

17th ANNUAL REPORT

2015-2016

**ISE SECURITIES & SERVICES
LIMITED**

**(Wholly-owned subsidiary of
Inter-Connected Enterprises Limited)**



ISE Securities & Services Limited

Corporate Office : 6th Floor, 601, "Dakshna" Next to Raigad Bhavan, Sector - 11, CBD - Belapur, Navi Mumbai - 400 614, Tel : (022) 61829500, Fax : (022) 61829547, e-mail : helpdesk@iseindia.com
Internet URL : <http://www.iseindia.com>, Investor grievance e-mail : invgrieviss@iseindia.com
CIN : U67190MH2000PLC123707



NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING OF ISE SECURITIES & SERVICES LIMITED

Notice is hereby given that the Seventeenth Annual General Meeting of the members of ISE Securities & Services Limited will be held on Wednesday, August 10, 2016 at 11.00 a.m. at the Corporate Office of the Company at Dakshna Building, 6th Floor, Next to Raigad Bhavan, Sector-11, Belapur CBD, Navi Mumbai- 400614, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31, 2016, Profit & Loss Account for the financial year ended March 31, 2016 and the Directors' and Auditors' report thereon.
2. To appoint a director in place of Shri George Joseph, Director (DIN: 00801946), who retires from office by rotation, and being eligible, not offers himself for reappointment.
3. To appoint auditors in place of auditors M/s Nangia & Co. Chartered Accountants and to 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: -

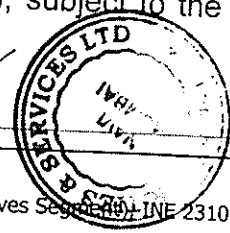
"RESOLVED THAT in conformity with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and Rule 3,4,5,6 of The Companies (Audit and Auditors) Rules, 2014, M/s. Nangia & Co., Chartered Accountants, be and are hereby appointed as auditors of the company, who were appointed as Statutory Auditor of the Company at the Sixteenth Annual General Meeting of the Company held on September 15, 2015, pursuant to provisions contained in Section 139(8) of the Companies Act, 2013, to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company, at remuneration of ₹ 2,75,000/- Plus Out of Pocket Expenses (OPE) not exceeding ₹ 5,000/- Plus taxes if any."

SPECIAL BUSINESS::

4. Remuneration to Shri Sivaraman K.M., Whole Time Director (DIN: 02961895).

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

"RESOLVED THAT pursuant to the provisions of Section 197, read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for time being in force), subject to the



ISE Securities & Services Limited

provisions of the Articles of Association of the Company and such other approvals as may be necessary, consent of the members be and is hereby accorded for payment of additional Performance Link Bonus amounting to ₹ 2,63,803/- to Shri Sivaraman K.M. (DIN: 02961895) acting as Chief Executive Officer (CEO) of the company and also whole time Director of the company."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company and the Company Secretary be and are hereby severally authorized to do all such acts deeds, matter and things as it may be in its absolute discretion deem necessary, expedient usual and proper."

5. Remuneration to Shri Sweedin Satav, Whole Time Director (DIN: 07131977).

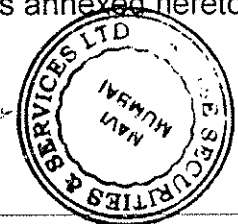
To consider and if thought fit to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197, read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013,(including any statutory modification or re-enactment thereof for time being in force), subject to the provisions of the Articles of Association of the Company and such other approvals as may be necessary, consent of the members be and is hereby accorded for payment of additional Performance Link Bonus amounting to ₹ 1,33,445/- to Shri Sweedin Satav (DIN: 07131977) acting as Asst. Vice President Surveillance and Risk Management and whole time Director of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company and the Company Secretary be and are hereby severally authorized to do all such acts deeds, matter and things as it may be in its absolute discretion deem necessary, expedient usual and proper."

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself only on poll and the proxy need not be a member. Proxies in order to be effective must be received by the company at its registered office not less than 48 hours before the time of holding the meeting.
2. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect Special Business at item no.4 and 5 of the notice, is annexed hereto.



ISE Securities & Services Limited

3. Members seeking any information or clarification on the Accounts are requested to send in writing queries to the Company. Replies to such written queries received, will be provided only at the meeting.
4. Members / proxies should bring the Attendance Slip sent herewith, duly filled in, along with the Annual Report for attending the Meeting.
5. This is the Shorter Notice issued pursuant to the consent given as per provisions of Section 101(1) of the Companies Act, 2013, by shareholder i.e. Inter-Connected Enterprises Limited holding 99.99% of paid up share capital of the Company, vide its letter no. 15 dated July 27, 2016 received by the company on July 28, 2016.

Date: May 18, 2016

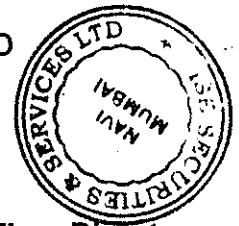
Place: Belapur, Navi Mumbai

BY ORDER OF THE BOARD



Sivaraman K.M

**Chief Executive Officer & Whole Time Director
(DIN: 02961895)**



Registered Office:
International Infotech Park,
Tower No.7, 5th Floor,
Sector—30A, Vashi,
Navi Mumbai—400703

Corporate Office:
Dakshna Building, 6th Floor,
Next to Raigad Bhavan,
Sector—11, Belapur CBD,
Navi Mumbai—400614

ISE Securities & Services Limited

Annexure to Notice

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

Item No.4

Pursuant to Resolution passed at the 16th Annual General Meeting of the company held on September 15, 2015, Shri Sivaraman K.M., was re appointed as a Whole time Director of the company for the period from January 22, 2016 to January 21, 2019, as per the terms and conditions mentioned in the said Resolution.

The Board also approved payment of Performance Linked Bonus (PLB) to employees including to Shri Sivaraman K.M. Whole Time Director for the F.Y. 2014-15, by circulation on November 10, 2015, which was noted by the Board in the subsequent Board meeting while taking note of Action Taken Report with regard to Board meeting held on November 06, 2015. The amount paid as PLB to Shri Sivaraman K.M. was ₹ 2, 63,803/-

As per the provisions contained in Section 197 of the Companies Act 2013, any increase in Remuneration of whole time Director requires shareholders approval.

In view of this, the Board of Directors recommends the adoption of the resolution at item No. 4 of the Notice.

No director is in any way concerned or interested in the Resolution at item No. 4 of the Notice, except Shri Sivaraman K.M.

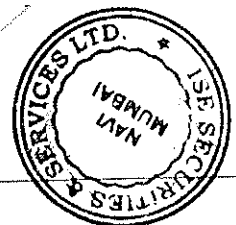
Item No.5

Pursuant to Resolution passed at the 16th Annual General Meeting of the company held on September 15, 2015, Shri Sweedin Satav was appointed as a Whole time Director of the company for the period from April 23, 2015 to April 22, 2018, as per the terms and conditions mentioned in the said Resolution.

The Board also approved payment of Performance Linked Bonus (PLB) to employees including to Shri Sweedin Satav. Whole Time Director for the F.Y. 2014-15, by circulation on November 10, 2015, which was noted by the Board in the subsequent Board meeting while taking note of Action Taken Report with regard to Board meeting, held on November 06, 2015. The amount paid as PLB to Shri Sweedin Satav was ₹ 1, 33,445/-

As per the provisions contained in Section 197 of the Companies Act 2013, any increase in Remuneration of whole time Director requires shareholders approval.

In view of this, the Board of Directors recommends the adoption of the resolution at item No. 5 of the Notice.




ISE Securities & Services Limited

No director is in any way concerned or interested in the Resolution at item No. 5 of the Notice, except Shri Sweedin Satav.

Date: May 18, 2016

Place: Belapur, Navi Mumbai

BY ORDER OF THE BOARD


Sivaraman K.M.

Chief Executive Officer & Whole Time Director
(DIN: 02961895)



Registered Office:
International Infotech Park,
Tower No.7, 5th Floor,
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Corporate Office:
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DIRECTORS' REPORT

2015-2016

**ISE SECURITIES & SERVICES
LIMITED**

**(Wholly-owned subsidiary of
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BOARD OF DIRECTORS

Shri Manubhai K. Parekh, Director

Shri George Joseph, Director

Ms. Minu Mathew, Shareholder Representative Director

Shri Sivaraman K. M., Chief Executive Officer & Whole Time Director

SECRETARIAL AND LEGAL

Shri Mayank Mehta, Company Secretary & Compliance Officer

STATUTORY AUDITORS

M/s. Nangia & Co., Chartered Accountants

INTERNAL AUDITORS

M/s. Bhandari, Dastur, Gupta & Associates, Chartered Accountants

BANKERS

HDFC Bank Limited

ICICI Bank Limited

Axis Bank Limited

IDBI Bank Limited

State Bank of India

Corporation Bank

Bank of Baroda

Vijaya Bank

Citibank N.A.

South Indian Bank Limited

REGISTERED OFFICE

International Infotech Park

Tower 7, 5th Floor, Sector 30

Vashi, Navi Mumbai – 400703

CORPORATE & CORRESPONDENCE OFFICE

6th Floor, 601, "Dakshna",

Next to Raigad Bhavan

Sector – 11, CBD Belapur, Navi Mumbai - 400614



DIRECTORS' REPORT 2015-2016

Dear Members

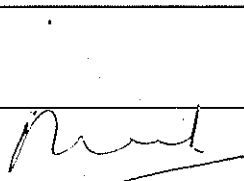
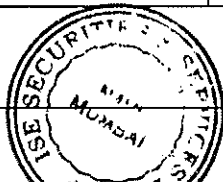
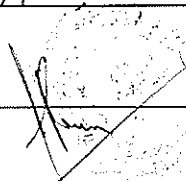
The directors are pleased to present the Seventeenth Annual Report and the company's audited financial statements for the financial year ended March 31, 2016.

1. FINANCIAL PERFORMANCE

The Company's financial performance, for the year ended March 31, 2016 has posted net profit of ₹ 37.75 Lakhs. The Company earned a total income of ₹ 736.66 lakhs during the year, compared to ₹ 888.78 lakhs during the previous year. Expenditure before depreciation, interest and tax during the year under review stood at ₹ 645.45 lakhs, compared to ₹ 731.60 lakhs during the preceding year. After considering interest, finance charges and depreciation, the increase of income over expenditure for the year 2015-16 was ₹ 59.93 lakhs as compared to ₹ 115.08 lakhs for the previous year.

