

16th ANNUAL REPORT

2014-2015

**ISE SECURITIES & SERVICES
LIMITED**

(Wholly-owned subsidiary of ISE)

DIRECTORS' REPORT

2014-2015

**ISE SECURITIES & SERVICES
LIMITED**

(Wholly-owned subsidiary of ISE)

BOARD OF DIRECTORS

Shri Manubhai K. Parekh, Director

Shri George Joseph, Director

Ms. Minu Mathew, Shareholder Representative Director

Shri Sweedin Satav, Additional Director (Appointed w.e.f. April 23, 2015)

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

SECRETARIAL AND LEGAL

Shri Mayank Mehta, Company Secretary & Compliance Officer

AUDIT COMMITTEE

Shri Manubhai K. Parekh, Public Representative Director, Chairman of the committee

Ms. Minu Mathew, Shareholder Representative Director

Shri Ashish Parikh, Shareholder Representative Director (Ceased to be member w.e.f. August 18, 2014)

Shri Udai Kumar, Director (Nominee of Inter-connected Stock Exchange of India Limited)
(Ceased to be member w.e.f. December 20, 2014)

STATUTORY AUDITORS

M/s. Nangia & Co., Chartered Accountants

INTERNAL AUDITORS

M/s. Haribhakti & Co., 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

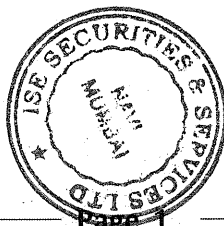
Vashi, Navi Mumbai – 400703

CORPORATE & CORRESPONDENCE OFFICE

6th Floor, 601, "Dakshna",

Next to Raigad Bhavan

Sector – 11, CBD Belapur, Navi Mumbai - 400614



ISE SECURITIES & SERVICES LIMITED

DIRECTORS' REPORT 2014-15

Dear Members,

The Directors are pleased to present the Sixteenth Annual Report and the Company's audited financial statement for the Financial Year ended March 31, 2015.

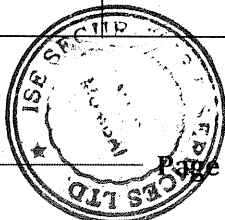
1. FINANCIAL PERFORMANCE

The Company's financial performance, for the year ended March 31, 2015 has posted net profit of Rs.82.31Lakhs. The Company earned a total income of Rs.888.78 lakhs during the year, compared to Rs.1048.31 lakhs during the previous year. Expenditure before depreciation, interest and tax during the year under review stood at Rs.731.60 lakhs, compared to Rs.737.05 lakhs during the preceding year. After considering interest, finance charges and depreciation, the increase of income over expenditure for the year 2014-15 was Rs.115.08lakhs as compared to Rs.273.23 `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 **					
	14-15	13-14	12-13	11-12	10-11
Income					
Net Operational Income	298.45	324.23	241.00	358.60	351.51
Interest	333.87	503.30	545.95	517.10	492.92
Networking Recoveries	29.52	46.41	56.57	68.41	83.65
Annual Fees	13.60	20.95	23.45	20.85	21.85
Exceptional Items	0.00	00.00	51.24	-	-
Depository Business Income	120.80	44.94	-	-	-
Other Income	92.54	108.48	84.93	62.10	80.39
Total Income	888.78	1048.31	1003.14	1027.06	1030.31
Expenditure					
Others Expenses	326.54	323.40	325.31	338.18	332.11



Employee Cost	363.37	333.63	275.92	266.13	212.34
Finance Cost	0.02	-	0.03	0.27	0.60
Reimbursement of actual Expenses- ISE	1.69	20.02	23.33	74.39	34.16
Management Fees to ISE	40.00	60.00	60.00	60.00	30.00
Depreciation / Amortization	42.08	38.03	37.16	48.08	95.48
Total Expenditure	773.70	775.08	721.75	787.05	704.69
Profit / (Loss) before Taxation	115.08	273.23	281.39	240.01	325.62
Excess(Short) Provisions of Taxes of earlier years	0.00	(10.32)	(4.26)	-	-
Provision for : Current Tax	(38.00)	(99.00)	(92.00)	(90.00)	(133.00)
Deferred Tax Expenses)/Savings	2.55	2.28	2.62	11.44	22.68
Net Profit / (Loss) after Taxation	79.36	166.19	187.75	161.45	215.30
<u>Capital Structure</u>					
Share Capital	550.00	550.00	550.00	550.00	550.00
Reserves & Surplus	890.04	815.86	778.36	708.87	701.40
Net Fixed Assets	51.70	98.79	47.55	76.95	110.44
Investments	67.10	67.10	67.10	67.10	67.10
Net Current Assets	596.14	511.14	561.46	476.81	982.02
Net worth	1440.04	1365.86	1328.36	1258.87	1251.40
Earning per share (in `)	1.50	3.02	3.41	2.93	3.91

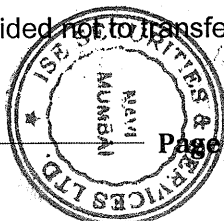
Note: ** Previous year amount have been re-grouped/re-classified and recast wherever necessary to confirm to current year's classifications.

2. Dividend

The Board of Directors at their meeting held on, August 21, 2015, has not recommended the payment of dividend, for the year ended March 31, 2015, on 55,00,000 equity shares of Rs.10/- each, on account of fall in the profits as compared to previous year.

3. Reserves

The Board of Directors has decided not to transfer an amount to General Reserves.



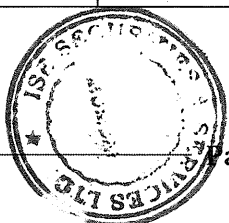
4. Brief description of the Company's working during the year/State of Company's affair

OPERATIONAL HIGHLIGHTS

During the year 2014-2015, the Company recorded a turnover of Rs.13006.37 Crores in the NSE Capital Market (CM) segment. Rs.7812.03 crores in the NSE equity derivatives (F&O) segment & Rs.56.69 crores in NSE currency derivatives (CD) segment, aggregating to Rs.20,875.09 crores. During the year 2014-2015, turnover of Rs.2814.24 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. 23,689.33 crores during the year 2014-2015.

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-2014	806.63	150.88	565.85	10.81	169	139	76	5
May-2014	1285.22	250.17	771.77	10.82	172	145	78	4
June-2014	1214.94	247.81	783.39	3.37	176	147	77	4
July-2014	1204.09	202.83	798.97	1.14	175	146	76	3



August-2014	973.10	175.06	625.19	1.38	175	151	79	4
September-2014	1294.05	255.96	734.99	4.51	178	156	80	3
October-2014	915.65	173.17	551.77	5.01	175	149	80	3
November-2014	1075.44	214.79	616.08	7.02	175	150	76	4
December-2014	1093.52	239.17	528.12	4.67	174	148	78	5
January-2015	1073.21	278.54	557.77	1.26	172	145	75	5
February-2015	1006.40	309.50	682.23	2.83	171	147	73	3
March-2015	1064.11	316.35	595.90	3.87	168	146	74	3
Total 2014-15	13006.37	2814.24	7812.03	56.69				

Note:

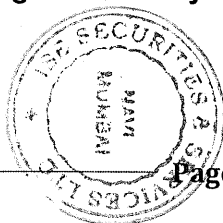
Futures Turnover = Trade Quantity * Trade Price

