at the end of the year	3,45,80,495	(9,60,40,373)
<b>Total</b>	<b>28,18,49,788</b>	<b>15,12,28,920</b>

### Note : 5

Long Term Provisions	31 March 2019	31 March 2018
Provision for gratuity (Refer note 26)	74,46,533	59,41,495
Provision for lease equalisation	1,50,667	-
	<b>75,97,200</b>	<b>59,41,495</b>

### Note : 6

Short Term Borrowings		
Bank overdraft	50,08,384	-
(secured against margin trading clients equity securities)	<b>50,08,384</b>	<b>-</b>

### Note : 7

Trade Payables	31 March 2019	31 March 2018
Trade payables *	5,51,80,735	3,35,35,610
Payable to clients	1,75,58,33,783	1,12,25,47,041
Payable to exchange	3,06,19,052	2,89,38,316
	<b>1,84,16,33,570</b>	<b>1,18,50,20,967</b>

\* For dues to micro and small suppliers, refer note 22

### Note : 8

Other Current Liabilities	31 March 2019	31 March 2018
Statutory and other exchange related dues payable	2,77,86,748	1,64,54,144
Margin balances	62,24,82,699	24,21,86,045
Accrued expenses and expenses payable	2,81,08,960	1,91,53,037
	<b>67,83,78,407</b>	<b>27,77,93,226</b>

### Note : 9

Short Term Provisions	31 March 2019	31 March 2018
Provision for compensated absences	13,99,067	12,52,496
Provision for gratuity (Refer note 26)	8,41,157	7,64,131
	<b>22,40,224</b>	<b>20,16,627</b>



# RKSV Securities India Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2019

### Note 10 : Property, Plant and Equipment

Particulars	Tangible assets								Intangible Assets		Total
	Motor Vehicles	Computers	Mobile phones	Office Equipment	Plant & Machinery	Furniture and Fixtures	Leasehold Improvements	Total	Computer Software	Total	
<b>Original Cost</b>											
As at 1 April 2018	10,46,900	1,87,66,081	14,39,801	57,04,778	55,21,099	48,20,909	-	3,72,99,568	56,36,544	56,36,544	4,29,36,112
Addition/Adjustment during the year	-	1,58,02,996	13,01,606	15,63,199	-	52,97,436	69,28,229	3,08,93,464	7,15,000	7,15,000	3,16,08,464
Deduction/Retirement during the year	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	10,46,900	3,45,69,077	27,41,407	72,67,977	55,21,099	1,01,18,345	69,28,229	6,81,93,032	63,51,544	63,51,544	7,45,44,576
<b>Depreciation and amortization</b>											
As at 1 April 2018	9,94,556	1,68,85,978	10,06,278	20,83,797	47,15,851	20,11,885	-	2,76,98,345	46,10,566	46,10,566	3,23,08,911
For the year	-	51,64,211	4,12,022	18,78,309	3,10,117	10,85,135	4,69,897	93,19,692	8,57,873	8,57,873	1,01,77,565
As at 31 March 2019	9,94,556	2,20,50,189	14,18,300	39,62,106	50,25,968	30,97,020	4,69,897	3,70,18,037	54,68,439	54,68,439	4,24,86,476
<b>Net book value</b>											
As at 31 March 2019	52,344	1,25,18,888	13,23,107	33,05,871	4,95,131	70,21,325	64,58,332	3,11,74,995	8,83,105	8,83,105	3,20,58,100

The changes in the carrying value of the fixed assets for the year ended 31 March 2018 is as follows:

Particulars	Tangible assets								Intangible Assets		Total
	Motor Vehicles	Computers	Mobile phones	Office Equipment	Plant & Machinery	Furniture and Fixtures	Leasehold Improvements	Total	Computer Software	Total	
<b>Original Cost</b>											
As at 1 April 2017	10,46,900	1,81,00,334	11,43,968	34,85,637	55,21,099	48,03,910	-	3,41,01,848	56,36,544	56,36,544	3,97,38,392
Addition/Adjustment during the year	-	6,65,747	2,95,833	22,19,141	-	16,999	-	31,97,720	-	-	31,97,720
Deduction/Retirement during the year	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	10,46,900	1,87,66,081	14,39,801	57,04,778	55,21,099	48,20,909	-	3,72,99,568	56,36,544	56,36,544	4,29,36,112
<b>Depreciation and amortization</b>											
As at 1 April 2017	9,94,197	1,54,90,085	8,26,642	11,42,705	41,27,381	10,30,943	-	2,36,11,953	29,67,105	29,67,105	2,65,79,058
For the year	359	13,95,893	1,79,636	9,41,092	5,88,470	9,80,942	-	40,86,392	16,43,461	16,43,461	57,29,852
As at 31 March 2018	9,94,556	1,68,85,978	10,06,278	20,83,797	47,15,851	20,11,885	-	2,76,98,345	46,10,566	46,10,566	3,23,08,911
<b>Net book value</b>											
As at 31 March 2018	52,344	18,80,103	4,33,523	36,20,981	8,05,248	28,09,024	-	96,01,223	10,25,978	10,25,978	1,06,27,201



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# RKSV Securities India Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2019

### Note : 11

#### Non Current Investments

Non Trade, Long term Investment in Mutual Funds (valued at cost)

#### Quoted

	31 March 2019	31 March 2018
198,106.75 (previous year : 169,758 units) units of Aditya Birla Sun Life Savings Fund - Growth	62,137,385	52,137,385
188,346.24 units (previous year : 173,969 units) of ICICI Prudential Flexible Income Plan - Regular - C	57,126,064	52,126,064
280,401.09 units of ICICI Prudential Ultra term growth fund (previous year : Nil units)	5,000,000	-
	<b>124,263,449</b>	<b>104,263,449</b>

#### Notes :

Aggregate book value of quoted investments	124,263,449	104,263,449
Aggregate market value of quoted investments	145,926,775	105,946,060
Cost of mutual funds under lien with clearing member for margin requirement included in the above	103,069,252	93,069,252

### Note : 12

#### Deferred Tax Assets

Deferred Tax Assets on account of :

Difference in WDV of property, plant and equipments	1,582,594	-
Provision for leave encashment	358,581	-
Provision for gratuity	2,124,135	-
Provision on doubtful debts	1,975,989	-
Provision for lease equalisation	38,616	-
	<b>6,079,915</b>	<b>-</b>

### Note : 13

Loans And Advances (Unsecured, considered good, unless otherwise stated)

	Non-Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>a) Loan and advances to related party</b>				
RKSV Commodities India Private Limited	-	-	29,486,596	8,563,816
Loan to director	-	-	960,000	-
<b>b) Loan and advances to others</b>				
Security deposits	9,097,919	6,355,919	-	-
Deposit with exchanges and clearing member	15,000,464	17,039,893	51,379,910	-
Advances receivable in cash or kind	-	-	15,057,829	4,713,233
Advance to employees	-	-	280,418	601,500
Margin trading facility - receivables	-	-	23,663,498	-
Prepaid expenses	-	91,281	2,832,453	2,523,956
Advance payment of income tax (net of provision for taxation)	9,868,638	10,044,290	-	-
MAT credit entitlement	21,510,691	83,781	-	-
	<b>55,477,712</b>	<b>33,615,164</b>	<b>123,660,704</b>	<b>16,402,505</b>

### Note : 14

#### Trade receivables

Receivable from client

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

Unsecured, considered doubtful of recovery	4,922,612	-
Less: Provision for doubtful debts	(4,922,612)	-
	<b>-</b>	<b>-</b>

#### Other trade receivables

Unsecured, considered doubtful of recovery	531,359	-
Less: Provision for doubtful debts	(531,359)	-
Receivable from clients	17,499,214	8,424,971
	<b>17,499,214</b>	<b>8,424,971</b>