The Comparative Statement of the Financials of the Company for the last Five Years:

PERFORMANCE AT A GLANCE					
	(All figures Rs.in lakh) Financial Performance **				
	15-16	14-15	13-14	12-13	11-12
Income					
Net Operational Income	285.31	298.45	324.23	241.00	358.60
Interest	266.53	333.87	503.30	545.95	517.10
Networking Recoveries	29.50	29.52	46.41	56.57	68.41
Annual Fees	13.25	13.60	20.95	23.45	20.85
Exceptional Items	0.00	0.00	00.00	51.24	-
Depository Business Income	91.56	120.80	44.94	-	-
Other Income	50.51	92.54	108.48	84.93	62.10
Total Income	736.66	888.78	1048.31	1003.14	1027.06
Expenditure					
Others Expenses	312.96	326.54	323.40	325.31	338.18
Employee Cost	332.49	363.37	333.63	275.92	266.13
Finance Cost	0.00	0.02	-	0.03	0.27
Reimbursement of actual Expenses- ISE	0.00	1.69	20.02	23.33	74.39
Management Fees to ISE	0.00	40.00	60.00	60.00	60.00
Depreciation / Amortization	31.28	42.08	38.03	37.16	48.08
Total Expenditure	676.73	773.70	775.08	721.75	787.05
Profit / (Loss) before Taxation	59.93	115.08	273.23	281.39	240.01
Excess(Short) Provisions of Taxes of earlier years	0.00	0.00	(10.32)	(4.26)	-
Provision for : Current Tax	(15.60)	(38.00)	(99.00)	(92.00)	(90.00)

Deferred Tax Expenses)/Savings	(6.58)	2.55	2.28	2.62	11.44
Net Profit / (Loss) after Taxation	37.75	79.63	166.19	187.75	161.45
Capital Structure					
Share Capital	550.00	550.00	550.00	550.00	550.00
Reserves & Surplus	927.80	890.04	815.86	778.36	708.87
Net Fixed Assets	21.28	51.70	98.79	47.55	76.95
Investments	67.10	67.10	67.10	67.10	67.10
Net Current Assets	695.61	596.14	511.14	561.46	476.81
Net worth	1477.80	1440.04	1365.86	1328.36	1258.87
Earning per share (in `)	0.69	1.50	3.02	3.41	2.93

Note: ** Previous year amount have been re-grouped/re-classified and recast wherever necessary to confirm to current year's classifications.

2. DIVIDEND

The Board has not recommended any dividend for financial year ended March 31, 2016.

3. RESERVES

The Board of Directors has decided to transfer an amount of ₹ NIL to General Reserves.

4. Brief description of the Company's working during the year/State of Company's affairs

OPERATIONAL HIGHLIGHTS

During the year 2015-2016, the Company recorded a turnover of ₹ 10,158.65- crores in the NSE Capital Market (CM) segment, ₹ 11,062.94 crores in the NSE equity derivatives (F&O) segment & ₹ 698.84 crores in NSE currency derivatives (CD) segment, aggregating to Rs. 21,920.43 crores. During the year 2015-2016, turnover of Rs. 3,221.36 crores was recorded in BSE Equities segment. The turnover of NSE CM, F&O & CD segments and BSE Equities segment taken together was recorded at Rs. 25,141.79 crores during the year 2015-2016.

The month-wise turnover of the Company for the financial year in the Capital Market, Equity Derivatives & Currency Derivatives segments of NSE & Equities Segment of BSE is given below and the same are also represented below diagrammatically:

Month	NSE Capital Market, Equity Derivatives & Currency Derivatives segments and BSE Equities Segment							
	Total Turnover Rs. (` Cr.) (Rounded off)				No. of Active Intermediaries (sub-brokers)			
	NSE Capital Market	BSE Equities	NSE Equity Derivatives #	NSE Currency Derivatives #	NSE Capital Market	BSE Equities	NSE Equity Derivatives	NSE Currency Derivatives
April-2015	957.194054	242.82569	1134.236133	6.23539	169	139	73	5



		7						
May-2015	772.050747	220.19791 6	818.464777	8.411926	163	142	73	5
June-2015	804.470545	209.05479 9	916.349326	8.902411	168	142	75	5
July-2015	996.977091	338.47406 5	1700.246639	9.990435	171	146	79	3
August-2015	1020.31892 3	367.88549	1055.490535	57.437976	178	148	80	6
September-2015	754.514277	264.73368 4	949.626591	55.168894	174	148	75	6
October-2015	835.003825	304.95108 1	873.414576	67.837125	172	144	75	6
November-2015	766.871485	247.26188 7	588.514266	72.370672	171	145	71	6
December-2015	847.245529	285.20523 4	672.27383	127.370538	172	149	70	7
January-2016	817.131303	272.28183 7	772.923955	165.384098	175	153	72	7
February-2016	764.807513	205.11675 7	740.031818	90.646472	168	144	73	6
March-2016	822.066248	263.37895 5	841.369645	29.088487	167	140	67	5
Total 2015-16	10158.6515 4	3221.3673 95	11062.94209	698.844424				

Note:

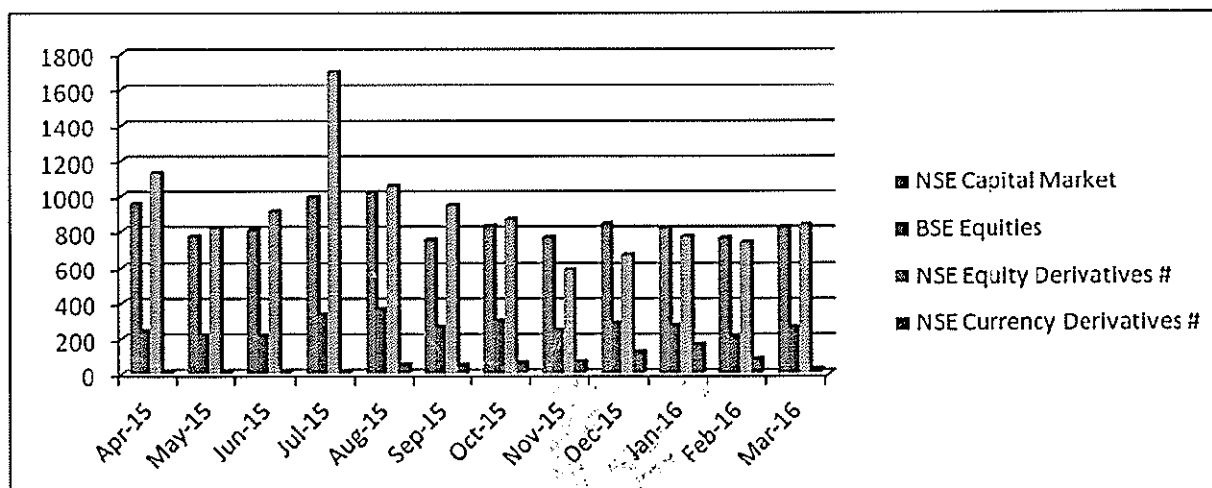
Futures Turnover = Trade Quantity * Trade Price

Futures Final Settlement = Futures Final Long Settlement Value + Futures Final Short Settlement Value

Option Turnover = Trade Quantity * Trade Price

Exercised Strike Value = Exercised Quantity * Strike Price

MONTH WISE TURNOVER FIN YEAR 2015-16

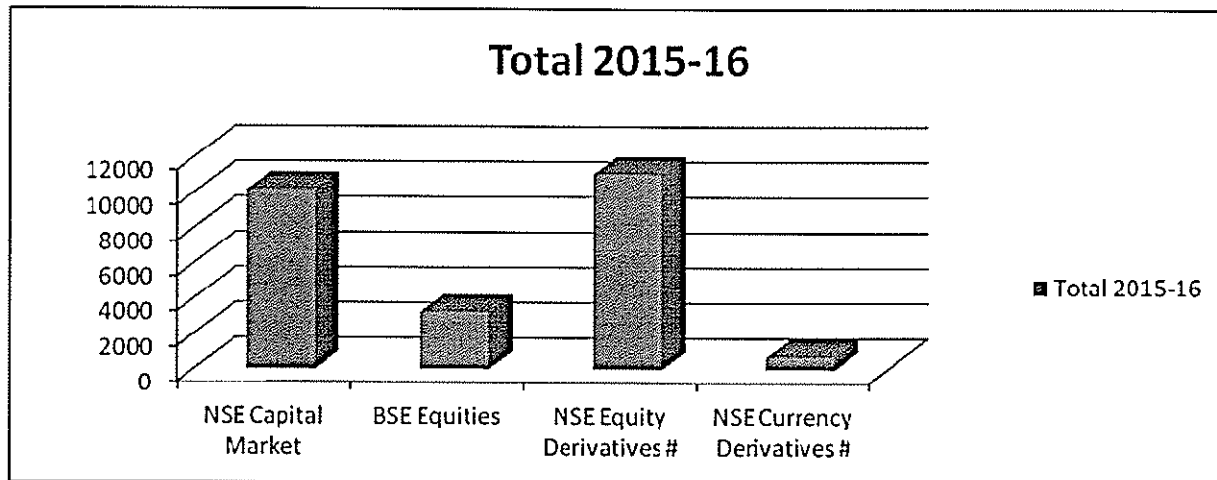


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SEGMENT WISE TURNOVER FIN YEAR 2015-16



5. CHANGE IN THE NATURE OF BUSINESS :

There was no change in the Business during the F.Y.2015-16.

6. CHANGE IN THE STATUS OF THE COMPANY:

Your Company was incorporated on 18.01.2000 as a wholly owned subsidiary of a recognized Stock Exchange i.e. Inter-connected Stock Exchange of India Limited. (ISE). Now on account of exit rout of the Exchange approved by SEBI, the name of the said company changed to Inter-Connected Enterprises Limited.

ISE Securities & Services Ltd shall continue to provide trading and DP facility as a corporate broker to the investors without any interruption. Your company has not trading on its own account i.e Proprietary Trading. At the same time, it has not yet started soliciting direct clients for trading. Any person or entity can directly become sub-broker or Authorized Person, without requiring them to acquire membership of any Stock Exchange.

7. TECHNOLOGY AND SYSTEMS

There are no major technological changes during the year under review except streamlining and certain up gradation was done in technology for which no major expenses were incurred during the year under review.

8. OPERATIONS OF THE COMPANY

The status of registration of sub-brokers & authorized persons on the Company is as given in the following table.



PARTICULARS	NSE	BSE	NSE	
			Equity Derivatives	Currency Derivatives
No. of sub-brokers / Authorized persons registered in ISS as on 31.03.2015	336	222	159	18
No. of Sub brokers / Authorized Persons registered during 01.04.2015 to 31.03.2016	9	10	8	4
Resignation 1.04.2015 to 31.03.2016	9	1	4	0
Position as on 31.03.2016	336	231	163	22
Change (+/-)	0	+9	+4	+4

The status of applications pending for registration as sub-brokers and authorized persons at various stages is given below for all the segments.