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

Option Turnover = Trade Quantity * Trade Price

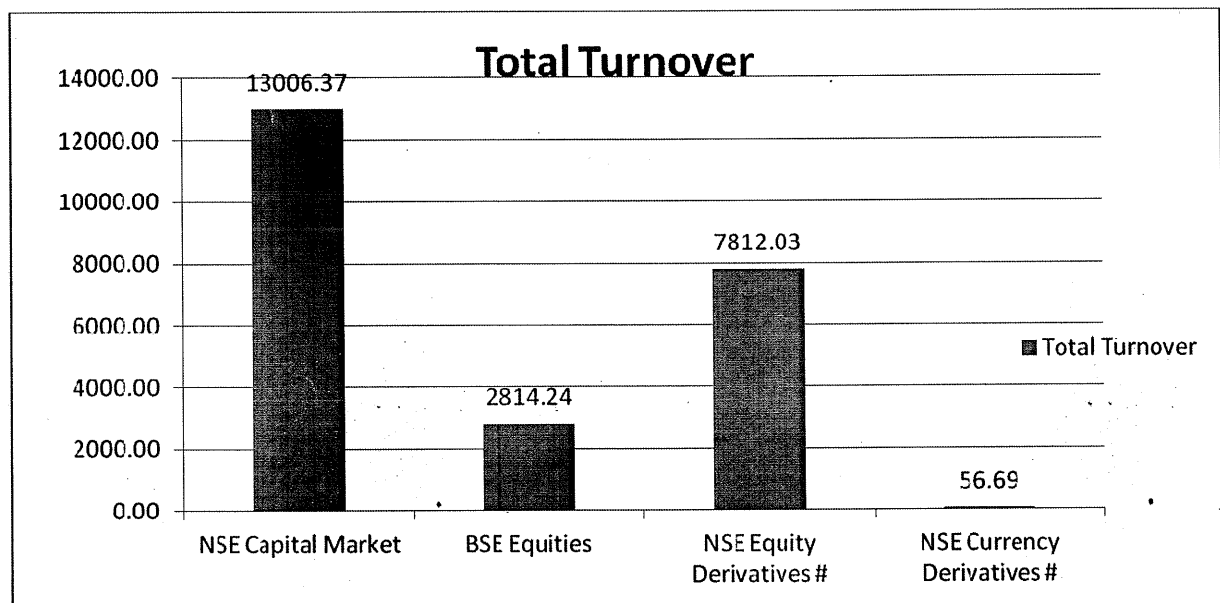
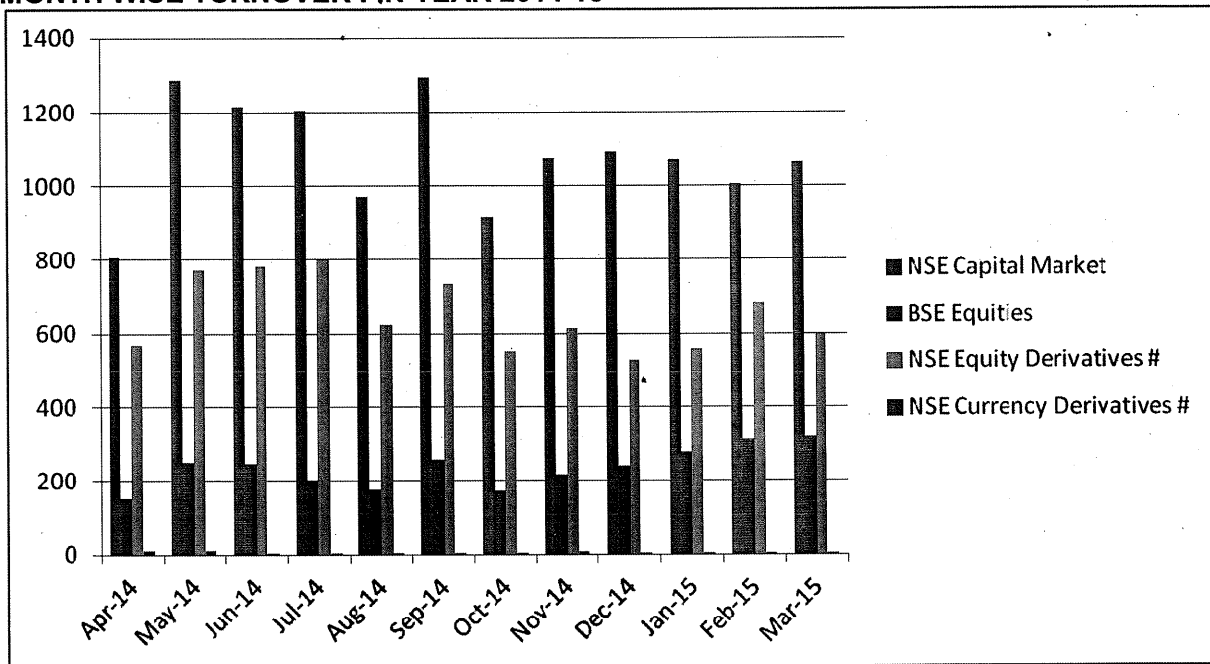
Exercised Strike Value = Exercised Quantity * Strike Price

Assigned Strike Value = Assigned Quantity * Strike Price



ISS Turnover on NSE (Capital Market Segment)

MONTH WISE TURNOVER FIN YEAR 2014-15

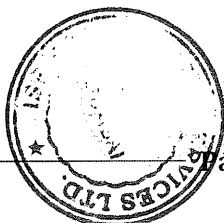


5. Change in the nature of business.

There was no change in the Business during the F.Y.2014-15.

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).



The parent company (ISE) received the Exit Order from SEBI vide its Order ref No.WTM/RKA/MRD/142/2014, dated December 08, 2014. Thereby your company (ISS) is no longer a subsidiary of a Stock Exchange. In view of this, the provisions contained in SEBI Circular No. SMD-II/POLICT/CIR-37/99 dated November 26, 1999, are no more applicable to your company.

The voluntary surrender of recognition by the Stock Exchange shall have no impact on its subsidiary company. According to SEBI guidelines, upon de-recognition of the parent Stock Exchange, the subsidiary company can continue to function as a corporate broker. The ISE Securities & Services Ltd shall therefore continue to provide trading and DP facility as a corporate Broker to the investors without any interruption. As your company has become normal Broking Entity, it can trade on its own account i.e. it can do Proprietary Trading, at the same time it can also solicit direct clients trading. Any person or entity can directly become sub-broker or Authorized Person, without requiring them to acquire membership of any Stock Exchange. After the close of Financial Year on March 31, 2015, the company has made necessary changes in its Memorandum of Association,(MOA) to allow person / entity to acquire Sub-brokership or Authorized Person, without acquiring membership of any Stock Exchange.

The above will lead to increase in number of Authorized Persons/ Sub-brokers which ultimately leads to increase in business in the company.

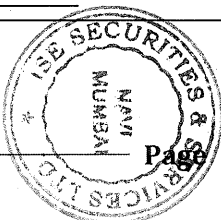
7. TECHNOLOGY AND SYSTEMS

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	
			NSE Derivatives	EquityCurrency Derivatives
No. of sub-brokers registered in ISS as on 31.03.2014	385	252	175	14
Existing ISE members registered as sub-brokers in ISS during 01.04.2014 to 31.03.2015	03	03	04	05
Resignation 1.04.2014 to 31.03.2015	27	21	12	00
Position as on 31.03.2015	361	234	167	19
Change (+/-)	(24)	(18)	(08)	05



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

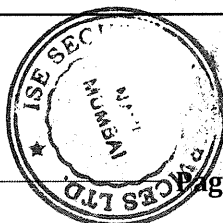
Pending application status for sub-brokers & authorized persons registration as on March 31, 2015

Sr. No.	PARTICULARS	NO. OF APPLICATIONS PENDING			
		NSE (Capital Market Segment)	BSE (Equities Segment)	NSE (Equity Derivatives Segment)	NSE (Currency Derivatives Segment)
1.	Documents pending from sub-broker applicants	05	04	NIL	NIL
2.	Applications under process by ISS (received recently)	00	NIL	NIL	NIL
3.	Applications pending at NSE	07	N.A.	NIL	NIL
4.	Applications pending at BSE	N.A.	05	N.A.	N.A.
5.	Applications pending at SEBI	09	12	N.A.	N.A.
	Total	21	21	NIL	NIL

The distribution of intermediaries across the different geographical regions of the country as on March 31, 2015 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	142	89	73	12
2.	North	Haryana, Jammu & Kashmir, Delhi, Punjab, Rajasthan, Uttaranchal and Uttarpradesh	53	28	19	02



3.	East	Assam, Bihar, Jharkhand, Orissa and West Bengal	112	87	50	03
4.	South	Andhra Pradesh, Karnataka, Kerala and Tamilnadu	46	24	20	02
5.	Central	Chattisgarh and Madhya Pradesh	08	06	05	-
TOTAL			361	234	167	19

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.

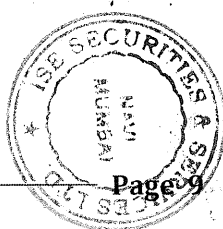
10. Statutory Auditors

During the F.Y. 2015-16, the Statutory Auditor M/s CNK & Associates LLP, Chartered Accountants, forwarded its Resignation vide letter dated 25/02/2015, expressed its unwillingness to continue as a statutory Auditor of the company on account of disassociation with holding company as a statutory Auditor. The company at its

Extra Ordinary General Meeting held on May 15, 2015, approved appointment of M/s Nangia & Co. Chartered Accountants as the Statutory Auditor for the F.Y. 2014-15, who shall hold the office till the conclusion of Sixteenth Annual General meeting of the company.

11. Auditors' Report

There is no qualification, reservation or adverse remark or disclaimer made by the auditor in his report.



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	Public Representative Director/ Director	October 21, 2008
2.	Shri George Joseph	Public Representative Director/ 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
5.	Shri Sweedin Satav	Additional & Whole Time Director	April 23, 2015

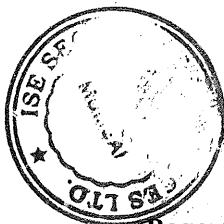
Shri Udai Kumar, erstwhile Managing Director of ISE, and nominee Director in ISS Board ceased to be the Director of ISS with effect from December 12, 2014, pursuant to the Resignation as a Managing Director of ISE.

Shri Ashish Parikh shareholder Representative Director Retired by rotation at the Fifteenth Annual General Meeting of the company held on August 18, 2014. In his place Shri V. Shankar was appointed as Share holder representative Director. Shri V Shankar resigned w.e.f. January 19, 2015, on account of his other commitments.

Shri Sweedin Satav was first appointed as additional Director and then he was appointed as Whole Time Director w.e.f. from April 23, 2015, for the period of 3 (Three) years. Shri Sweedin Satav is entitled to hold office up to the date of this Annual General meeting.