### Note : 15

#### Cash and bank balances

##### a. Cash and cash equivalents

Cash in hand	2,440	4,287
Bank balances in current accounts	469,356,973	195,745,892

##### b. Other bank balances (Bank deposits with remaining maturity of upto 12 months)

Lien marked deposits with Clearing member (IL&FS)	1,473,800,000	1,211,350,000
Lien marked deposits with stock exchange	418,050,000	49,700,000
Other deposits	91,900,000	-
	<b>2,453,109,413</b>	<b>1,456,800,179</b>

### Note : 16

#### Other Current Assets

Interest accrued on fixed deposits	13,711,453	5,301,817
Accrued income	4,426,727	1,935,953
GST input credit (net)	4,958,656	3,167,766
	<b>23,096,836</b>	<b>10,405,536</b>





# RKSV Securities India Private Limited

## Notes to the financial statements (Continued) for the year ended 31 March 2019

### Note : 17

#### Revenue from operations

Brokerage and allied services income	
Other operating income (interest on bank deposits)	
<b>Total</b>	

Year ended 31 March 2019	Year ended 31 March 2018
44,56,81,426	17,68,19,096
12,07,07,193	7,36,70,986
<b>56,63,88,619</b>	<b>25,04,90,082</b>

### Note : 18

#### Other Income

Net gain on sale of non current investments	
Miscellaneous income	
Interest on income tax refund	
<b>Total</b>	

Year ended 31 March 2019	Year ended 31 March 2018
-	15,21,018
7,93,943	-
4,43,920	2,66,980
<b>12,37,863</b>	<b>17,87,998</b>

### Note : 19

#### Employee Benefit Expenses

Salaries, wages and bonus	
Compensated absences expenses	
Contribution to provident fund	
Gratuity expenses	
Staff Welfare Expenses	
Recruitment cost	
<b>Total</b>	

Year ended 31 March 2019	Year ended 31 March 2018
11,67,88,859	8,61,56,787
2,28,370	12,55,008
26,40,468	22,70,129
15,82,064	14,21,655
34,73,218	17,17,257
62,23,964	77,185
<b>13,09,36,943</b>	<b>9,28,98,021</b>

### Note : 20

#### Depreciation and amortization expenses

Depreciation on tangible assets	
Amortisation on intangible assets	
<b>Total</b>	

Year ended 31 March 2019	Year ended 31 March 2018
93,19,692	40,86,392
8,57,873	16,43,461
<b>1,01,77,565</b>	<b>57,29,853</b>

### Note : 21

#### Other Expenses

Business promotion expenses	
Customer Support expenses	
Legal and professional charges	
Advertisement Charges	
Rent expenses	
Demat and Clearing Member Charges	
Software, Server and License Charges	
Office expenses	
Technology expenses	
Communication Expenses and Lease Line Charges	
Travelling & Conveyance	
Bank charges	
Interest and taxes	
Provision for doubtful debts	
Car Running & Maintenance	
Postage and Courier	
Miscellaneous expenses	
Printing and Stationery	
Auditors Remuneration (excluding GST) (refer note no.30)	
- Audit fees	
Less : Reimbursement of expenses from RKSV Commodities India Private Limited	
<b>Total</b>	

Year ended 31 March 2019	Year ended 31 March 2018
10,85,05,227	2,02,48,947
7,16,74,034	3,20,11,817
2,98,30,601	2,34,58,948
2,28,14,190	59,82,620
1,95,75,865	1,57,05,392
2,07,64,857	1,49,91,858
1,12,25,841	83,93,703
1,12,24,810	1,04,92,498
92,83,743	-
88,57,724	67,25,469
30,21,752	9,22,510
2,71,086	1,36,843
11,12,908	47,552
77,09,673	-
50,44,024	43,64,790
3,78,789	10,24,732
12,53,729	2,62,899
7,21,358	6,60,669
6,25,000	6,25,000
(4,09,54,426)	(1,73,12,792)
<b>29,29,40,785</b>	<b>12,87,43,455</b>