Pending application status for sub-brokers & authorized persons registration as on March 31, 2016

SR. NO.	Particulars	No. of applications pending				
		NSE (Capital Segment)	Market Segment	BSE (Equities Segment)	NSE (Equity Derivatives Segment)	NSE (Currency Derivatives Segment)
1.	Documents pending from sub-broker applicants	0		0	0	0
2.	Applications under process by ISS (received recently)	4		2	2	0
3.	Applications pending at NSE	18		0	0	0
4.	Applications pending at BSE	0		2	0	0
5.	Applications pending at SEBI	3		5	0	0
	Total	25		9	2	0

The distribution of intermediaries across the different geographical regions of the country as on March 31, 2016 is as given below.

Geographical distribution of Registered Intermediaries

Sr. No.	Region	States	Trading Members		Authorised Persons (NSE – F&O)	Authorised Persons (NSE – CD)
			NSE	BSE		
1.	West	Goa, Gujarat, Maharashtra	132	86	71	14
2.	North	Haryana, Jammu & Kashmir, Delhi, Punjab, Rajasthan, Uttaranchal and Uttar Pradesh	48	26	17	2



3.	East	Assam, Bihar, Jharkhand, Orissa and West Bengal	111	89	53	5
4.	South	Andhra Pradesh, Karnataka, Kerala and Tamilnadu	46	28	18	1
5.	Central	Chattisgarh and Madhya Pradesh	8	6	5	0
TOTAL			345	235	164	22

9. OFFICE INFRASTRUCTURE :

Registered office of the company is located at International Infotech Park, Tower No. 7, 5th Floor, Sector – 30, Vashi, Navi Mumbai – 400 703 whereas Corporate Office of the company is situated at 6th Floor, 601, "Dakshna", Next to Raigad Bhavan, Sector – 11, CBD Belapur, Navi Mumbai – 400614

Apart from the registered office located at Vashi and Corporate Office at CBD Belapur, for the purpose of Depository Participant and trading business operations, branches are located at Delhi, Kolkata, Nagpur, Coimbatore, Gauhati and Patna. At Coimbatore and Kolkata Branch we have operating trading servers.

10. STATUTORY AUDITORS :

During the F.Y. 2015-16, the Statutory Auditor M/s Nangia & Co., was appointed to hold office till the conclusion of next Annual General Meeting and accordingly, they are entitled to hold the office till the conclusion of Seventeenth Annual General meeting of the company.

11. AUDITORS' REPORT :

The explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report shall be given.

12. DIRECTORS :

The Board of Directors as on the date of this Report consists of:

Sr. No.	Name of the Director	Status	Date of Appointment
1.	Shri Manubhai K. Parekh	Director	October 21, 2008
2.	Shri George Joseph	Director	October 21, 2008
3.	Ms. Minu Mathew	Shareholder Representative Director	September 04, 2012
4.	Shri Sivaraman K. M.	Chief Executive Officer & Whole Time Director	January 22, 2010

Shri Sweedin Satav who was appointed as Whole Time Director w.e.f. from April 23, 2015, for the period of 3 (Three) years, has resigned on January 28, 2016. The Board acknowledges the



services rendered by Mr. Sweedin Satav during the tenure of his office as Director of the Company".

This year the status of Directors liable to retire by rotation is as follows:

- Shri Sivaraman K.M., Whole-time Director, is not liable to retire by rotation.
- 1/3 of the directors, except the foregoing, are eligible to retire by rotation. Accordingly one director will have to retire .Therefore, in terms of provisions of Section 152(6) of the Companies Act, 2013, Shri George Joseph shall be liable to retire by rotation in the ensuing Annual General Meeting and eligible for reappointment

During the period April 01, 2015 to March 31, 2016, the following Board Meetings were held:

Board Meeting No.	Date
122	May 29, 2015
123	August 21, 2015
124	November 06, 2015
125	January 22, 2016
126	March 18, 2016

13. DETAILS OF ATTENDANCE OF THE DIRECTORS IN THE BOARD MEETINGS

During the period April 01, 2015 to March 31, 2016, the Board of Directors met 5 times. The attendance record of the Directors at each Board Meeting, at Extra Ordinary General Meeting held on May 15, 2015, and at the last Annual General Meeting held on September 15, 2015 is given below:

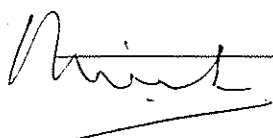
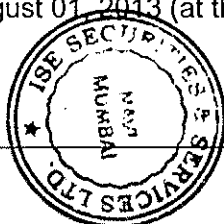
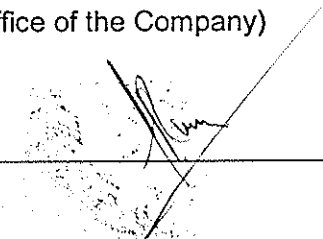
Sr. No.	Name of Director and Status	No. of Board Meetings held during their tenure	No. of Board Meetings attended	Status at Extra Ordinary General Meeting	Status at 16 th AGM
1	Shri Manubhai K. Parekh	5	5	Absent	Present
2.	Shri George Joseph	5	5	Absent	Absent
3	Ms. Minu Mathew	5	4	Absent	Absent
4	Shri Sivaraman K. M., Chief Executive Officer / Whole Time Director	5	5	Present	Present
5	Shri Sweedin Satav	4	4	Absent	Present

14. GENERAL BODY MEETINGS

Location and dates of the last three Annual General Meetings (AGMs):

The last three Annual General Meetings i.e, 14th 15th and 16th Meetings of the Company were held on the following dates

14th AGM: August 01, 2013 (at the Registered Office of the Company)

15th AGM: August 18, 2014 (at the Registered Office of the Company)

16th AGM: September 15, 2015 (at the Corporate Office of the Company)

Extra-ordinary General Meetings (EGMs):

One Extra-ordinary General Meeting was held on May 15, 2015 during the period under review.

15. Audit Committee

As per the provisions contained under the companies Act 2013, to be read with Companies (Meetings of Board its powers) Rules 2014, provisions relating to constitution of Audit committee are not applicable to the company.

The matter which relates to Audit committee are, now being looked after by the Board.

16. Managerial Remuneration:

Pursuant to Resolution passed at the 16th Annual General Meeting of the company held on September 15, 2015, Shri Sivaraman K.M., was re appointed as a Whole time Director of the company for the period from January 22, 2016 to January 21, 2019, as per the terms and conditions mentioned in the said Resolution.

They also approved payment of Performance Linked Bonus (PLB) to employees including to Shri Sivaraman K.M. Whole Time Director for the F.Y. 2014-15, by circulation of note on November 10, 2015, which was noted by the Board in the subsequent Board meeting while taking note of Action Taken Report with regard to Board meeting held on November 06, 2015. The amount paid as PLB to Shri Sivaraman K.M. was ₹ 2, 63,803/-

Pursuant to Resolution passed at the 16th Annual General Meeting of the company held on September 15, 2015, Shri Sweedin Satav was also appointed as a Whole time Director of the company for the period from April 23, 2015 to April 22, 2018, as per the terms and conditions mentioned in the said Resolution.

The Board also approved payment of Performance Linked Bonus (PLB) to employees including to Shri Sweedin Satav. Whole Time Director for the F.Y. 2014-15, by circulation on November 10, 2015, which was noted by the Board in the subsequent Board meeting while taking note of Action Taken Report with regard to Board meeting, held on November 06, 2015. The amount paid as PLB to Shri Sweedin Sataav was ₹ 1, 33,445/-

17. Risk management policy

The company has implemented Risk Management policy and there is no threat with regard to existence of the company, as company has set up internal control systems commensurate with the size and nature of business. These systems ensure optimum use of resources and compliance with multiple regulatory authorities. The company is also being guided by the internal auditors in constantly upgrading the control procedures and systems. The Internal



Auditors review the adequacy of the internal control procedures. The company is guided by the Board and Board reviews the adequacy of the internal control procedures.

18. Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act 2013, the Directors State that:

- (a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at March 31, 2016 and of the profit and loss of the company for the year ended March 31, 2016;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the companies act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) Proper internal financial controls were followed by the company and such internal financial controls are adequate and were operating effectively;
- (f) Proper Systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. ADEQUACY OF INTERNAL FINANCIAL CONTROL

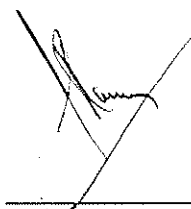
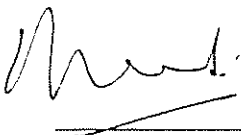
Within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013, for the year ended March 31, 2016, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weakness exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the company's operations.

20 DISCLOSURES OF PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES.

All the transactions entered into with the related party i.e. holding company Inter-Connected Enterprises Ltd. are at arm's length.

21. HUMAN RESOURCES AND PARTICULARS OF EMPLOYEES.

There are in all 67 persons working for the Company, out of whom 50 are on rolls, 10 are working as consultants, 5 are working on contract, and remaining 2 are on temporary basis. Further, the Company follows a policy of outsourcing certain labor-intensive activities to outside processing agencies. The particulars of employees as required under the provisions of Rule (2) and Rule (3) of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, are not applicable to the Company, since no employee draws amount of salary prescribed under the said Rule.



22 OTHER DISCLOSURES REQUIREMENTS.

Other disclosures required to be made in this report pursuant to provisions contained in section 134, of the Companies act 2013, have not been made as same are not applicable to the company.

EXTRACT OF ANNUAL RETURN:

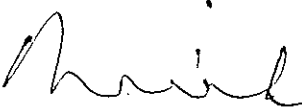
The details forming part of the Annual Return in form MGT 9 annexed herewith as Annexure A

23. ACKNOWLEDGEMENTS

Acknowledgements on behalf of the Directors of the Company, we would like to place on record our deep appreciation to our Shareholders, Customers, and Business Partners, Vendors, Bankers, and Regulatory authorities. Finally, we appreciate and value the contributions made by all our employees making ISE Securities & Services Ltd what it is.

For and on behalf of the Board of Directors




Shri Manubhai Parekh

Director
(DIN: 00068992)


Shri Sivaraman K.M.

CEO & Whole Time Director
(DIN: 02961895)

Date: May 18, 2016

signing as per Board resolution passed on May 18, 2016.