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

- Shri Sivaraman K.M., Whole-time Directors, is not liable to retire by rotation.
- Shri Manubhai Parekh and Shri George Joseph, Public Representative Directors were appointed by SEBI by virtue of the company being a subsidiary of Regional Stock Exchange of India Limited (ISE). Now by virtue of Exit order passed by SEBI on 08/12/2014, the company is no longer remain subsidiary of Regional Stock Exchange and therefore the provisions of SEBI Circular with regard to Public Representative Director are not applicable. In view of this, now Mr. Gorge Joseph and Mr. Manubhai Parekh are also liable to retire by rotation in the ensuing Annual General Meeting and eligible for reappointment
- In addition to above, Ms. Minu Mathew, Shareholder Representative Director shall be liable to retire by rotation in the ensuing Annual General Meeting and eligible for reappointment



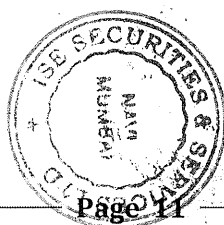
During the period April 01, 2014 to March 31, 2015, the following Board Meetings were held:

Board Meeting No.	Date
116	May 22, 2014
117	July 01, 2014
118	July 24, 2015
119	September 22, 2014
120	November 28, 2014
121	February 13, 2015

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

During the period April 01, 2014 to March 31, 2015, the Board of Directors met 6 times. The attendance record of the Directors at each Board Meeting and the last Annual General Meeting held on August 18, 2014 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 15 th AGM
1.	Shri Manubhai K. Parekh Public Representative Director	6	6	Present
2.	Shri George Joseph Public Representative Director	6	6	Absent
3.	Shri Ashish Parikh Shareholder Representative Director	3	3	Present
4.	Ms. Minu Mathew Shareholder Representative Director	6	6	Absent
6.	Sivaraman K. M., Chief Executive Officer / Whole Time Director	6	6	Present
7.	Shri Udai Kumar Director	5	4	Present
8	Shri V. Shankar	2	2	Not Applicable



14. GENERAL BODY MEETINGS

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

The last three Annual General Meetings i.e, 13th 14th and 15th Meetings of the Company were held on the following dates

13th AGM: September 04, 2012 (at the Registered Office of the Company)

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

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

Extra-ordinary General Meetings (EGMs):

There was one Extra-ordinary General Meeting held on October 16, 2014, during the period under review.

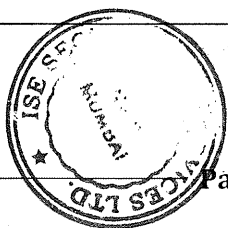
15. Audit Committee

During the F.Y. 2014-15, 4 (Four) Audit committee Meetings were held. Audit Committee was reconstituted on 29/05/2014, to enable Shri Udai Kumar MD & CEO of Inter Connected Stock Exchange of India Limited, a Nominee Director to be on Audit committee.

Shri Ashish Parikh one of the member of Audit committee, ceased to be the member of Audit Committee, as he was not re elected as Share holder representative Director at an Annual General Meeting of the company held on 18/08/2014.

During the period April 01, 2014 to March 31, 2015, the Audit Committee met 4 times i.e. on April 15, 2014, May 29, 2015, July 01, 2014 and November 28, 2014. The attendance record of the members of the Audit Committee is given below:

Sr. No.	Name of the Member	No. of Meetings of Audit Committee held during their tenure	No. of Meetings of Audit Committee attended
1.	Shri Manubhai K. Parekh	4	4
2.	Ms. Minu Mathew	4	3
3.	Shri Udai Kumar	3	3
4.	Shri Ashish Parikh	3	3



Shri Udai Kumar ceased to be the member of Audit committee, w.e.f. 20/12/2014, as he ceased to be the MD of Inter Connected Stock Exchange of India Ltd. (ISE).

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 and therefore Board at its meeting held on May 29, 2015, decided to discontinue Audit Committee, and further decided that any matter relating to Audit committee be referred to the Board.

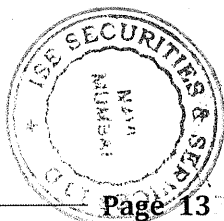
The matter which relates to Audit committee are as mentioned below:

- Monitor the internal controls to ensure the integrity of the financial performance reported to the shareholders.
- Provide by way of regular meetings, a line of communication between the Board and the Statutory & Internal Auditors.
- Consider the appointment of the Statutory and Internal Auditors.
- Review the interim and full year financial statement before recommending them to the Board.
- Review reports of the Internal Auditors and management's responses thereto.
- Review the Company's financial control systems, in particular, the procedures for identifying business risks (including financial risks) and controlling their financial impact on the Company.
- Review the Company's policies for ensuring compliance with the relevant regulatory / legal requirements and the operational effectiveness of the policies and procedures.

16. Managerial Remuneration:

Mr. Sivaraman K.M., was re-appointed as a Whole Time Director of the company for the period from January 22, 2013 to January 21, 2016. As per the terms of employment, his maximum limit of Basic salary was Rs.1,29,000/-which was reached by virtue of increase of Rs.9,000/- w.e.f. 22/01/2014. Accordingly his increment in Basic Salary was to the extent of Rs.9,000/- per month w.e.f. 22/01/2015. This increment was in line with the Annual Increment which all employees are entitled as per the policy w.e.f. April 01, every year.

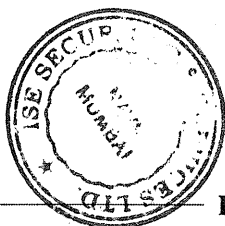
Due to increase in Basic salary there was increase in other components of salary which linked with Basic salary. The Board of the company approved payment of Performance Linked Bonus (PLB) to employees including to Mr. Sivaraman Whole Time Director for the F.Y. 2013-14, by Circulation on 30/03/2015, which was noted by the Board in the subsequent Board meeting. The amount paid as PLB to Mr. Sivaramn was Rs. 3,10,584/-.



The revised remuneration is in accordance with the provisions of V of the Companies Act, 2013.
The details are given below:

Remuneration revised w.e.f. 22nd January 2015		
Particulars		Amt.in Rs.
Basic		138000
House Rent Allowance	30% of Basic Salary	41400
Special Allowance		5731
Gross Monthly		185131
Gross Yearly		2221572
Provident Fund	12% of Annual Basic Salary	198720
Gratuity / Exgratia	Half month's Basic Salary for each completed year of service	69000
Cost to Company		2489292
Variable Salary		
Performance Linked Bonus	To be paid Half Yearly	341420
Total		2830712

Mr. Sweedin Satav, is a qualified Chartered Accountant and he has also passed his Financial Risk Management (FRM) Examination. He is associated with the company since year 2008. He is working with the company as Asst. Vice President and he is the Head of Surveillance department. To comply with the regulatory requirements that each corporate Broking firm should have at least two Designated Directors Mr. Sivaraman CEO & Whole Time Director proposed **Mr. Sweedin Satav's** name to the Board at its meeting held on 13/02/2015, for appointing him as Designated Director, In view of this, he has been first appointed as an Additional Director as per the provisions contained under the companies act 2013. He is entitled to hold office of the Director up to the date of this Annual General Meeting. As he is also an employee of the company and drawing salary from the company, he has been designated as Whole Time Director of the company.



The Remuneration of Mr. Sweedin Satav is in accordance with the provisions of V of the Companies Act, 2013. The details are given below:

Annual Cost to Company of Mr.Sweedin Satav w.e.f. April 1,2015	
Particulars	Amt.in Rs.
Basic Salary	72070
House Rent Allowance	28828
Travel Allowance	3005
Special Allowance	5632
Food Coupon	2000
Gross Salary Per Month	111535
Gross Salary Per Year	1338420
Yearly Medical Reimbursement	15000
Yearly Provident Fund (Company's Contribution)	103781
Annual Cost to Company	1457201

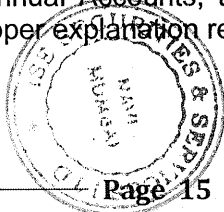
17. Risk management policy

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 and the Audit Committee in constantly upgrading the control procedures and systems. The Audit Committee also reviews the adequacy of the internal control procedures. However, w.e.f. 29/05/2015, as Audit committee is being discontinued by virtue of New provisions under the companies act 2013, now 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 Ac 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, 2015 and of the profit and loss of the company for the year ended March 31, 2015;
- (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. HUMAN RESOURCES AND PARTICULARS OF EMPLOYEES

(G)

There are in all 76 persons working for the Company, out of whom 60 are on rolls, 9 are working as consultants, 5 are working on contract, and remaining 2 are on temporary basis. Further, the Company follows a

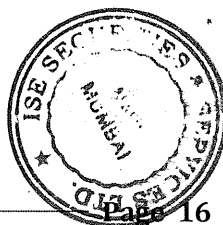
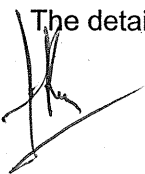
policy of outsourcing certain labour-intensive activities to outside processing agencies. The particulars of employees as required under the provisions of Rule (2) and Rule (3), of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, are not applicable to the Company, since no employee draws amount of salary prescribed under the said Rule..

20 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:

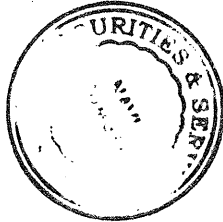
The details forming part of the Annual Return in form MGT 9 annexed herewith as Annexure A



30. Acknowledgements

Acknowledgements On behalf of the Directors of the Company, we would like to place on record our deep appreciation to our Shareholders, Customers, 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



Mr. Manubhai Parekh

Director

Mr. Sivaraman K.M.