# RKSV Securities India Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

### 22. Micro, Small and Medium Enterprises

Trade payable include Rs. Nil (previous year Rs. Nil) and other current liabilities include Rs. Nil (previous year Rs. Nil) payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

Particular	31 March 2019	31 March 2018
The principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
The interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

### 23. Contingent liability

#### a) Claims against the Company not acknowledged as debts

Rs. Nil (Previous year : Rs. Nil)

#### b) Pending capital commitments

As at 31 March 2019, the Company has no contracts remaining to be executed on capital account and not provided for. (Previous year : Rs. Nil)

### 24. Related party disclosures

#### (a) Name of related parties and nature of relationships

**Individuals owning an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise and relatives of any such individual:**

Ravi Chandran Kumar (Director & Shareholder)

Kavitha Subramanian (Shareholder and Wife of Ravi Chandran Kumar)



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# RKSV Securities India Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

### 24. Related party disclosures (continued)

#### Key management personnel:

Shrinivas Viswanath (Director & Shareholder)

Amit Chhotalal Lalan (Director)

Puneet Maheshwari (Director)

Raghu Nathan Kumar (Shareholder and brother of Ravi Chandran Kumar)

#### Enterprises over which any person described in 24 (a) above is able to exercise significant influence:

RKSV Commodities India Private Limited

### (b) Transaction with related parties:

Particulars	Amount (Rs)
<b>Remuneration</b>	
Ravi Chandran Kumar (Director & Shareholder)	5,719,165 (4,978,404)
Shrinivas Viswanath (Director & Shareholder)	6,202,165 (5,398,404)
Raghu Nathan Kumar (Director)	1,740,441 (4,978,404)
Amit Chhotalal Lalan (Director)	3,604,320 (3,191,400)
Puneet Maheshwari (Director)	4,410,360 (3,304,800)
<b>Professional charges</b>	
Kavitha Subramanian	- (9,912,000)
<b>Reimbursement of expenses</b>	
<b>Expenses incurred on behalf of related party</b>	
RKSV Commodities India Private Limited	40,954,426 (17,312,792)
<b>Expenses incurred by directors on behalf of Company :</b>	
Ravi Chandran Kumar (Director & Shareholder)	2,529,547 (3,012,111)
Shrinivas Viswanath (Director & Shareholder)	30,870,036 (7,818,521)
Puneet Maheshwari (Director)	77,490 (-)
<b>Closing balances as on 31 March 2019</b>	
<b>Receivable :</b>	
RKSV Commodities India Private Limited	29,486,596 (8,563,816)



# RKSV Securities India Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

### 24. Related party disclosures (continued)

<b>Advances receivable in cash or kind</b>	
Puneet Maheshwari (Director)	- (70,342)
<b>Professional fees payable</b>	
Kavitha Subramanian	- (9,072,000)
<b>Accrued expenses payable :</b>	
Ravi Chandran Kumar (Director & Shareholder)	656,272 (475,532)
Shrinivas Viswanath (Director & Shareholder)	261,976 (731,066)
Raghu Nathan Kumar (Shareholder)	- (3,482)
Puneet Maheshwari (Director)	7,148 (-)

Note: Amounts in bracket indicate previous year numbers

### 25. Earnings per share (EPS)

Basic and diluted EPS is computed in accordance with Accounting Standard 20 on 'Earnings Per Share'. The computation of earnings per share is given below:

		31 March 2019	31 March 2018
Profit after tax attributable to shareholders for basic and diluted earnings	A	130,620,868	19,892,098
Weighted average number of equity shares outstanding during the year (in units).			
- Basic	B	1,500,200	1,500,200
- Diluted	C	1,853,777	1,853,777
Earnings per share			
- Basic	A/B	87.07	13.26
- Diluted	A/C	70.46	10.73
Nominal value of shares		10	10

### 26. Employee benefits

The Company makes contributions towards provident fund which are defined contribution retirement benefit plans for qualifying employees. The provident fund are administered by office of the Regional Provident Fund Commissioner.