Registered Office:
International Infotech Park,
Tower No.7, 5th Floor,
Sector—30A, Vashi,
Navi Mumbai—400703

Corporate Office:
Dakshna Building, 6th Floor,
Next to Raigad Bhavan,
Sector—11, Belapur CBD,
Navi Mumbai—400614

ANNEXURE A

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]

FORM NO. MGT – 9

I. REGISTRATION AND OTHER DETAILS

i.	CIN	U67190MH2000PLC123707
ii.	Registration Date	January 18, 2000
iii.	Name of the Company	ISE Securities & Services Limited
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	International Infotech Park, Tower No.7, 5 th Floor, Sector-30, Vashi Navi Mumbai--400703
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.



II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

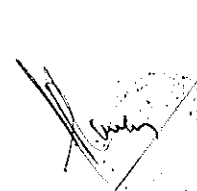
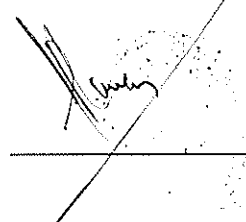
All the business activities contributing 10% or more of the total turnover of the company:-

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Stock Broking, Equity, Equity Derivatives, Currency Derivatives.	N.A.	
2.	Depository Participant (DP)	N.A.	
3.			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Inter-Connected Enterprises Limited.	U74999MH2005PLC157556	Holding Company	99.99%	Section 2(87) of The Companies Act 2013
2.					
3.					

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

i) Category-wise Shareholding

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. or State Govt.										
c) Bodies Corporate		55,00,000	55,00,000	100%		55,00,000	55,00,000	100%	NI L	NI L
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (1)										
(2) Foreign										
a) NRI- 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)		55,00,000	55,00,000	100%		55,00,000	55,00,000	100%	NI L	NI L
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI										
c) Central govt										
d) State Govt.										
e) Venture Capital Fund										



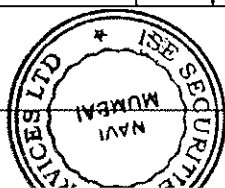
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f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):										
(2) Non Institutions										
a) Bodies corporate										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs										
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs										
c) Others (specify)										
SUB TOTAL (B)(2):										
Total Public Shareholding (B) = (B)(1)+(B)(2)										
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)		55,00,000	55,00,000	100 %		55,00,000	55,00,000	100 %	NI L	NI L

ii) Shareholding of Promoters –

SR No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% char in shar hold duri the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total	No of shares	% of total shares of the company	% of shares pledged encumbered to total	

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				shares			shares	
1	Inter Connected Stock Exchange of India Limited.	55,00,000	100%	NIL	55,00,000	100%	NIL	NIL
2								

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

SR. No.		Shareholding at the beginning of the Year		Cumulative Share holding 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				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	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) - Not applicable

SR. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/s				



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	weat equity etc)				
	At the end of the year (or on the date of separation, if separated during the year)				

v) Shareholding of Directors and Key Managerial Personnel - NIL

SR. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Directors & KMP	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/s weat equity etc)				
	At the end of the year				

V. INDEBTEDNESS : NIL

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				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change				

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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:

SR NO	Particulars of Remuneration	Mr. Sivaraman K.M.	Mr. Sweedin Satav
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	30,59,354/-	14,05,310/-
	(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....	-----	-----
5	Others, please specify	-----	-----
	Total (A)	30,59,354/-	14,05,310/-

B. Remuneration to other Directors: Not Applicable

1. Independent Directors

Particulars of Remuneration	Name of Director					Total Amount
Fee for attending Board/Committee Meetings						
-Commission						
- Others, please specify						
Total (B)(1)						

2. Other Non Executive Directors

Particulars of Remuneration	Name of Director		Total Amount Rs.
Fee for attending Board/Committee Meetings	Mr. George Joseph----- Mr. Manubhai Parekh-----	Board Meeting 50,000/-	50,000/- 50,000/-



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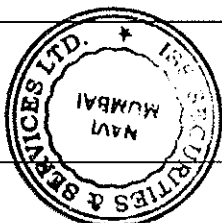
	Ms. Minu Mathew-----	50,000/- 40,000/-	40,000/-
-Commission			
- Others, please specify			
Total (B)(2)			1,40,000/-
Total (B)= (B)(1)+ (B)(2)			<u>1,40,000/-</u>

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

C.	REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER /WTD					
SR. No.	Particulars of Remuneration	Key Managerial Personnel				Total
1	Gross Salary	CEO	Company Secretary	CFO	Total	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.					
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	as % of profit					
	others, specify					
5	Others, please specify					
	Total					

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

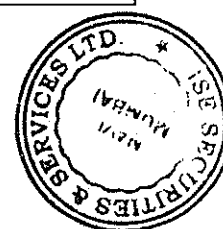
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					



B. DIRECTORS	
Penalty	
Punishment	
Compounding	
C. OTHER OFFICERS IN DEFAULT	
Penalty	
Punishment	
Compounding	

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**AUDITORS' REPORT,
ANNUAL FINANCIAL STATEMENTS
& NOTES FORMING PART OF
FINANCIAL STATEMENTS**

2015-2016

**ISE SECURITIES & SERVICES
LIMITED**

**(Wholly-owned subsidiary of
Inter-Connected Enterprises Limited)**

INDEPENDENT AUDITOR'S REPORT

To the Members of ISE SECURITIES & SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **ISE Securities & Services Limited ('the Company')**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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



INDEPENDENT AUDITOR'S REPORT

To the Members of ISE SECURITIES & SERVICES LIMITED

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

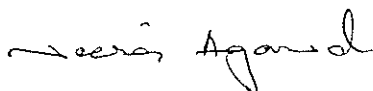
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

INDEPENDENT AUDITOR'S REPORT

To the Members of ISE SECURITIES & SERVICES LIMITED

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards notified 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 March 31st, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
- (f) Considering the size and nature of operation of the company, appropriate Internal Financial controls are in place, however the Company is still in the process of designing and documenting the Internal Financial controls as per the requirements of sub section (3) of Section 143 of Companies Act 2013, hence we are unable to comment upon operating effectiveness of the same; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements refer note 23 on Contingent Liabilities and Commitments to the standalone financials statements;
 - ii. The Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Nangia & Co.
Chartered Accountants
ICAI Firm Registration No. 002391C



(Neeraj Agarwala)

Partner

Membership No. 111966

Place: Mumbai

Date: 19/05/2016

INDEPENDENT AUDITOR'S REPORT

To the Members of ISE SECURITIES & SERVICES LIMITED

Annexure to Independent Auditors' Report for the period ended 31st March, 2016

[Referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, we report that:

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of the fixed assets.
- b) The fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us, there is no immovable property held by the Company. Accordingly the provisions of clause (i) (c) of paragraph 3 of the Order is not applicable.
- (ii) The Company did not have any inventory during the current financial year. Accordingly the provisions of clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the Register maintained under Section 189 of the Act. Accordingly the provisions of clause (iii) (a) to (c) of paragraph 3 of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loan to Directors or persons connected with them as per the provisions mentioned in section 185 of the Act.

According to the information and explanations given to us, the Company has not made investments, guarantees in other bodies corporate as per the provisions of section 186 of the Companies Act, 2013. Accordingly the provision of Section 186 of the Act is not applicable.



INDEPENDENT AUDITOR'S REPORT

To the Members of ISE SECURITIES & SERVICES LIMITED

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any products of the Company under Section 148 of the Act and the rules framed there under.
- (vii) a) The Company is regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund, income tax, service tax, cess and any other material statutory dues applicable to it. As explained to us, the provisions regarding employees' state insurance, sales tax, duty of customs, duty of excise and value added tax are presently not applicable to the Company. No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, there are no dues outstanding with respect to income tax, service tax, cess and any other material statutory dues on account of any disputes except, as stated hereunder:

Name of Statute	Nature of Dues	Amount (in INR)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and Interest	5,84,000	FY 2008-2009 (AY 2009-2010)	Dy. Commissioner of Income Tax - 4(1), Mumbai
	Income tax and Interest	56,75,640	FY 2009-2010 (AY 2010-2011)	Income Tax Appellate Tribunal, Mumbai
	Income tax and Interest	11,95,050	FY 2012-2013 (AY 2013-2014)	Dy. Commissioner of Income Tax - 4(1)(1), Mumbai



INDEPENDENT AUDITOR'S REPORT

To the Members of ISE SECURITIES & SERVICES LIMITED

Service tax governed by Chapter V and VA [Section 64 to 96(I)] of the Finance Act, 1994	Service tax liability - wrong availment of cenvat credit	69,00,559	FY 2008-09 to FY 2013-14	Asstt. Commissioner DIV-V, Service Tax - VII, Mumbai
	Service tax liability	3,69,494	FY 2013-14	Asstt. Commissioner Service Tax (Audit-III), Mumbai
	Service tax liability	1,04,75,937	October 2004 to March 2013	High Court, Mumbai

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government and debenture holders during the year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the provisions of Section 177 of the Act read with rule 6 of Companies (Meetings of Board and its powers) Rules, 2014 is not applicable to the Company.

According to the information and explanations given to us, all transaction with related parties are in compliance with provisions of Section 188 of the Act and details have been disclosed in the financial statements as required by the Accounting Standards.