CEO & Whole Time Director

Date: September 11, 2015

signing as per Board resolution passed on August 21, 2015

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 A

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2015

[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 (Limited by Shares)
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.			



2

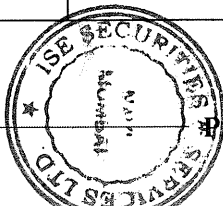
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Inter Connected Stock Exchange of India Limited.	U67120MH2005PLC157556	Holding Company	99.99%	Section 2(87) of The Companies Act 2013
2.					
3.					
4.					

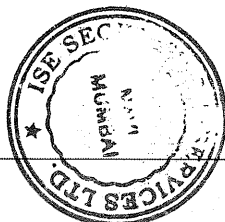
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

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%	NIL	NIL
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	NIL
B. PUBLIC SHAREHOLDI NG										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI										
c) Central govt										
d) State Govt.										
e) Venture Capital Fund										
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										



B

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	NIL

ii) Shareholding of Promoters –

S R N o	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share f
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Inter Connected Stock Exchange of India Limited.	55,00,000	100%	NIL	55,00,000	100%	NIL	NIL

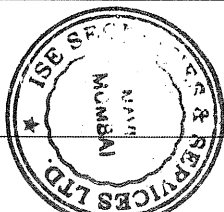


iii) Change in Promoters' Shareholding (specify if there is no change)

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



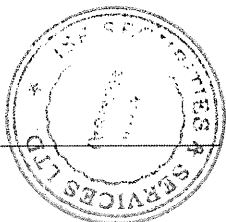
v) Shareholding of Directors and Key Managerial Personnel - NIL

SR. No	For Each of the Directors & KMP	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
	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				

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				
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	
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	
2	Stock Options	
3	Sweat Equity	
4	Commission	
	- as % of profit	
	- others, specify....	
5	Others, please specify	
	Total (A)	

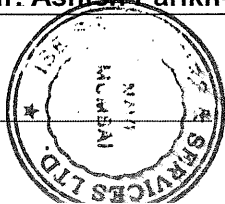
B. Remuneration to other Directors: Not Applicable

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----->	Audit Committee	Board Meeting	
	→	NIL	60,000/-	60,000/-
	Mr. Manubhai Parekh----->	20,000/-	60,000/-	80,000/-
	Ms. Minu Mathew----->	15,000/-	60,000/-	75,000/-
	Mr. Ashish Parikh----->	15,000/-	30,000/-	45,000/-
				20,000/-



	Mr. V.Shankar----->	NIL	20,000/-	
-Commission				
- Others, please specify				
Total (B)(2)				2,80,000/-
Total (B)= (B)(1)+ (B)(2)				<u>2,80,000/-</u>

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

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	





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

2014-2015

**ISE SECURITIES & SERVICES
LIMITED**

(Wholly-owned subsidiary of ISE)

Independent Auditor's Report

To, The Members of ISE SECURITIES & SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of ISE SECURITIES & SERVICES LIMITED ('the Company'), which comprise the Balance Sheet as at March 31, 2015, 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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



Independent Auditor's Report

To, The Members of ISE SECURITIES & SERVICES LIMITED

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, 2015, 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, 2015 ("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 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 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- (f) 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 22 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: 21.08.2015



Independent Auditor's Report

To, The Members of ISE SECURITIES & SERVICES LIMITED

Annexure to Independent Auditors' Report for the period ended March 2015

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of ISE Securities & Services Limited on the standalone financial statements for the year ended 31st March, 2015]

On the basis of such checks as we considered appropriate to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) As explained to us, 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.
- (ii) The Company did not have any inventory during the current financial year so, clause (ii) of paragraph 3 of the Order are 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 or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, and therefore clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.



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, wealth 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.
- (b) According to the information and explanations given to us, 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.
- (c) According to the information and explanation given to us, there are no dues outstanding with respect to income tax, wealth 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 ₹)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	2,00,92,740	AY 2012-13	CIT (Appeal)

- (d) According to the information and explanations given to us, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



Independent Auditor's Report

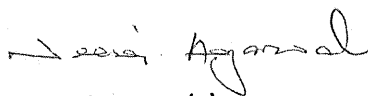
To, The Members of ISE SECURITIES & SERVICES LIMITED

- (viii) The Company does not have any accumulated losses at the end of the financial year nor has incurred any cash losses or in the current and immediately preceding financial year
- (ix) The Company has not taken any loans from financial institutions in the current financial year.
- (x) In our opinion and according to the information and explanation given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions, are not prejudicial to the interest of the Company.
- (xi) The company has not obtained any term loans.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

For Nangia & Co.

Chartered Accountants

ICAI Firm Registration No. 002391C



(Neeraj Agarwala)

Partner

Membership No. 111966

Place: Mumbai

Date: 21.08.2015





ISE SECURITIES & SERVICES LTD
Balance Sheet as at 31 March 2015

PARTICULARS	Note #	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Shares Capital	2	55,000,000	55,000,000
Reserves & Surplus	3	89,004,544	81,585,634
NON CURRENT LIABILITIES			
Long Term Borrowing		-	-
Deferred Tax Liability (Net)		-	-
Other long Term Liabilities		-	-
Long Term Provisions	4	3,419,831	1,664,962
CURRENT LIABILITIES			
Trade Payable	5	451,064,352	421,380,752
Other Current Liabilities	6	9,794,944	19,288,933
Short Term Provisions	7	2,574,600	4,222,975
Total		610,858,271	583,143,256
<u>ASSETS</u>			
NON - CURRENT ASSETS			
<i>Fixed assets</i>	8		
(a) Tangible Assets		1,467,660	3,328,697
(b) Intangible Assets		2,381,722	5,229,406
(c) Capital Work In Progress		1,320,675	1,320,675
Non Current Investments	9	6,710,005	6,710,005
Deferred Tax Assets (net)	10	5,533,301	5,009,802
Other Non-current Assets	11	66,597,307	65,537,671
CURRENT ASSETS			
Current Investments		-	-
Trade Receivables	12	124,610,500	76,765,639
Cash & Bank Balances	13	394,271,280	405,245,916
Short Term Loans & Advances	14	7,663	77,694
Other current assets	15	7,958,158	13,917,751
Total		610,858,271	583,143,256
Significant Accounting Policies	1		
Notes to the Accounts	2 to 30		


Auditor's Report : As per our separate Report of even date
For Nangia & Co.
Chartered Accountants
Firm Registration No.: 002391C

Neeraj Agarwala
F C A Partner
MRN 111966


Place: Mumbai
Date: 21.08.2015

For and on behalf of the Board of
ISE Securities & Services Ltd


Sivaraman K M
Whole Time Director & CEO
DIN 02961895


Manubhai Parekh
Director
DIN 00068992

21 AUG 2015

21 AUG 2015


Mayank Mehta
Company Secretary
Membership #

21 AUG 2015



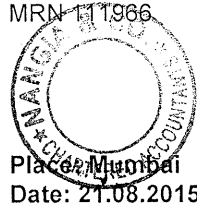
ISE SECURITIES & SERVICES LTD
Statement of Profit and Loss for the year ended on 31 March 2015

Particulars	Note #	For the Year ended on 31 March 2015 ₹	For the Year ended on 31 March 2014 ₹
Incomes			
Revenue from Operations	16	46,237,062	48,318,378
Other Income	17	42,640,875	56,513,357
Total Revenue		88,877,937	104,831,735
Expenses			
Employee Benefit Expenses	18	36,337,108	33,363,259
Finance Costs	19	2,014	-
Depreciation/Amortization	8	4,207,731	3,802,552
Other Expenses	20	36,822,628	40,342,389
Total Expenses		77,369,481	77,508,200
Profit before exceptional and extraordinary items and tax		11,508,456	27,323,535
Exceptional Items		-	-
Profit before extraordinary items and tax		11,508,456	27,323,535
Extraordinary Items		-	-
Profit before tax		11,508,456	27,323,535
Tax Expenses			
(i) Current Tax		(3,800,000)	(9,900,000)
(ii) Tax adjustment for earlier years		-	(1,031,817)
(iii) Deferred Tax		254,683	227,662
Profit/(Loss) for the period from continuing Operations		7,963,139	16,619,380
Profit/(Loss) from discontinuing Operations		-	-
Tax expenses of Discontinuing operations		-	-
Profit/(Loss) for the period from continuing Operations (after tax)		-	-
Profit/(Loss) for the period		7,963,139	16,619,380
Earning Per Share ₹ 10 per share			
Basic		1.45	3.02
Diluted		1.45	3.02
Significant Accounting Policies and Notes to the Accounts	1 to 30		

Auditor's Report : As per our separate Report of even date
For Nangia & Co.
Chartered Accountants
Firm Registration No.: 002391C