A sum of Rs. 2,640,468 (Previous year Rs. 2,270,129) has been charged to the statement of Profit and Loss towards Provident Fund.

The Company contributes funds to a post retirement benefit plan for gratuity, details of which are as follows :



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# RKSV Securities India Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

### 26. Employee benefits (Continued)

#### (i) Reconciliation of Defined Benefit Plan

Particulars	FY 2018-19	FY 2017-18
Opening Defined Benefit Obligation	6,705,626	5,313,533
Current Service Cost	1,803,621	1,366,209
Interest Cost	498,228	410,205
Past Service Cost	-	144,157
Benefits paid	-	(29,562)
Actuarial (gain) / loss on obligation	(719,785)	(498,916)
Closing Defined Benefit Obligation	8,287,690	6,705,626

#### (ii) Amount to be recognised in the Balance Sheet and movement in Net liability

Particulars	FY 2018-19	FY 2017-18
Present value of unfunded obligation	8,287,690	6,705,626
Fair value of Plan Assets	-	-
Net liability recognized in the Balance Sheet	8,287,690	6,705,626

#### (iii) Expenses recognised in the Statement of Profit and Loss

Particulars	FY 2018-19	FY 2017-18
Current Service Cost	1,803,621	1,366,209
Interest Cost	498,228	410,205
Past Service Cost	-	144,157
Actuarial (gain) / loss on obligation	(719,785)	(498,916)
Expenses recognised in the Statement of Profit and Loss	1,582,064	1,421,655

#### (iv) Experience Adjustments

Particulars	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Defined Benefit Obligation	8,287,690	6,705,626	5,313,533	4,138,028	-
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(8,287,690)	(6,705,626)	(5,313,533)	(4,138,028)	-
Experience adjustments on Plan liabilities	924,927	222,238	413,688	-	-
Experience adjustments on Plan Assets	-	-	-	-	-

#### (v) Summary of Actuarial Assumptions

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitments, size and expense.



# RKSV Securities India Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

### 26. Employee benefits (Continued)

Particulars	FY 2018-19	FY 2017-18
Discount rate p.a.	7.43%	7.72%
Salary Escalation Rate	6.00%	6.00%
Mortality	Indian Assured Lives Mortality tables (2006-08)	Indian Assured Lives Mortality tables (2006-08)

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

### 27. Expenditure in foreign currency

Particulars	31 March 2019	31 March 2018
Expenditure in foreign currency (on an accrual basis)	10,623,369	-

### 28. Lease

Disclosures as required by Accounting Standard 19, Rules, 2006, are given below :

The Company has taken various premises under leave and license agreements. Lease payments are recognised in the Statement of Profit and Loss under 'Rent expenses' in Note no.20. Rent expenses of Rs. 19,575,865 (Previous year - Rs. 15,705,392) in respect of obligation under cancellable operating leases and Rs. Nil (Previous year - Rs. Nil) in respect of non-cancellable operating leases.

The future minimum lease payments are as follows :

Particulars	FY 2018-19	FY 2017-18
Not later than one year	22,504,400	11,090,520
Later than one year but not later than five years	51,662,600	34,676,000
Later than five years	-	-

### 29. Minimum Alternate Tax (MAT)

For the year ended 31 March 2019, the Company is liable to pay MAT of Rs. 30,440,809, which has been disclosed as current tax in the statement of profit and loss account of the current year. Further, out of the total MAT of Rs. 30,440,809, the Company is entitled to carry forward MAT credit of Rs. 16,451,474 in terms of Section 115JB and the provision of Section 115 JAA of Income Tax Act, 1961 (The 'IT Act'). The Company also had unrecognised carry forward MAT credit of Rs. 4,975,435 in respect of MAT paid for the year ended 31 March 2018. Accordingly, during the year, the Company has recognised total MAT credit of Rs. 21,426,909 in the statement of profit and loss account.