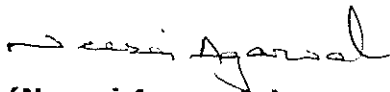


INDEPENDENT AUDITOR'S REPORT

To the Members of ISE SECURITIES & SERVICES LIMITED

- (xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 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 Nangia & Co.
Chartered Accountants
ICAI Firm Registration No. 002391C


(Neeraj Agarwala)
Partner
Membership No. 111966



Place: Mumbai
Date: 19/05/2016

ISE SECURITIES & SERVICES LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

Amount in Rs

Particulars	Note #	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	5,50,00,000	5,50,00,000
Reserves and surplus	3	9,27,79,576	8,90,04,544
		14,77,79,576	14,40,04,544
Non-current liabilities			
Long-term provisions	4	39,55,492	34,19,831
		39,55,492	34,19,831
Current liabilities			
Trade payables	5	40,39,18,191	45,10,64,352
Other current liabilities	6	89,70,284	97,94,945
Short-term provisions	7	-	25,74,600
		41,28,88,475	46,34,33,896
Total		56,46,23,543	61,08,58,271
ASSETS			
Non-current assets			
Fixed assets	8		
Tangible assets		8,07,649	14,67,660
Intangible assets		-	23,81,722
Capital work-in-progress		13,20,675	13,20,675
Non-current investments	9	67,10,005	67,10,005
Deferred tax assets (net)	10	48,75,727	55,33,301
Other non-current assets	11	6,84,59,815	6,65,97,307
		8,21,73,871	8,40,10,670
Current assets			
Trade receivables	12	13,77,00,199	12,46,10,501
Cash and cash equivalents	13	33,78,15,147	39,42,71,280
Short-term loans and advances	14	-	7,663
Other current assets	15	69,34,326	79,58,157
		48,24,49,672	52,68,47,601
Total		56,46,23,543	61,08,58,271

Significant Accounting Policies
Notes to the Accounts

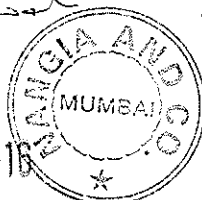
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2 to 31

Auditor's Report

"As per our separate report of even date"

FOR NANGIA & CO.
CHARTERED ACCOUNTANTS
FRN No. 002391C

Neeraj Agarwala
F. C. A. Partner
MRN 111966
Mumbai
Date: 19 MAY 2016



Mayank Mehta
Company Secretary

FOR AND ON BEHALF OF
ISE SECURITIES & SERVICES LIMITED

Sivaraman K M
Whole Time Director & CEO
DIN. 02961895
Navi Mumbai
Date: 18 MAY 2016

Manubhai Parekh
Director
DIN. 00068992
Navi Mumbai
Date: 18 MAY 2016



ISE SECURITIES & SERVICES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2016

Amount in Rs

Particulars	Note No.	For the year ended on March 31, 2016	For the year ended on March 31, 2015
Incomes			
Revenue from operations	16	4,19,62,518	4,62,37,062
Other income	17	3,17,03,655	4,26,40,875
Total Revenue		7,36,66,173	8,88,77,937
Expenses			
Employee benefits expense	18	3,32,49,034	3,63,37,108
Finance costs	19	-	2,014
Depreciation and amortization expense	8	31,28,182	42,07,731
Other expenses	20	3,12,96,351	3,68,22,628
Total Expenses		6,76,73,567	7,73,69,481
Profit before exceptional and extraordinary items and tax		59,92,606	1,15,08,456
Exceptional items		-	-
Profit before extraordinary items and tax		59,92,606	1,15,08,456
Extraordinary Items		-	-
Profit before tax		59,92,606	1,15,08,456
Tax expense:			
Current tax		(15,60,000)	(38,00,000)
Tax related to previous years		-	-
Deferred tax		(6,57,574)	2,54,683
Profit (Loss) for the period from continuing operations		37,75,032	79,63,139
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-
Profit (Loss) for the period		37,75,032	79,63,139
Earnings per equity share:			
Basic		0.69	1.45
Diluted		0.69	1.45

Significant Accounting Policies
Notes to the Accounts

1
2 to 31

Auditor's Report

"As per our separate report of even date"

FOR NANGIA & CO.
CHARTERED ACCOUNTANTS
FRN No. 002391C

Neeraj Agarwal
F. C. A. Partner
MRN 111966
Mumbai
Date: 19 MAY 2016

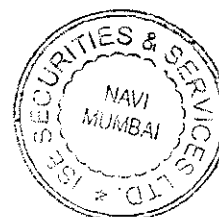


Mayank Mehta
Company Secretary

FOR AND ON BEHALF OF
ISE SECURITIES & SERVICES LIMITED

Sivaraman K M
Whole Time Director & CEO
DIN. 02961895
Navi Mumbai
Date: 18 MAY 2016

Manubhai Parekh
Director
DIN. 00068992
Navi Mumbai
Date: 18 MAY 2016



ISE SECURITIES & SERVICES LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2016

Amount in Rs

Particulars	For the year ended on March 31, 2016	For the year ended on March 31, 2015
Cash flows from operating activities		
Net profit after tax and extraordinary items	37,75,032	79,63,139
Adjustments for:		
-Depreciation	31,28,182	42,07,731
-Dividend Income	(11,05,000)	(5,20,000)
-Provisions for doubtful debts	9,96,635	10,22,642
-Excess Provision Written Back	(7,03,840)	(54,67,184)
-Gain/Loss on sale of fixed assets, net	-	2,014
-Interest income/Interest expense	-	(18,200)
-Tax expense	22,17,574	35,45,317
Operating Profit/(Loss) before working capital changes	83,08,583	1,07,35,459
Adjustments for changes in working capital		
(Increase)/Decrease in Other Non Current Assets	10,00,000	5,50,000
(Increase)/Decrease in trade receivables	(1,36,07,533)	(4,34,00,320)
(Increase)/Decrease in short term loans & advances	7,663	70,031
(Increase)/Decrease in other current assets	10,23,832	59,59,593
Increase/(Decrease) in trade payables	(4,69,21,121)	2,96,83,601
Increase/(Decrease) in other current liabilities	(8,24,661)	(94,93,989)
Increase/(Decrease) in short term provisions	(25,74,600)	(16,48,375)
Increase/(Decrease) in long term provisions	5,35,661	17,54,869
Cash generated from operations before tax & extra ordinary items	(5,30,52,176)	(57,89,131)
Less: Taxes Paid	(44,22,508)	(54,09,636)
Net cash generated from/ (used in) operating activities (A)	(5,74,74,684)	(1,11,98,767)
Cash flows from investment activities		
-Purchase of fixed assets	(86,449)	(3,12,055)
-Sale proceeds of fixed assets	-	18,200
-Dividend Income	11,05,000	5,20,000
Net cash generated from/ (used in) investing activities (B)	10,18,551	2,26,145
Cash flows from financing activities		
-Interest paid	-	(2,014)
Net cash generated from/ (used in) financing activities (C)	-	(2,014)
Net increase/(decrease) in cash/cash equivalents (A+B+C)	(5,64,56,133)	(1,09,74,636)
Cash and Cash Equivalents at beginning of the year	39,42,71,280	40,52,45,915
Cash and Cash Equivalents at end of the year	33,78,15,147	39,42,71,280

Notes

1) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.

2) Cash and Cash Equivalents at the end of the year consist of Cash, Cheques in Hand, Fixed Deposits and Balances with Banks.

Amount in Rs

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
Cash in Hand		-	-
Cheques in Hand		-	-
Fixed Deposits		26,95,50,000	33,66,50,000
Balances with Banks		6,82,65,147	5,76,21,280
		33,78,15,147	39,42,71,280

Significant Accounting Policies

Notes to the Accounts

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2 to 31

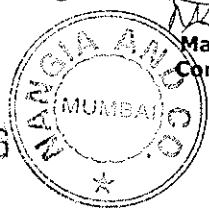
Auditor's Report

"As per our separate report of even date"

FOR NANGIA & CO.
CHARTERED ACCOUNTANTS
FRN No. 002391C

Neeraj Agarwala
F. C. A. Partner
MRN 111966
Mumbai

Date: 19 MAY 2016



Mayank Mehta
Company Secretary



FOR AND ON BEHALF OF
ISE SECURITIES & SERVICES LIMITED

Sivaraman K M
Whole Time Director & CEO
DIN. 02961895
Navi Mumbai
Date: 18 MAY 2016

Manubhai Parekh
Director
DIN. 00068992
Navi Mumbai
Date: 18 MAY 2016

ISE Securities & Services Limited

Significant accounting policies and notes to the accounts for the year ended on March 31, 2016

Background

ISE Securities & Services Limited ("the Company or ISS") was incorporated under the Companies Act, 1956 on January 18, 2000. ISE Securities & Services Ltd, a wholly owned subsidiary of Inter - Connected Enterprises Ltd. ("ISE") [f.k.a Inter - Connected Stock Exchange Of India Ltd.] is a trading-cum-clearing Member of National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd. ISS, by virtue of being a subsidiary of ISE (a proposed stock exchange), cannot trade on its own account and can only allow trading to its sub-brokers and authorized persons, who are required to be stock brokers of the holding Company [i.e., ISE (a proposed stock exchange)]. However, w.e.f. 08.12.2014, the date on which SEBI has passed an order approving Exit route of ISE, the said entity is no longer a stock exchange and therefore ISS remains normal subsidiary company and normal broking entity who can trade of its own and can also directly do the trades on behalf of clients. As at March 31, 2016, ISE and its nominees hold 100 percent of the equity share capital of the Company. The Company is an active member of the capital market and futures & options segments of NSE & an active member of the equities segment of BSE.

1 Significant accounting policies

a Method of Accounting

The financial statements have been prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis of accounting except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified) and the relevant provisions of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. ISS is currently looking out for a prospective buyer for a buy out option and the management confirms to continue the broking business. The financials are therefore prepared under the going concern assumption.

b Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles ("GAAP") in India requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, assets and liabilities and disclosures relating to contingent assets & contingent liabilities as of the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include estimates of income taxes, employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of fixed assets. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current & future periods.

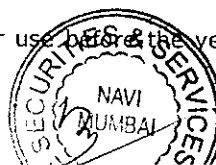
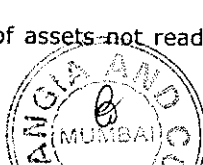
c Revenue recognition

- i) Brokerage income, fines and penalties are recognized for all settlements completed during the year, with respect to funds pay-in and pay-out. Brokerage income received from sub-brokers is net of service tax, stamp duty and transaction charges.
- ii) Interest, Networking Recoveries, Annual Fees and Other incomes are accounted for on an accrual basis based on certainty of recovery.
- iii) Income from Depository Activities is recognized where there is a reasonable certainty of recovery. Maintenance charges are recognized on pro rata basis from the date of charging till the year end. Transaction charges are recognized on the execution of instruction slips.

d Fixed Assets

Tangible Assets

- i) Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation. The actual cost capitalized includes material cost, freight, installation costs, duties and taxes, finance charges and other incidental expenses incurred during the construction / installation stage.
- ii) Fixed assets, if any, retired from active use or held for disposal are stated at lower of costs (net of accumulated depreciation) or estimated net realizable value.
- iii) Fixed assets under construction and cost of assets not ready for use at the year-end, are disclosed as capital work in progress.



Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

e Depreciation and Amortization

- i) Depreciation on tangible fixed assets except leasehold improvement is charged on the Straight Line Method over their estimated useful lives as prescribed under Schedule II to the Companies Act, 2013. However if the management's estimate of the useful life of the asset is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of useful/remaining life. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year except for Computer Equipment's, Networking Equipment's, Mobile Phones and Computer Software, where these assets are depreciated fully from the year of purchase/acquisition.
- ii) Depreciation on Intangible assets is charged on the Straight Line Method over a period of three years from the year of purchase/acquisition.