Neeraj Agarwal

Neeraj Agarwala
F C A Partner
MRN-111966



For and on behalf of the Board of
ISE Securities & Services Ltd

Sivaraman K M
Sivaraman K M
Whole Time Director & CEO
DIN 02961895

21 AUG 2015

Mayank Mehta
Mayank Mehta
Company Secretary
Membership #

21 AUG 2015

Manubhai Parekh
Manubhai Parekh
Director
DIN 00068992

21 AUG 2015



Cash Flow Statement for the year ended on 31 March 2015

Particulars	For the Year ended on 31 March 2015		For the Year ended on 31 March 2014	
	₹		₹	
I. Cash Flow from Operating Activities:				
Net profit before tax & extra ordinary items		11,508,456		27,323,535
Adjustments for:				
Depreciation	4,207,731		3,802,552	
Dividend received	(520,000)		(520,000)	
Excess provision written back	(5,467,184)		(966,166)	
Provision for Bad & Doubtful debts- Debtors	1,022,642		2,315,674	
Interest Expenses	2,014			
Gain/(loss) on sale of Fixed Assets, (net)	(18,200)	(772,997)	-	4,632,060
Operating profit before working capital changes		10,735,460		31,955,595
Adjustments for:				
(Increase) / Decrease in Other Non Current Assets	550,000		(3,040,157)	
(Increase) / Decrease in Trade Receivables	(43,400,320)		12,808,725	
(Increase) / Decrease in Short Term Loans & Advances	70,031		10,420,607	
(Increase) / Decrease in Other Current Assets	5,959,593		17,889,439	
(Increase) / Decrease in Trade Payables	29,683,601		(327,899,460)	
(Increase) / Decrease in Long Term Provisions	1,754,869		(390,426)	
(Increase) / Decrease in Other Current Liabilities	(9,493,989)		(4,318,830)	
(Increase) / Decrease in Short Term Provisions	(1,648,375)	(16,524,590)	(768,070)	(295,298,171)
Cash generated from operations before tax & extra ordinary items		(5,789,131)		(263,342,575)
Less: Direct Tax Paid (net of refunds)		5,409,636		21,239,943
		(11,198,767)		(284,582,518)
Net Cash From Operating Activities (A)		(11,198,767)		(284,582,518)
II. Cash Flow From Investing Activities:				
Purchase of Fixed Assets	(312,055)		(1,780,979)	
Sale proceeds of Fixed Assets	18,200		-	
Dividend Income	520,000		520,000	
Acquisition of Depository Business	-		(7,145,168)	
		226,145		(8,406,147)
Net Cash (Used in) / from investing activities (B)		226,145		(8,406,147)
III. Cash Flow From Financing Activities:				
Interest Paid	(2,014)			
Interim Dividend Paid	-		(11,000,000)	
Dividend Distribution tax	-	(2,014)	(1,869,450)	(12,869,450)
Net Cash (Used in) / from Financing activities (C)		(2,014)		(12,869,450)
Net Increase / decrease in cash & cash equivalents (A+B+C)		(10,974,636)		(305,858,115)
Cash & Cash equivalents at the beginning of the year		405,245,916		711,104,031
Cash & Cash equivalents at the end of the year		394,271,280		405,245,916

Refer Note- 1 Significant Accounting Policies and Notes forming part of the Accounts

Notes:

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

Cash & Cash equivalents includes cash and bank balance in current account, fixed deposit with bank Refer Note 13

Auditor's Report : As per our separate Report of even date

For Nangia & Co.

Chartered Accountants

Firm Registration No.: 002391C

Neeraj Agarwal

Neeraj Agarwal

F C A Partner

MRN 111966



Place: Mumbai

Date:

21 AUG 2015

**For and on behalf of the Board of
ISE Securities & Services Ltd**

Sivaraman K M
Sivaraman K M
Whole Time Director & CEO
DIN 02961895

21 AUG 2015

Mayank Mehta
Mayank Mehta
Company Secretary
Membership #

21 AUG 2015

Manubhai Parekh

Manubhai Parekh
Director
DIN 00068992

21 AUG 2015



Background

ISE Securities & Services Limited ("the Company") was incorporated under the Companies Act, 1956 on January 18, 2000. ISE Securities & Services Ltd. (ISS), a wholly - owned subsidiary of Inter-connected Stock Exchange Of India Limited (ISE) is a trading - cum -clearing Member of National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd. ISS, by virtue of being a stock exchange subsidiary, 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 parent stock exchange (ISE). W.e.f. 08.12.2014, the date on which SEBI has passed an Exit Order approving Exit rout 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, 2015, 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 & active member of the equities segment of BSE.

Significant Accounting Policies and Notes forming part of the Accounts

1. Significant Accounting Policies.

a) Method of Accounting

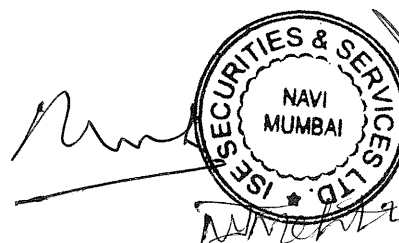
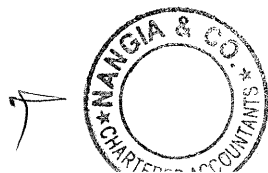
The financial statements have been prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis of accounting except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting 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.

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 and 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 recognized prospectively in current and 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 / Intangible Assets

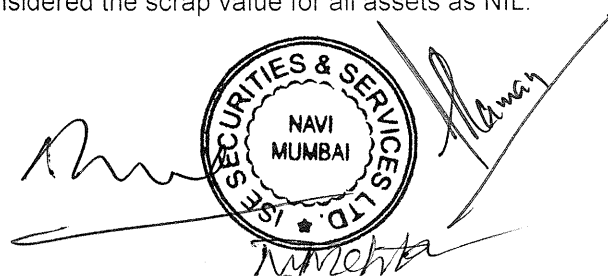
- i) Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation. The actual cost capitalized includes material cost, freight, installation costs, duties and taxes, finance charges and other incidental expenses incurred 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 before the year-end are disclosed as capital work in progress.
- iv) 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 Equipments, Networking Equipments, 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 Years)
Office Equipments	5
Computer Equipments	3
Networking Equipments	2
Mobile Phones	1
Furniture & Fixtures	10
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 on a straight line basis over the lease term.

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 recognize 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) 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.

k) 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.



l) 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.

m) 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 recognized 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 recognized 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.

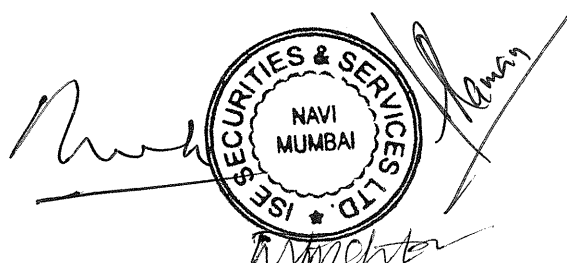
Defined Benefit plans: The Company's gratuity scheme is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried at the yearend using the Projected Unit Credit Method, which recognizes each period of service as giving rise 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 recognized immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

Post-employment benefits:

Benefits under the Company's leave encashment constitute other long term employee benefits, recognized 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.



ISE SECURITIES & SERVICES LIMITED
Significant Accounting Policies & Notes forming part of the Accounts as at March 31, 2015

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.

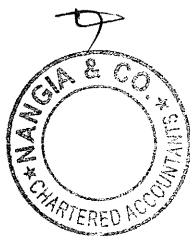
The company treats accumulated leave expected to be carried forward beyond 12 months, as long term employee benefits for measurement purpose. Such long term compensated absences are provided for based on the actuarial valuation using projected unit credit method at the year end.

n) 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	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Authorized Capital (6,000,000 Equity shares of ₹ 10/- each)	60,000,000	60,000,000
Issued, Subscribed and Paid Up Capital (55,00,000 Equity shares of ₹ 10/- each fully paid up)	55,000,000	55,000,000
Total	55,000,000	55,000,000




2.1 Details of shares held by Holding Company

Particulars	As at 31 March 2015	As at 31 March 2014
Equity Shares held by Interconnected Stock Exchange of India Ltd (Erstwhile) , the holding company No of Shares % Holding	5,500,000 100	5,500,000 100

2.2 Reconciliation of number of shares outstanding

Particulars	As at 31 March 2015	As at 31 March 2014
5,500,000 Equity Shares Of ₹ 10/- each		
Number of Shares at the beginning	55,000,000	55,000,000
Number of Shares issued	5,500,000	5,500,000
Number of Shares bought back	-	-
Other Adjustments	-	-
Number of Shares at the end	5,500,000	5,500,000

2.3 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.