### 30. Disclosure under Specified Bank Notes (SBN) disclosure as per MCA Notification dated 30 March 2017

The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made since it does not pertain to financial year ended 31 March 2019.



# RKSV Securities India Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

### 31. Auditors Remuneration

Particulars	FY 2018-19	FY 2017-18
Statutory Audit fees (excluding GST)	625,000	625,000
<b>Total</b>	<b>625,000</b>	<b>690,000</b>

32. Information with regard to other matters specified in revised schedule III of the Companies Act 2013, is either Nil or not applicable to the Company for the year and hence have not been given.

Margins collected by the Company in the form of securities from its clients towards their margin obligations have been held by the Company in the demat accounts of the clients with appropriate lien there-on and accordingly, the such margins in form have not been recorded in these financial statements.

### 33. Comparative figures

**Prior year figures have been re-grouped / reclassified as per the details given below to conform to the current year's presentation:**

SEBI fees payable (Rs. 642,855) has been reclassified as Statutory and other exchange related dues payable under Other Current liabilities as against the earlier classification of trade payables in the previous year.

Exchange payable (Rs. 28,938,316) has been segregated as separate item under the head Trade payable as against the earlier classification of Trade payables in the previous year.

Accrued income (Rs. 1,935,953) has been reclassified to other current assets as against the earlier classification of payable to client under Trade payables in previous year.

Transaction charges payable (Rs. 12,847,510) have been reclassified to Accrued expenses & expenses payable as against the earlier classification of Statutory dues payable in the previous year.

Security Deposits under Long term Loans and advances amounting to Rs. 14,304,281 has been reclassified to Deposit with exchanges and clearing member under Long term loans and advances.

Insurance expenses (Rs. 846,788) has been reclassified to other expenses as against the earlier classification of staff welfare under Employee benefit expenses in the previous year.

Recruitment cost (Rs. 77,185) has been segregated as separate item under the head Employee benefit expenses as against the earlier classification of staff welfare under Employee benefit expenses in the previous year.

Leave encashment expense (Rs. 1,255,008) has been segregated as separate item under the head Employee benefit expenses as against the earlier classification of salaries, wages and bonus under the head Employee benefit expenses in the previous year.

Bank charges (Rs. 136,843) and Interest on delayed payment of TDS (Rs. 47,522) have been reclassified to other expenses as against the earlier classification of finance cost in the previous year.

Reimbursement of expenses from RKSV Commodities India Private Limited (Rs. 40,954,426) have been reclassified under the head Other expenses as against the earlier classification of Brokerage and allied services income under Revenue from operations in the previous year.



# RKSV Securities India Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

### 34. Segment information

The Company operates in single segment viz. securities broking business in India. Since there is only one business segment and no geographical segments, the segmental reporting disclosures as required by Accounting Standard (AS)-17, issued by the ICAI have not been made.

### 35. Provision for doubtful debts

Details of movement in the provision for doubtful debt are as under:

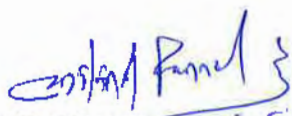
Particulars	FY 2018-19	FY 2017-18
<b>Related to trade receivable</b>		
Opening balance	-	-
Add: provision created during the period	5,453,971	-
Closing balance [A]	5,453,971	-
<b>Related to recoverable from IL&amp;FS</b>		
Opening balance	-	-
Add: provision created during the period	2,255,702	-
Closing balance [B]	2,255,702	-
<b>Total [A] + [B]</b>	<b>7,709,673</b>	<b>-</b>

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022



**Milind Ranade**

Partner

Membership No: 100564

UDIN : 19100564AAAAET9099

Mumbai

Date : 28 September 2019

For and on behalf of the Board of Directors of  
**RKSV Securities India Private Limited**



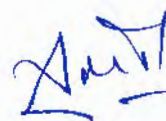
**Ravi Chandran Kumar**

Director

DIN : 02499607

Mumbai

Date : 28 September 2019



**Amit Chhotala**

Lalan

Director

DIN : 03098172