Asset	Useful life (in yrs.)
<u>Tangible Assets</u>	
Office Equipment's	5
Computer Equipment's	3
Networking Equipment's	2
Mobile Phones	1
Furniture & Fixtures	10
<u>Intangible Assets</u>	
Goodwill	3
Computer Software	3

- iii) The Management does not expect any re-sale value on fixed assets after the end of useful life and therefore, have considered the scrap value for all assets as NIL.

f Leases***Operating lease***

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss.

g Borrowing costs

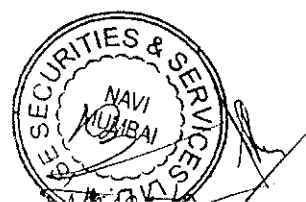
Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

h Impairment of tangible and intangible assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount.

Recoverable amount is higher of an asset's net selling price, and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.



i Investments

Investments are either classified as long term or current investments, based on management's intention at the time of purchase. Long-term investments are stated at cost and provision is made to recognise any decline, other than temporary, determined separately for each investment. Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Long-term investments are stated at cost after deducting provision, if any, made for decline, other than temporary, in the values.

j Securities in Hand

Securities in hand, if any, represent the securities transferred/ acquired as a result of auctions, defaults, system errors, operational mistakes and similar transactions. Securities in hand are valued at acquisition cost or market value, whichever is lower.

k Taxes on Income

Provision for current income tax is made on the tax liability payable on the taxable income after considering tax allowances, deductions and exemptions, determined in accordance with the prevailing tax laws.

Deferred tax assets and liabilities are recognized for timing difference between profit as per financial statements and the taxable profit that originate in one period and are capable of reversal in one or more subsequent periods, based on the tax rate that may have been enacted or substantively enacted at the Balance Sheet date. Deferred tax asset, subject to consideration of prudence and reasonable certainty, are recognized and carried forward only to the extent that the same can be realized.

l Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period.

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 are adjusted for the effects of all dilutive potential equity shares.

m Accounting for Provisions, Contingent Liabilities and Contingent Assets

As per the Accounting Standard - 29, norms for provisions, contingent liabilities and contingent assets, the Company recognizes provisions only when it has a present obligation as result of past event, only when it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation and a reliable estimate of the amount of the obligation can be made.

No provision is recognized for any possible obligation that arises from past events and the existence of which will be confirmed only by that occurrence or non- occurrence of one or more uncertain future events, not wholly within the control of the Company.

n Employees Benefits

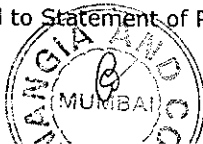
The Company's obligations towards various employee benefits have been recognized as follows:

Short-term employee benefits

All employee benefits payable within twelve months of rendering service are classified as short-term employee benefits. Benefits such as salaries, allowances, short-term compensated absences and the expected cost of other benefits is recognised in the period in which the employee renders the related service.

Post employment benefits:

Defined contribution plans: The Company's Provident Fund is a defined contribution plan where the contribution paid/ payable under the scheme is recognised as an expense in the period in which the employee renders the related service. The Company's contributions towards Provident Fund deposited with the Regional Provident Fund Commissioner are charged to Statement of Profit and Loss.



ISE Securities & Services Limited

Significant accounting policies and notes to the accounts for the year ended on March 31, 2016

Defined Benefit plans: The Company's gratuity scheme is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried at the yearend using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

The Contribution towards gratuity is made to an employees' trust which makes payment to a scheme administered by Life Insurance Corporation of India

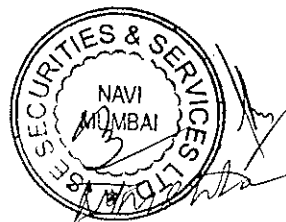
• Other long term benefits:

Benefits under the Company's leave encashment constitute other long term employee benefits, recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. Estimated liability on account of these benefits is actuarially determined based on the projected unit credit method using the yield on government bonds, as on the date of the balance sheet, as the discounting rate. Actuarial gains and losses are charged to the Statement of Profit and Loss.

Accumulated Leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The company measures the expected cost of such expenses as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company treats accumulated leave expected to be carried forward beyond 12 months, as long term employee benefits for measurement purpose. Such long term compensated absences are provided for based on the actuarial valuation using projected unit credit method at the year end.

o Cash Flow Statement

The cash flow statement has been prepared by using Indirect Method in accordance with the requirements of "Accounting Standard -3 Cash Flow Statement".



2 Share Capital

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Authorized Capital 60,00,000 Equity Shares of Rs 10/- each (Previous year 60,00,000 Equity Shares of Rs 10/- each)	6,00,00,000	6,00,00,000
Issued, Subscribed and Paid up: 55,00,000 Equity Shares of Rs 10/- each fully paid up (Previous year 55,00,000 Equity Shares of Rs 10/- fully paid up)	5,50,00,000	5,50,00,000
Total	5,50,00,000	5,50,00,000

a) Shares held by holding/ultimate holding company and/or their subsidiaries/associates:

Particulars	As at March 31, 2016	As at March 31, 2015
Inter - Connected Enterprises Ltd. (f.k.a Inter - Connected Stock Exchange Of India Ltd.)	55,00,000	55,00,000

b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period is as given below

Particulars	As at March 31, 2016	As at March 31, 2015
Shares outstanding at the beginning of the year	55,00,000	55,00,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	55,00,000	55,00,000

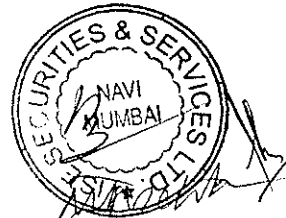
c) *Terms/rights attached to equity shares :*

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay an amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

d) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held is as given below:

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	% Holding	No. of Shares	% Holding
Inter - Connected Enterprises Ltd. (f.k.a Inter - Connected Stock Exchange Of India Ltd.), Holding Company	55,00,000	100%	55,00,000	100%

e) The Company has not allotted any fully paid up equity shares without payment being received in cash and by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.



3 Reserves and Surplus

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
General Reserve		
Opening Balance	3,05,35,000	3,05,35,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	3,05,35,000	3,05,35,000
Surplus		
Opening balance	5,84,69,544	5,10,50,634
(+) Net Profit/(Net Loss) For the current year	37,75,032	79,63,139
(-) Assets charged to opening reserve [net of deferred tax]	-	(5,44,229)
(-) Transfer to Reserves	-	-
Closing Balance	6,22,44,576	5,84,69,544
Total	9,27,79,576	8,90,04,544

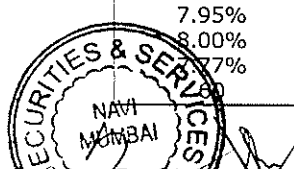
4 Long Term Provisions

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Gratuity Payable (refer note 4.1)	28,49,728	20,91,793
Provision for Leave Encashment	11,05,764	13,28,038
Total	39,55,492	34,19,831

4.1 Employee Benefits

The following table sets out the disclosure in respect of defined benefit plans with regards to Gratuity as required under AS 15 Employee Benefits:

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:		
Obligations as at April 1, 2015	56,49,580	41,10,143
Service Cost	7,30,086	5,92,676
Interest cost	4,89,234	4,32,295
Liabilities Assumed on Acquisition/ (Settled on divestiture)	1,60,338	-
Benefits settled	(9,17,146)	(3,71,919)
Actuarial (gain)/loss	(78,284)	8,86,385
Obligations As at March 31, 2016	60,33,808	56,49,580
Change in plan assets		
Plans assets as at April 1, 2015, at fair value	35,57,787	33,49,950
Expected return on plan assets	3,17,677	2,90,295
Actuarial gain/(loss)	(67,658)	(28,893)
Contributions	1,33,082	3,18,354
Assets Acquired on Acquisition/ (Distributed on divestiture)	1,60,338	-
Benefits paid	(9,17,146)	(3,71,919)
Plans assets As at March 31, 2016, at fair value	31,84,080	35,57,787
Reconciliation of present value of the obligation and the fair value of the plan		
Present value of the defined benefit obligations, As at March 31, 2016	60,33,808	56,49,580
Fair value of plan assets, As at March 31, 2016	(31,84,080)	(35,57,787)
(Asset)/Liability recognized in the balance sheet	28,49,728	20,91,793
Costs for the year		
Current service cost	7,30,086	5,92,676
Interest cost	4,89,234	4,32,295
Expected return on plan assets	(3,17,677)	(2,90,295)
Actuarial (gain)/loss	(10,626)	9,15,278
Net costs	8,91,017	16,49,954
Assumptions		
Interest rate	7.95%	7.90%
Discount factor	8.00%	8.00%
Estimated rate of return on plan assets	7.77%	7.77%
Salary Increase		60
Retirement age		



ISE Securities & Services Limited

Significant accounting policies and notes to the accounts for the year ended on March 31, 2016

Experience Adjustments

Particulars	Amount in Rs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Defined Benefit Obligation	60,33,808	56,49,580
Plan Assets	31,84,080	35,57,787
Surplus/(Deficit)	(28,49,728)	(20,91,793)
Exp. Adj. on Plan Liabilities	(40,202)	62,189
Exp. Adj. on Plan Assets	(67,658)	(28,893)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2014
Defined Benefit Obligation	15,71,896	22,31,443	41,10,143
Plan Assets	12,03,013	16,25,321	33,49,950
Surplus/(Deficit)	(3,68,883)	(6,06,122)	(7,60,193)
Exp. Adj. on Plan Liabilities	24,190	(12,413)	3,83,263
Exp. Adj. on Plan Assets	12,954	16,417	76,827

5 Trade Payables

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Exchange Liability	15,84,973	13,81,299
Settlement Obligations to Sub-Brokers/Clients/Authorised person	30,22,44,811	34,53,59,362
Sub Brokers Margin-BSE	3,74,78,447	3,57,92,288
Sub Brokers Margin-NSE	6,26,09,960	6,83,90,218
Settlement Obligation to/from Clearing House	-	1,41,184
Total	40,39,18,191	45,10,64,352

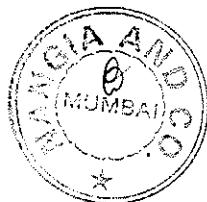
- 5.1. Trade payables are due in respect of goods and services received in the normal course of business.
- 5.2. The Company has not received intimation from suppliers regarding the status under Micro Small and Medium Enterprises Development Act, 2006 and based on the information available with the Company there are no dues to Micro, Small and Medium Enterprises Development Act, 2006.