ISE SECURITIES & SERVICES LTD
Significant Accounting Policies & Notes forming part of the accounts as at 31 March 2015

2.4 Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Equity Shares held by		
Interconnected Stock Exchange of India Ltd (Erstwhile), the holding company		
No of Shares	5,500,000	5,500,000
% Holding	100	100

2.5 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 & SURPLUS

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
General Reserves		
Opening Balance	30,535,000	28,735,000
(+) Current Year Transfer	-	1,800,000
(-) Written back in current year	-	-
Closing Balance	30,535,000	30,535,000
Surplus		
Opening balance	51,050,634	49,100,705
(-) Assets charged to opening reserve	(544,229)	-
Add: Net profit/(Net Loss) for the current year	7,963,139	16,619,379
(-) Interim Dividends	-	(11,000,000)
(-) Tax on Interim Dividends	-	(1,869,450)
(-) Transfer to General Reserves	-	(1,800,000)
Closing Balance	58,469,544	51,050,634
Total	89,004,544	81,585,634

4 LONG TERM PROVISIONS

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Gratuity - Benefits	2,091,793	760,193
Leave Encashment	1,328,038	904,769
Total	3,419,831	1,664,962



(Signature)
(Signature)

5 Trade Payables

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Exchange Liability	1,381,299	936,418
Settlement Obligations to Sub-Brokers/Clients/Authorized person	345,359,362	321,116,428
Sub Brokers Margin-BSE	35,792,288	36,008,520
Sub Brokers Margin-NSE	68,390,218	63,319,386
Settlement Obligation to/from Clearing House	141,185	-
Outstanding Dues of Micro and Small Enterprises	-	-
Total	451,064,352	421,380,752

5.1 Trade payables are due in respect of 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	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Clients/Corporate Benefits	-	-
Statutory Liability	2,705,766	3,089,706
Other Liability	5,311,345	14,173,523
Expenses Payable (other than Micro and Small Enterprises)	1,777,833	2,025,704
Outstanding Dues of Micro and Small Enterprises	-	-
Total	9,794,944	19,288,933

7 SHORT TERM PROVISIONS

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Employee's Leave Travel Allowance (LTA)	74,600	138,000
Performance Linked Bonus	2,500,000	4,000,000
Dividend Distribution Tax	-	84,975
Total	2,574,600	4,222,975



ISE SECURITIES & SERVICES LTD

Significant Accounting Policies & Notes forming part of the accounts as at 31 March 2015

8 Fixed Assets as on 31st March 2015

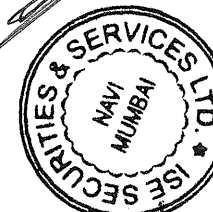
Particulars	Gross Block (At Cost)				Depreciation/Amortization				Net Block	
	As at 01 April 2014 ₹	Additions ₹	Deductions ₹	As at 31 March 2015 ₹	As at 01 April 2014 ₹	Depreciation / amortization expense for the year ₹	Deductions/ Addition ₹	Assets Charged to Opening Reserve ₹	As at 31 March 2015 ₹	As at 31 March 2 ₹
Tangible Assets :										
Furniture & Fixtures	1,324,421	-	-	1,324,421	657,544	166,628	-	-	824,172	666,
Office Equipment	4,080,163	223,488	59,350	4,244,301	1,790,314	842,990	59,350	813,045	3,386,999	2,289,
Computers Equipment	5,238,333	88,567	-	5,326,900	4,866,361	350,430	-	-	5,216,791	371,
Total - A	10,642,917	312,055	59,350	10,895,622	7,314,219	1,360,048	59,350	813,045	9,427,962	3,328,
Intangible Assets										
Computer Software	17,663,565	-	-	17,663,565	17,197,605	465,960	-	-	17,663,565	465,
Goodwill	7,145,168	-	-	7,145,168	2,381,723	2,381,723	-	-	4,763,446	4,763,
Total - B	24,808,733	-	-	24,808,733	19,579,328	2,847,683	-	-	22,427,011	5,229,
Capital Work-in-Progress	1,320,675	-	-	1,320,675	-	-	-	-	-	1,320,
Total - A+B	36,772,325	312,055	59,350	37,025,030	26,893,547	4,207,731	59,350	813,045	31,854,973	9,878,
Previous Year Figures	27,846,178	8,926,147	-	36,772,325	23,090,995	3,802,552	-	-	26,893,547	9,878,778

8.1 Pursuant to "AS 28- Impairment of Asset" issued by the Central Government under the companies (Accounting Standard) Rule 2006 for determining impairment in carrying amount of fixed assets, the company has concluded that recoverable amount of fixed assets 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 Pursuant to the transition provision prescribed in schedule II to the Companies Act, 2013 the company has fully depreciated the carrying value of assets where the remaining useful life of the assets was determined to be NIL as on April 1, 2014 and has adjusted an amount of ₹ 544,229/- [net of deferred tax (₹ 813,045- ₹ 268,816)] against brought forwarded balance of profit & Loss Account under Schedule 3- 'Reserves & Surplus'.

8.3 The Depreciation expenses in the Statement of profit & loss for the year is lower by ₹ 813,045/- consequent to the change in the useful life of the Assets

[Handwritten signature]



9 NON CURRENT INVESTMENTS

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Bombay Stock Exchange Limited (Trade, unquoted & at cost): 130,000 Equity shares of Face value ₹ 1/- Fully paid of Bombay Stock Exchange Ltd - BSE (previous year 130,000 equity shares).	6,710,005	6,710,005
Total	6,710,005	6,710,005

9.1 During the financial year 2004-05, the Company had acquired the corporate membership of Bombay Stock Exchange Ltd. at a cost of ₹ 6,710,005/-. As per its entitlement the Company had subscribed to and was allotted 10,000 shares of face value ₹ 1/- each under the Corporatization and Demutualization of BSE. During the year 2008-09 the company has been allotted 120,000 bonus shares in the ratio 12:1. As these shares are unlisted the value of this investment is shown in the Accounts at cost. Management is of the opinion that the Company will realize at least the stated cost in full and no provision for diminution is required.

10 DEFERRED TAX ASSETS

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 assets credited to profit during the year is ₹ 254,683/- (Previous Year Deferred tax assets credited ₹ 227,662/-). The year end position of Deferred Tax Assets & Liability given below:

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Deferred Tax Assets		
Provision for doubtful debts	2,041,930	2,904,994
Provision for doubtful debts - Other Advances	113,629	111,505
Provision for compensated absences, gratuity and other employee benefits	1,957,274	1,837,997
On difference between book balance and tax balance of fixed assets	1,420,468	155,306
Deferred Tax Liability	-	-
Net Deferred Tax (Liability) /Asset	5,533,301	5,009,802

* Deferred Tax Charged to P/L Account

Opening DTA

5,009,802

Closing DTA

5,533,301

Amount to be charged/(credited) to P/L Account

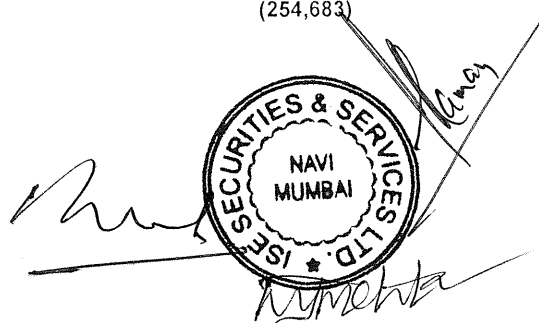
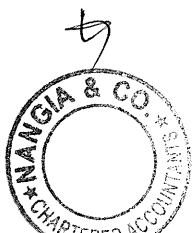
(523,499)

Add: Tax Impact of depreciation charged to Reserve & Surplus (refer
schedule -3) on account of applicability of transitional provisions of schedule
II of Companies Act 2013 (refer note 8.2)

268,816

Net Amount to be charged/credited to P/L Account

(254,683)



11 OTHER NON CURRENT ASSETS

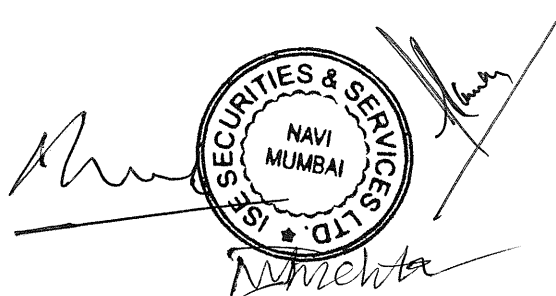
Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Unsecured Considered Good, unless otherwise stated		
Long Term Trade Receivables (Including trade receivable on deferred credit term)	-	-
Debts dues by Related Parties	-	-
Deposit with Exchanges	49,925,000	49,925,000
Advance Tax/ Income Tax Refund (Net of Provisions)	11,917,761	10,308,125
Security Deposits	4,754,546	5,304,546
Total	66,597,307	65,537,671

12 TRADE RECEIVABLES

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Settlement dues from Trading Members		
Debts outstanding for a period exceeding six months		
- Considered Good	7,558,882	6,167,636
- Considered Doubtful	6,129,035	8,326,008
Other Debts		
- Considered Doubtful	46,840	627,589
- Considered Good	117,051,618	70,598,003
	130,786,375	85,719,236
Less : Provision for Doubtful Debts	(6,175,875)	(8,953,597)
Total	124,610,500	76,765,639

13 CASH & BANK BALANCES

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
A) Cash & Cash Equivalents		
In Current Accounts	57,621,280	55,682,745
Bank Deposit having Maturity <3 Months	169,150,000	205,250,000
Cash on hand	-	-
B) Other Bank Deposit		
In deposit accounts		
Bank Deposit having Maturity > 3 Months but <12 Months	165,200,000	139,100,000
Bank Deposit having Maturity >12 Months	2,300,000	5,213,171
Total	394,271,280	405,245,916



ISE SECURITIES & SERVICES LTD**Significant Accounting Policies & Notes forming part of the accounts as at 31 March 2015****13.1 Balances With banks include:**

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Margin Money	250,350,000	269,550,000
Other Commitments	84,000,000	67,500,000
Bank Deposit with more than 12 months maturity	2,300,000	5,213,171
Enmarked Balances (e.g./- Unpaid Dividend account)	-	-
Security Against Borrowing	-	-
Guarantees	-	-
Total	336,650,000	342,263,171