6 Other Current Liabilities

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Clients/Corporate Benefits	39,328	-
Expenses Payable	19,87,858	17,77,833
Other Liability	41,53,997	53,11,345
Statutory Dues	27,89,101	27,05,766
Total	89,70,284	97,94,945

7 Short Term Provisions

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Provision for Bonus	-	25,00,000
Provision for employee benefits	-	74,600
Total	-	25,74,600



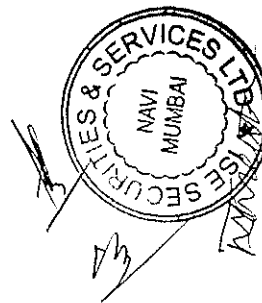
ISE Securities & Services Limited
Significant accounting policies and notes to the accounts for the year ended on March 31, 2016

8 Fixed Assets

PARTICULARS	G R O S S B L O C K			D E P R E C I A T I O N / AMORTISATION				N E T B L O C K	
	As at April 1, 2015	Additions	Sales/ Adjustments	As at March 31, 2016	For the year	Sales/ Adjustments	Asset charged to opening reserve	As at March 31, 2016	As at March 31, 2015
Tangible Assets									
Furniture & Fixtures	13,24,421	-	-	13,24,421	1,68,909	-	-	3,31,340	5,00,249
Office Equipment	42,44,301	30,799	-	42,75,100	4,74,794	-	-	4,13,307	8,57,302
Computers Equipment	53,26,900	55,650	-	53,82,550	1,02,757	-	-	63,002	1,10,109
	1,08,95,622	86,449	-	1,09,82,071	7,46,460	-	-	8,07,649	14,67,660
Intangible Assets									
Computer Software	1,76,63,565	-	-	1,76,63,565	-	-	-	-	-
Goodwill	71,45,168	-	-	71,45,168	23,81,722	-	-	-	23,81,722
	2,48,08,733	-	-	2,48,08,733	23,81,722	-	-	-	23,81,722
	13,20,675	-	-	13,20,675	-	-	-	13,20,675	13,20,675
Capital WIP [refer note 8.2.]	3,70,25,030	86,449	-	3,71,11,479	31,28,182	-	-	21,28,323	51,70,056
TOTAL	3,67,72,325	3,12,055	59,350	3,70,25,030	42,07,731	59,350	8,13,045	51,70,056	98,78,778
Previous year									

8.1. Pursuant to "AS28- Impairment of Asset" issued by the central Government under the Companies (Accounting Standard) Rule 2006 for determining impairment in carrying amount of fixed asset, the companies has concluded that since recoverable amount of fixed asset is not less than its carrying amount, therefore, no provision for impairment is required in respect of fixed assets owned by the company.

8.2. Capital WIP consists of advance payments made towards development of software for Margin funding, MCX Cash and Derivative segment and BSE Derivative segment. The advances were paid in 2014, however, the development of software is on hold. The management expects to complete the development of its software in next financial year.



9 Non Current Investments

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Bombay Stock Exchange Limited, Mumbai <i>[130,000 Equity Shares of face value Re 1 fully paid of Bombay Stock Exchange Limited (Previous Year 130,000 equity shares)]</i>	67,10,005	67,10,005
Total	67,10,005	67,10,005
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	67,10,005	67,10,005

- 9.1. During the financial year 2004-05, the Company had acquired the corporate membership of Bombay Stock Exchange Limited at a cost of Rs 67,10,005. As per its entitlement the Company had subscribed to and was allotted 10,000 shares of face value Re 1 each. During the financial year 2008-09, the Company has been allotted 1,20,000 bonus shares in the ratio of 12:1. As these shares are unlisted, the value of this investment is shown at Cost. Management expects to realise at least the stated cost in full and no provision for diminution is required.

10 Deferred Tax Asset (NET)

As per the requirement of the Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, notified under Companies (Accounting Standard) Rules 2006, the net deferred tax asset debited is Rs 6,57,574/- *[Previous Year - Deferred Tax Assets credited Rs 2,54,683/-]*. The year-end position of Deferred Tax Liability and Asset is given below:

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Deferred Tax Assets		
Disallowance u/s 40a(ia)	-	-
Disallowance u/s 43B	12,22,247	19,57,274
Provision Disallowed	23,22,502	21,55,559
Related to Fixed Assets	13,30,978	14,20,468
Total (a)	48,75,727	55,33,301
Deferred Tax Liability		
Related to Fixed Assets	-	-
Disallowance under the Income Tax Act	-	-
Total (b)	-	-
Net deferred tax asset / (liability) - {(a) - (b)}	48,75,727	55,33,301
Total	48,75,727	55,33,301

11 Other Non Current Assets

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Unsecured - Considered Good, unless stated otherwise		
Deposit with Exchanges	4,99,25,000	4,99,25,000
Advance Tax/ Income Tax Refund <i>(Net of Provisions)</i>	1,47,80,269	1,19,17,761
Security Deposits	37,54,546	47,54,546
Total	6,84,59,815	6,65,97,307

12 Trade Receivables

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Debts outstanding for a period exceeding six months		
- Considered Good	1,50,81,689	75,58,882
- Considered Doubtful	68,02,152	61,29,035
Other Debts		
- Considered Good (settlement due from dealers)	12,26,18,510	11,70,51,618
- Considered Doubtful	3,70,358	46,840
	14,48,72,709	13,07,86,376
Less : Provision for Doubtful Debts	(71,72,510)	(61,75,875)
Total	13,77,00,199	12,46,10,501



ISE Securities & Services Limited

Significant accounting policies and notes to the accounts for the year ended on March 31, 2016

- 12.1. Trade Receivable represents settlement dues, dues recoverable on account of payment of funds/ securities and other charges receivable from Sub-brokers/ Authorized Persons and the end clients as at March 31, 2016. The Trade Receivable are secured by way of base and additional trading deposits, bank guarantees, fixed deposits and securities withheld. On the basis of the same Trade Receivable has been classified as good debts and doubtful debts. Out of Total trade receivables of Rs 14,48,72,709 the company has classified an amount of Rs 71,72,510/- as doubtful and provision is made. There is an addition in the current provision for doubtful debts by Rs 9,96,635.

13 Cash and Cash Equivalents

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
A) Cash & Cash Equivalents		
In Current Accounts	6,82,65,147	5,76,21,280
Bank Deposit having Maturity <3 Months	12,45,50,000	16,91,50,000
Cash on hand	-	-
B) Other Bank Deposit		
In deposit accounts	-	-
Bank Deposit having Maturity > 3 Months but <12 Months	14,00,00,000	16,52,00,000
Bank Deposit having Maturity >12 Months	50,00,000	23,00,000
Total	33,78,15,147	39,42,71,280

* Balances with banks include:

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Margin money	19,53,50,000	25,03,50,000
Security against borrowings	-	-
Guarantees	-	-
Other Commitments	6,92,00,000	8,00,00,000
Bank deposits with more than 12 months maturity	50,00,000	63,00,000
Total	26,95,50,000	33,66,50,000

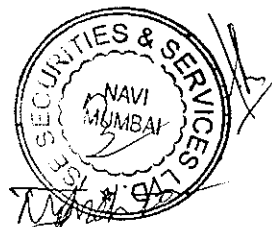
14 Short Term Loans & Advances

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Unsecured - Considered Good, unless stated otherwise		
Staff Advances	-	7,663
Total	-	7,663

15 Other Current Assets

Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Advances Recoverable in Cash or Kind	18,15,426	22,40,765
Provision for Doubtful Advances	(3,43,675)	(3,43,675)
	14,71,751	18,97,090
Balance with Government Authorities	4,13,213	3,05,193
Interest Accrued on Fixed Deposit with bank	26,56,216	37,06,104
Prepaid Expenses	19,35,556	20,49,771
Settlement Obligation to/from Clearing House	4,57,590	-
Total	69,34,326	79,58,157

- 15.1. As a matter of prudence, the management has made provision of Rs 1,59,524 towards SEBI registration fees recoverable and Rs 1,84,151 towards Insurance claim recoverable



ISE Securities & Services Limited

Significant accounting policies and notes to the accounts for the year ended on March 31, 2016

16 Revenue from operations

Particulars	Amount in Rs	
	For the year ended on March 31, 2016	For the year ended on March 31, 2015
Income from Depository Services	91,55,859	1,20,80,040
Other Operating Revenue	1,22,94,688	1,03,86,843
Brokerage Income	2,05,11,970	2,37,70,179
Total	4,19,62,518	4,62,37,062

17 Other Income

Particulars	Amount in Rs	
	For the year ended on March 31, 2016	For the year ended on March 31, 2015
Dividend Income on Long Term Investment	11,05,000	5,20,000
Excess Provision Written Back	7,03,840	27,29,686
Interest Income from Banks on Fixed Deposit	2,66,52,676	3,33,86,830
ISS Error & Omission - Income	-	5,25,685
Recovery of DP Charges	27,63,339	27,22,975
Profit on sale of asset	-	18,200
Bad Debt recovery	4,78,800	27,37,498
Total	3,17,03,655	4,26,40,875

18 Employee Benefits Expense

Particulars	Amount in Rs	
	For the year ended on March 31, 2016	For the year ended on March 31, 2015
Salary & Other Allowances [refer note 25(b)]	2,84,64,059	3,19,45,158
Contribution to Funds	22,99,229	22,39,776
Gratuity Expense	8,86,124	16,46,179
Staff Welfare Expenses	5,30,455	5,05,995
Leave Encashment *	10,69,167	-
Total	3,32,49,034	3,63,37,108

* The management has revised its leave encashment policy by reducing the leave entitlement credit period from 300 days to 75 days from FY 2015-2016. The management discharged the leave encashment over and above 75 days of all employees in the current financial year.

19 Finance Costs

Particulars	Amount in Rs	
	For the year ended on March 31, 2016	For the year ended on March 31, 2015
Interest on other than fixed loans	-	2,014
Total	-	2,014



ISE Securities & Services Limited

Significant accounting policies and notes to the accounts for the year ended on March 31, 2016

20 Other Expenses

Particulars	Amount in Rs	
	For the year ended on March 31, 2016	For the year ended on March 31, 2015
Annual Maintenance charges	5,23,870	5,32,229
Annual Maintenance charges for Networking Equipment	35,38,294	32,35,357
Board Meeting Expenses	2,40,056	5,23,267
Courier Charges	3,78,775	4,03,130
Demat charges	13,80,695	11,51,757
Director Sitting Fees	1,40,000	2,90,000
DP Incentive	6,52,918	7,45,710
Electricity Charges	28,67,598	24,35,991
Insurance Charges	3,570	73,818
Legal & Professional Fees	52,74,450	44,98,094
Management Fees to ISE	-	40,00,000
Membership Charges	1,33,039	1,74,500
Miscellaneous Expenses	22,22,656	20,69,846
Printing & Stationery	4,88,650	6,04,059
Provision for Doubtful Debts	9,96,635	10,22,642
Bad Debts written off	-	27,37,498
Reimbursement of Actual Expenses	-	1,69,435
Remuneration to Auditor	2,99,000	3,02,000
Rent, Rates & Taxes	77,68,604	74,91,506
Repairs & Maintenance	3,28,842	3,16,786
Security Charges	5,15,048	5,47,756
Telephone Expenses	7,03,122	6,40,629
VSAT, VPN and other Communication expenses	28,40,526	28,56,619
Total	3,12,96,351	3,68,22,628

21 Operating Lease: Company as Lessee

- (a) The Company has entered into operating lease arrangements for office space and CRD godown under operating lease arrangement. The lease have an average life between 3 to 5 years. The Company has not given straight line impact over the lease term as it expects to vacate the office premises before the end of lease term.

- (b) Total of minimum lease payments

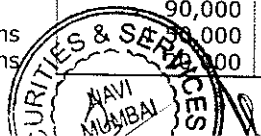
Particulars	Amount in Rs	
	For the year ended on March 31, 2016	For the year ended on March 31, 2015
(i) Total of minimum lease payments	85,96,398	1,35,25,815
The total of future minimum lease payments under non-cancellable		
Operating leases for period:		
Not later than one year	76,75,202	68,87,053
Later than one year and not later than five years	9,21,196	66,38,762
Later than five years	-	-

- (c) Lease payments recognized in the statement of profit & loss for the year

77,51,638	74,71,780
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- (d) Details of lease Deposit

Particulars	Period	Amount in Rs	
		For the year ended on March 31, 2016	For the year ended on March 31, 2015
Powerica Limited	5 Years	25,50,000	25,50,000
CRD Sanpada Godown	33 Months	1,00,000	1,00,000
Patna Branch Deposit	12 Months	34,000	34,000
Nagpur Branch	12 Months	60,000	60,000
Delhi Branch	3 Years	50,000	1,00,000
Coimbatore	-	90,000	90,000
Kolkata Branch	48 Months	50,000	1,50,000
Kolkata Godown	36 Months	20,000	20,000

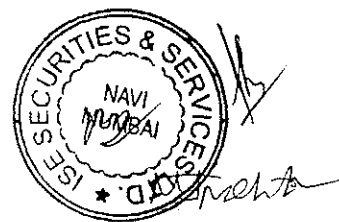


22 Payment to Auditors

Particulars	Amount in Rs	
	For the year ended on March 31, 2016	For the year ended on March 31, 2015
As Auditors'		
- Audit Fees	2,00,000	2,00,000
- Tax Audit Fees	75,000	75,000
In Other Capacity		
- Company Law Matters	-	-
- Other Matters	-	-
- Reimbursement of expenses	24,000	27,000
Total	2,99,000	3,02,000

23 Contingent Liabilities and Commitments

- 23.1. Claim against the company not acknowledged as debts amounting to NIL (Estimated) (Previous Year Rs 1,46,750/-).
- 23.2. The company has issued perpetual indemnity in favour of IndusInd Bank to the extent of Rs 30,00,000/- (Previous year Rs 30,00,000/-).
- 23.3. The company has received demands from the Income Tax Department for an amount of Rs 74,54,690/- (Previous year Rs 2,94,76,800/-) for various disallowances of expenditures relating to the various assessment years which have been disputed by the Company against which company expects refund amounting to Rs 1,03,84,060 (Previous year Rs 93,84,060/-) as determined by Income Tax department for various assessment years. The company has applied rectifications and filed appeals before higher authorities against the said orders. In the management view these demands are not tenable & accordingly no provision has been made.
- 23.4. The company has received show cause notices from Service Tax Department for availment of cenvat credit on input services and service tax demand on output services for the years 2007-08 to 2014-15. Total amount of cenvat credit disallowed is Rs 69,00,559/- (Previous year: Nil) and total amount of demand on output services tax liability amounting Rs 1,08,45,431 (Previous year: Nil). The company has filed appeals before higher authorities against the said orders. In the management view the demand raised by Service Tax Department is not tenable & accordingly no provision has been made.



24 Segment Information
24.1. Primary segment information:

The Company has two reportable segments viz. Broking segment & Depository Participant segment ('DP Segment'). Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

Secondary segment information:

The Company provides broking and DP services all over India and therefore, there is no secondary segment in relation to geography or location of customers.

24.2. Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

24.3. Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

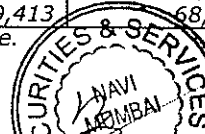
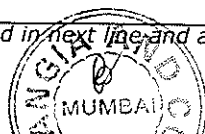
24.4. Primary Segment Information

<i>Amount in Rs</i>			
Particulars	Broking Segment	DP Segment	TOTAL
Segment Revenue	6,11,24,520	1,25,41,653	7,36,66,173
	<i>7,38,03,293</i>	<i>1,50,74,645</i>	<i>8,88,77,937</i>
Segment Expenses	4,94,85,356	1,15,83,048	6,10,68,404
	<i>5,72,44,761</i>	<i>1,37,81,250</i>	<i>7,10,26,012</i>
Segment result	1,16,39,164	9,58,605	1,25,97,769
	<i>1,65,58,531</i>	<i>12,93,395</i>	<i>1,78,51,926</i>
Unallocable expenses			66,05,163
			<i>63,43,470</i>
Profit before Tax			59,92,606
			<i>1,15,08,456</i>
Taxes			(22,17,574)
			<i>(35,45,317)</i>
Profit after Tax			37,75,032
			<i>79,63,139</i>

24.5. Other Information

<i>Amount in Rs</i>			
Particulars	Broking Segment	DP Segment	TOTAL
Segment Assets	52,54,04,356	1,95,63,191	54,49,67,547
	<i>57,50,34,783</i>	<i>1,46,17,880</i>	<i>58,96,52,663</i>
Unallocable Corporate Assets	-	-	1,96,55,996
			<i>2,12,05,608</i>
Segment Liability	40,94,35,329	34,53,146	41,28,88,475
	<i>45,74,11,603</i>	<i>34,47,693</i>	<i>46,08,59,296</i>
Unallocated Corporate Liability			39,55,492
			<i>59,94,431</i>
Depreciation and amortisation	30,59,818	68,365	31,28,183
	<i>41,39,413</i>	<i>68,318</i>	<i>42,07,731</i>

Note: Previous year figures are provided in next line and are in italics type.



ISE Securities & Services Limited

Significant accounting policies and notes to the accounts for the year ended on March 31, 2016

25 Related Party Disclosures

As per accounting standard 18 on "Related party Disclosure" issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related party is as under:

Nature of Relationship and Names of related parties

(a) Related Party where control exists

Inter - Connected Enterprises Ltd.

Mr. Sivaraman K M- Chief Executive Officer & Whole Time Director

Holding Company

Key Managerial Personnel

(b) Transactions with Related Parties

Particulars	Amount in Rs	
	For the year ended on March 31, 2016	For the year ended on March 31, 2015
Expenses		
<u>Holding Company</u>		
Management Fees (inclusive of service tax)	-	44,94,400
Reimbursement of Expenses	7,55,412	1,87,215
<u>Key Managerial Personnel</u>		
Managerial Remuneration*	32,64,679	29,48,618
Reimbursement of expenses	1,27,454	1,34,001
<u>Equity</u>		
Holding Company	5,50,00,000	5,50,00,000
<u>Balance Receivable/(Payable)</u>		
Holding Company	5,48,937	13,25,293
Key Managerial Personnel	-	-

* Managerial Remuneration is paid as prescribed under Section II of Schedule V of the Companies Act, 2013

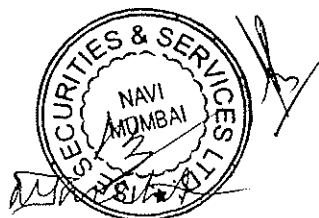
26 Earning Per Share

Particulars	Reference	Amount in Rs	
		For the year ended on March 31, 2016	For the year ended on March 31, 2015
A Net profit/ (Loss) attributable to equity shareholders (Rs.)	A	37,75,032	79,63,139
B Weighted Average Number of Equity Shares outstanding	B	55,00,000	55,00,000
C Face Value per Share (Rs.)	C	10	10
D Basic Earnings/(Loss) per equity shares (Rs.)	A/B	0.69	1.45
E Diluted Earnings/ (loss) per equity shares (Rs.)	A/B	0.69	1.45

- 27** The accounts of certain Trade Receivables, Trade Payables, Short/Long Term Loans and Advances, Other Current Assets and Current Liabilities and are subject to confirmation / reconciliation and adjustment, if any. The Management does not expect any material difference affecting the current year's financial statements.

In the opinion of the management, the current assets, loans and advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities have been adequately made in the books of accounts.

- 28** Client Obligations and balance in the Dividend Client Account, Deposits are subject to confirmation and reconciliation. Necessary effects if any will be given upon completion of the reconciliation. In opinion of the management, effect if any on completion of reconciliation will not be material in nature.



ISE Securities & Services Limited

Significant accounting policies and notes to the accounts for the year ended on March 31, 2016

- 29 The company has not been able to compile the details of vendor's status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The Company contends that no overdue amounts along with interest have been payable to enterprise covered under MSMED Act and generally payments are made to vendors within the stipulated time/agreed credit terms.

Information pursuant to the provisions of Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

During the year company has not paid any interest in terms of the section 18 of the above mentioned act.

No principal amount or interest amount are due at the end of this accounting year which is payable to any Micro, Small or Medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

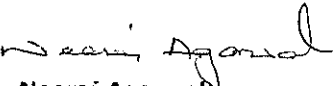
- 30 The Company has prepared these financial statements as per the format prescribed by Schedule III to the Companies Act, 2013 ('the schedule') issued by Ministry of Corporate Affairs. The Current Year refers to the period April 01, 2015 to March 31, 2016. (Previous year refers to April 01, 2014 to March 31, 2015).
- 31 All Figures are in Indian Rupees.

Auditor's Report

"As per our separate report of even date"

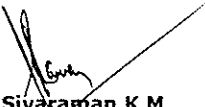
FOR NANGIA & CO.
CHARTERED ACCOUNTANTS
FRN No. 002391C


FOR AND ON BEHALF OF
ISE SECURITIES & SERVICES LIMITED


Neeraj Agarwala
F. C. A. Partner
MRN 111966
Mumbai
Date: 19 MAY 2016




Mayank Mehta
Company
Secretary


Sivarajman K M
Whole Time Director & CEO
DIN. 02961895
Navi Mumbai
Date: 18 MAY 2016


Manubhai Parekh
Director
DIN. 00068992
Navi Mumbai
Date: 18 MAY 2016