14 SHORT TERM LOANS & ADVANCES

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Unsecured Considered Good, unless otherwise stated		
Staff Advances	7,663	77,694
Total	7,663	77,694

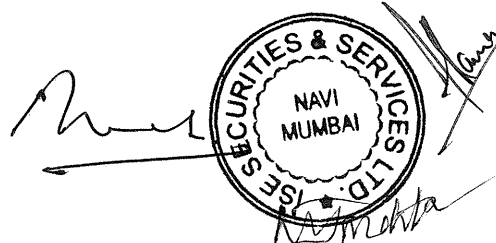
15 OTHER CURRENT ASSETS

Particulars	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Unsecured Considered Good, unless otherwise stated		
Advances recoverable in cash or kind or for value to be received		
Considered good	1,897,090	867,039
Considered doubtful	343,675	343,675
Less Provisions for Bad & Doubtful Advances	(343,675)	(343,675)
	1,897,090	867,039
Interest Accrued on Fixed Deposit with bank	3,706,104	4,976,591
Prepaid Expenses	2,049,771	2,754,016
Balances with Government Authorities	305,193	879,032
Settlement Obligation to/from Clearing House	-	4,441,073
Other Current Assets	-	-
Total	7,958,158	13,917,751

15.1 As a matter of Prudence, a provision of ₹ 1,59,524/- has been made towards the SEBI Registration Fees recoverable and ₹ 1,84,151 for Insurance Claim Recoverable.

16 REVENUE FROM OPERATIONS

Particulars	For the Year ended on 31 March 2015 ₹	For the Year ended on 31 March 2014 ₹
Brokerage Income	23,770,179	32,423,344
Income From Depository Services	12,080,040	4,494,006
Other Operating Revenue	10,386,843	11,401,028
Total	46,237,062	48,318,378



17 OTHER INCOME

Particulars	For the Year ended on 31 March 2015 ₹	For the Year ended on 31 March 2014 ₹
Interest Income from Banks on Fixed Deposit including Short Term and Long Term Fixed Deposit	33,386,830	50,329,955
Recovery of DP Charges (NET)	2,722,975	1,341,016
ISS Error & Omission - Income	525,685	109,259
Dividend Income on Long Term Investment	520,000	520,000
Excess Provision Written Back	5,467,184	966,166
Profit on sale of Fixed Assets	18,200	-
Bad Debt Recovery	-	3,166,011
Reimbursement from Holding Co	-	80,950
Total	42,640,875	56,513,357

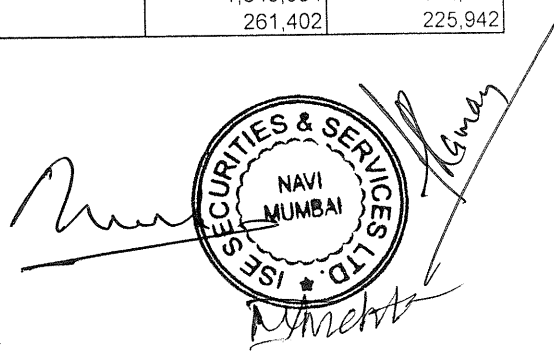
18 EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year ended on 31 March 2015 ₹	For the Year ended on 31 March 2014 ₹
Salary & Other Allowances	31,945,158	30,116,426
Provident Fund - Employer Contribution	2,239,776	1,897,508
Gratuity	1,646,179	612,145
Staff Welfare expenses	505,995	737,180
Total	36,337,108	33,363,259

18.1 As per Accounting Standard 15 "Employees Benefits", the disclosure as defined in the Accounting Standard are given below :

Amount To Be Recognized In Balance Sheet	Current Year	Previous Year
Present Value of Funded Obligations	5,649,580	4,110,143
Fair Value of Plan Assets	(3,557,787)	(3,349,950)
Present Value of Unfunded Obligations	-	-
Unrecognized Past Service Cost	-	-
Net Liability	2,091,793	760,193
<u>Amount in Balance Sheet</u>		
Liability	2,091,793	760,193
Assets	-	-
<u>Net Liability is bifurcated as follows:</u>		
Current	-	-
Non Current	2,091,793	760,193
Net Liability	2,091,793	760,193

Amount To Be Recognized In Profit & Loss Accounts	Current Year	Previous Year
Current Service Cost	592,676	408,457
Interest on Defined Benefit Obligation	432,295	209,523
Expected Return on Plan Assets	(290,295)	(149,115)
Net Actuarial Losses / (Gains) Recognized in Year	915,278	143,280
Total, Included in "Employee Benefit Expense"	1,649,954	612,145
Actual Return on Plan Assets	261,402	225,942



ISE SECURITIES & SERVICES LTD

Significant Accounting Policies & Notes forming part of the accounts as at 31 March 2015

Reconciliation Of Benefit Obligation & Plan Assets For The Year	Current Year	Previous Year
<u>Change in Defined Benefit Obligation</u>		
Opening Defined Benefit Obligation	4,110,143	2,231,443
Current Service Cost	592,676	408,457
Interest Cost	432,295	209,523
Actuarial Losses / (Gain)	886,385	220,107
Liabilities Assumed on Acquisition/ (Settled on divestiture)	-	1,040,613
Benefits Paid	(371,919)	-
Closing Defined Benefit Obligation	5,649,580	4,110,143
<u>Change in Fair Value of Assets</u>		
Opening Fair Value of Plan Assets	3,349,950	1,625,321
Expected Return on Plan Assets	290,295	149,115
Actuarial Gain/ (Losses)	(28,893)	76,827
Contributions by Employer	318,354	458,074
Assets Acquired on Acquisition/ (Distributed on divestiture)	-	1,040,613
Benefits Paid	(371,919)	-
Closing Fair Value of Plan Assets	3,557,787	3,349,950
Expected Employer Contribution next year	1,200,000	1,200,000

Category of Assets (% Allocation)	(Amount in ₹)	%	%
	Year ended 31 March 2015	Year ended 31 March 2015	Year ended 31 March 2014
Government of India Securities	-	0%	0%
Corporate Bonds	-	0%	0%
Special Deposit Scheme	-	0%	0%
Equity Shares of Listed Companies	-	0%	0%
Property	-	0%	0%
Insurer Managed Funds	3,557,787	100%	100%
Others	-	0%	0%
Grand Total	3,557,787	100%	100%

Experience Adjustment	(Amount in ₹)		
	March 31, 2011	March 31, 2012	March 31, 2013
Defined Benefit Obligation	1,160,549	1,571,896	2,231,443
Plan Assets	789,474	1,203,013	1,625,321
Surplus/(Deficit)	(371,075)	(368,883)	(606,122)
Exp.Adj on plan Liabilities	91,726	24,190	(12,413)
Exp.Adj on plan Assets	8,504	12,954	16,417

Experience Adjustment	Current Year	Previous Year
Defined Benefit Obligation	5,649,580	4,110,143
Plan Assets	3,557,787	3,349,950
Surplus/(Deficit)	(2,091,793)	(760,193)
Exp.Adj on plan Liabilities	62,189	383,263
Exp.Adj on plan Assets	(28,893)	76,827

Financial Assumptions As The Valuation Date	Current Year	Previous Year
Discount Rate (p.a.)	7.90%	9.35%
Expected Rate of Return on Assets (p.a.)	8.00%	7.50%
Salary Escalation Rate (p.a.)	7.77%	8.00%

18.2 Long term Employee Benefits : Amount of ₹ 13,28,038/- (Previous Year ₹ 9,04,769/-) is recognized as an expense towards Employee Benefits-Compensated Absences (Leave Encashment) included under the Note-18: Employee Costs.



19 Finance Costs

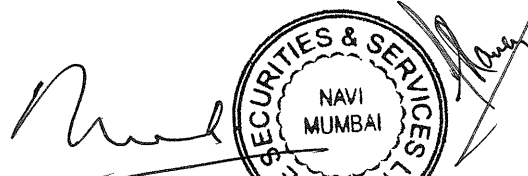
Particulars	For the Year ended on 31 March 2015 ₹	For the Year ended on 31 March 2014 ₹
Interest - Other than Fixed Loans	2,014	-
Total	2,014	-

20 Other Expenses

Particulars	For the Year ended on 31 March 2015 ₹	For the Year ended on 31 March 2014 ₹
VSAT, Lease line and other Communication expenses	2,856,619	3,890,579
Annual Maintenance Charges for Networking System	3,235,357	4,023,888
Annual Maintenance charges	532,229	461,081
Board Meeting Expenses	523,267	631,548
Director Sitting Fees	290,000	300,000
Reimbursement of actual Expenses	169,435	2,001,784
Management Fees to ISE	4,000,000	6,000,000
Electricity Charges	2,435,991	2,260,213
Telephone Expenses	640,629	475,215
Security Charges	547,756	901,296
Bad Debts Written off	2,737,498	-
Provision for Doubtful Debts	1,022,642	2,315,674
Courier Charges	403,130	256,380
Insurance	73,818	68,165
Legal, Professional Charges and Contract charges	4,498,094	4,928,074
Miscellaneous Expenses	2,069,846	1,854,977
Membership charges	174,500	318,973
Printing & Stationery	604,059	524,241
Remuneration to Auditor	302,000	570,610
Rent Rates & Taxes	7,491,506	7,707,718
Demat Charges	1,151,757	448,838
Remiser Account- DP Incentive	745,710	21,281
Repairs & Maintenance	316,786	381,854
Total	36,822,628	40,342,389

20.1 Remuneration to Auditors

Particulars	For the Year ended on 31 March 2015 ₹	For the Year ended on 31 March 2014 ₹
As Auditors		
Audit Fees	200,000	330,000
Tax Audit Fees	75,000	75,000
In Other capacity		
Limited Review	-	100,000
Other Matters	27,000	56,000
Reimbursement of expenses	-	9,610
Total	302,000	570,610



21. Contingent Liability not provided for and Other Commitment :

- i) Claim against the company not acknowledged as debts amounting to ₹ 146,750/- (Estimated) (Previous Year ₹ 486,856/-).
- ii) The company has issued perpetual indemnity in favor of Indusind Bank to the extent of ₹ 3,000,000/- (Previous year ₹ 3,000,000/-).
- iii) The company has received demands from the Income Tax Department for an amount of ₹ 29,476,800/- (Previous year: ₹ 7,146,538/-) for various disallowances of expenditures relating to the various assessment years which have been disputed by the Company against which company has paid/ received refund granted by Income Tax Department of ₹ 9,384,060/- for various assessment years. The company has filed appeals before higher authorities against the said orders. In the management view these demands are not tenable & accordingly no provision has been made.
- iv) The company has received show cause notices from Service Tax Department for availment of cenvat credit of service tax paid for the years 2007-08 to 2013-14. Total amount of cenvat credit disallowed is ₹ Nil. /- (Previous year: ₹ 5,307,347/-). As per the Company the demand raised by Service Tax Department is not tenable & accordingly no provision has been made.

22. Segment Information

Primary segment information:

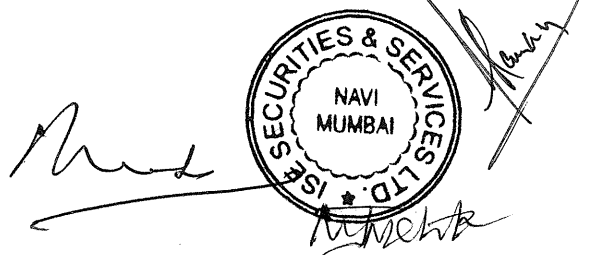
The Company has two reportable segments viz. Broking & Depository Participant.

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.

- a) 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".
- b) 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".



ISE SECURITIES & SERVICES LIMITED
Significant Accounting Policies & Notes forming part of the Accounts as at March 31, 2015

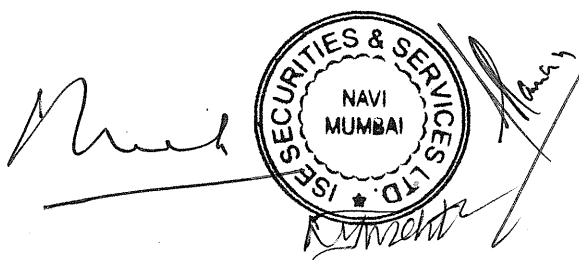
Primary Segment Information

Particulars	Broking Segment		Depository Participant Segment		TOTAL	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Segment Revenue	7,38,03,293	100,197,251	15,074,645	4,634,484	8,88,77,937	104,831,734
Segment Expenses	5,72,44,761	70,308,563	13,781,250	5,697,479	7,10,26,011	76,006,042
Segment result	16,558,532	29,888,687	1,293,395	(1,062,995)	17,851,926	28,825,692
Unallocated expenses	-	-	-	-	(6,343,470)	(1,502,158)
Profit before Tax	-	-	-	-	11,508,456	27,323,534
(i) Current Tax	-	-	-	-	(3,800,000)	(10,931,817)
(ii) Deferred Tax	-	-	-	-	254,683	227,662
Profit after Tax	-	-	-	-	79,63,139	16,619,379
Other Information						
Segment Assets	575,034,783	568,932,764	14,617,880	9,200,690	589,652,663	578,133,454
Unallocated Corporate Assets	-	-	-	-	21,205,608	5,009,802
Segment Liability	457,411,603	437,165,385	3,447,693	3,504,300	460,859,296	440,669,685
Unallocated Corporate Liability	-	-	-	-	5,994,431	5,887,937
Depreciation and amortization	4,139,413	3,729,632	68,318	72,920	4,207,731	3,802,552

23. Earnings per share:

Particulars	Current Year	Previous Year
Net profit/ (Loss) attributable to equity shareholders	₹ 7,963,139	₹ 16,619,379
Weighted Average Number of Equity Shares	5,500,000	5,500,000
Face Value per Share (₹)	10.00	10.00
Basic Earnings/(Loss) per equity shares (₹)	1.45	3.02
Diluted Earnings/ (loss) per equity shares (₹)	1.45	3.02

- 24.** 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 & Notes forming part of the Accounts as at March 31, 2015

25. 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
26. 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.

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.

27. Related party transactions:

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

Sr. No.	Name of the Related Parties	Relationship	Country
1	Inter-Connected Stock Exchange of India Ltd.	Holding Company	India
2	Mr. Sivaraman K M- Chief Executive Officer & Whole Time Director	Key Managerial Personnel	India

Transactions with related parties

Particulars	Current Year (₹)	Previous Year (₹)
<u>Expenses</u>		
<u>Holding Company</u>		
Management Fees (inclusive of service tax)	4,494,400	6,741,600
Reimbursement of Expenses	187,215	4,052,574
DP charges (inclusive of service tax)	-	1,268,486
Rent (inclusive of service tax)	-	591,602
Dividend paid	-	11,000,000
<u>Key Managerial Personnel</u>		
Managerial Remuneration	2,948,618	3,001,505
Reimbursement of expenses	134,001	142,920



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ISE SECURITIES & SERVICES LIMITED
Significant Accounting Policies & Notes forming part of the Accounts as at March 31, 2015

<u>Fixed Assets</u>		
Goodwill (sales consideration)	-	12,500,000
<u>Equity</u>		
Shareholder	55,000,000	55,000,000
<u>Balance Receivable/(Payable)</u>		
Holding Company	1,325,293	(22,110)
Key Managerial Personnel	-	-

28. Operating Lease:

(a) Total of minimum lease payments

Particulars	Current Year (₹)	Previous Year (₹)
(i) Total of minimum lease payments	13,525,815	18,565,647
(ii) The total of future minimum lease		
Operating leases for period:		
Not later than one year	6,887,053	6,544,412
Later than one year and not later than five years	6,638,762	12,021,235
Later than five years	-	-

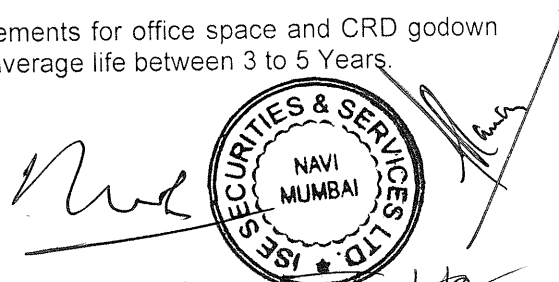
(b)

Particulars	Current Year (₹)	Previous Year (₹)
Lease payments recognized in the statement of profit & loss for the year	7,471,780	6,880,929

(c) Details of lease Deposit

Particulars	Current Year (₹)	Previous Year (₹)
Powerica Limited	2,550,000	2,550,000
CRD Sanpada Godown	100,000	100,000
Patna Branch Deposit	34,000	34,000
Nagpur Branch	60,000	60,000
Delhi Branch	50,000	100,000
Coimbatore	90,000	90,000
Kolkata Branch	150,000	150,000
Kolkata Godown	20,000	20,000

(d) The Company has entered into operating lease arrangements for office space and CRD godown under operating lease arrangement. The lease has an average life between 3 to 5 Years.



ISE SECURITIES & SERVICES LIMITED
Significant Accounting Policies & Notes forming part of the Accounts as at March 31, 2015

(e) The company has entered into cancellable operating lease for office premises. Lease payments amounting to ₹ 5,669,612/- (P.Y. ₹ 5,399,626/-) made under operating lease have been recognized as an expenses in the statement of profit and loss.

29. 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, 2014 to March 31, 2015. (Previous year refers to April 01, 2013 to March 31, 2014).

The Previous year audit was conducted by a Firm other than Nangia & Co. The previous year figures have been regrouped, rearranged and reclassified wherever necessary to conform to this year's classification.

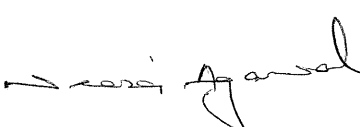
30. All Figures are in Indian Rupees.

Auditor's Report : As per our separate report of even date

For Nangia & Co.

Chartered Accountants

Firm Registration No.: 002391C



Neeraj Agarwala
F C A Partner
MRN 111966

Place: Mumbai
Date: 21/08/2015



For and on behalf of the Board of
ISE Securities & Services Ltd


Sivaraman K M
Whole Time
Director & CEO
DIN # 02961895


Manubhai Parekh
Director
DIN # 00068992

21 AUG 2015


Mayank Mehta
Company Secretary
Membership #

21 AUG 2015

