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**S Kumar Online Limited**

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**SEVENTEENTH ANNUAL REPORT 2015-2016**

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**S KUMAR ONLINE LIMITED**

(CIN: L45400MH1999PLC119875)

**ANNUAL REPORT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016**

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

1. Mr. Ramesh Gangwal : Chairman and Independent Director
2. Mr. Omprakash P. Pacheria : Whole-time Director
3. Mr. R. N. Jha : Independent Director
4. Dr. Sadhana Sachin Deshmukh : Non-executive Director

**Registered Office**

“Avadh Bldg”, Avadesh Parisar,  
G. K. Marg, Worli, Mumbai – 400 018

**Chief Financial Officer**

Mr. Sameer Patil  
Tel No. 91-22-24914795

**Company Secretary & Compliance Officer**

Mr. Hitendrakumar Ranka  
Tel. No. 91-22-24914795

**Bankers**

HDFC Bank Ltd.  
Oriental Bank of Commerce  
IDBI Bank Ltd.

**Statutory Auditors**

M/s. S M M P & Associates  
(Earlier known as M/s. Shyam Malpani & Associates)  
Chartered Accountants  
307, Chartered House, 297/299  
Dr. CawasjiHormasji Street,  
Mumbai – 400 002.

**Secretarial Auditor**

Mr. Shiv Hari Jalan  
Practicing Company Secretary  
104, Mahavir Building, 44/46,  
Popatwadi Lane, Kalbadevi,  
Mumbai – 400002.

**Registrar and Transfer Agent**  
**Bigshare Services Pvt. Ltd.**

E – 2/3, Ansal Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (East), Mumbai - 400 072.  
Phone No: 022-40430200,  
Fax No: 022-28475207  
Mail ID: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Details of 17<sup>th</sup> Annual General Meeting**

Date : 30<sup>th</sup> September, 2016  
Day : Friday  
Time : 9.00 A.M.  
Place : Victoria Memorial School, Opp. Tardeo A.C.Market,  
Tardeo Road, Mumbai – 400034.  
Book Closure : 23.09.2016 to 30.09.2016 (both days inclusive)

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## **NOTICE FOR SEVENTEENTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of S KUMAR ONLINE LIMITED will be held at The Victoria Memorial School, Opp. Tardeo A.C. Market, Tardeo Road, Mumbai – 400034 on Friday, 30<sup>th</sup> September 2016 at 9.00 A.M. to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt:
  - a) the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016, together with the Report of the Auditors thereon.
2. Dr. Sadhana Sachin Deshmukh (DIN 02881743), a Non-executive director, who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
3. **RATIFICATION OF THE APPOINTMENT OF STATUTORY AUDITORS OF THE COMPANY AND TO FIX THEIR REMUNERATION**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 (“Act”), read with the Companies (Audit & Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), pursuant to the recommendations of the audit committee of the board of directors and pursuant to the resolution passed by the members at the AGM held on 30<sup>th</sup> September 2014, the appointment of M/s. S M M P and Associates, Chartered Accountants (registration no. 120438W) [Earlier known as M/s. Shyam Malpani & Associates, Chartered Accountants (registration no. 120438W) as the Statutory Auditors of the Company to hold office till the conclusion of the 18<sup>th</sup> Annual General Meeting to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration plus service tax, out-of pocket travelling and living expenses, etc., payable to them for the Financial Year ending 31<sup>st</sup> March, 2017 as may be determined by the Audit Committee in consultation with the Auditors and such remuneration as may be agreed between the Auditors and Board of Directors.”

### **SPECIAL BUSINESS**

4. **RE-APPOINTMENT OF SHRI. OMPRAKASH PRAHLADRAI PACHERIA (DIN: 00105278) AS A WHOLE TIME DIRECTOR OF THE COMPANY**

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

**“RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of directors at their meeting held on 25.07.2016 and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 71 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri. Omprakash Prahladrai Pacheria, as Whole-time Director of the Company w.e.f. 26<sup>th</sup> July, 2016 for a period of Three Years on the remuneration @ Rs. 88,000/- p.m. and other perquisites (hereinafter referred to as “remuneration”) upon such terms and conditions as detailed in the explanatory statement attached hereto with powers to the Board of Directors to alter and vary terms and conditions including remuneration (including minimum remuneration in case of absence or inadequacy of profits) in such manner as the Board may deem fit and is acceptable to Shri. Omprakash Prahladrai Pacheria, within the limits specified in Schedule V of the Companies Act, 2013 or any amendment thereto.

## Notice

**RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profits for any financial year, the remuneration and perquisite as set out in draft Agreement as place at the meeting shall be paid to Shri Omprakash Prahladrai Pacheria as minimum remuneration.

**RESOLVED FURTHER THAT**, in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and hereby authorized to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limits or ceiling and the Agreement between the Company and Director Shri. Omprakash Prahladrai Pacheria be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in the General meeting.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

5. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 17, 20, 136 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with heading after Article 97 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to authorised Board of directors or any officer authorised by the Board (“Authorised Person”) to levy such printing, packaging and courier charges as may be fixed or decided by the Board of Directors of the Company from time to time for delivery of such documents, papers, resolutions etc. to Members through a particular mode on their request which can be inspected by members under the provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) or Authorised Person(s) to give effect to the aforesaid resolution.”

**NOTES:**

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxies, in order to be valid and effective, must be delivered at the registered office of the Company not later than forty- eight hours before the commencement of the Meeting. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the board resolution authorizing such a representative to attend and vote on their behalf at the meeting.

Pursuant to the provisions of the Companies Act, 2013 and the underlying rules viz. Companies (Management and Administration) Rules, 2014 or any amendment thereof, a person can act as proxy on behalf of members not exceeding fifty in numbers and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. A Proxy Form is enclosed at the end of this report.

- b) The relative Explanatory statement pursuant to section 102 of the Companies Act, 2013, in respect of item Nos. 4 to 5 set out in the notice is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item No. 2 & 4 of the Notice, are also annexed.
- c) Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting. An Attendance Slip is enclosed at the end of this report.
- d) Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to please bring their folio number/demat account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
- e) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- f) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to M/s Bigshare Services Pvt. Ltd. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request.
- g) The Company believes in and focuses on "**Green Initiative**" and "**E-governance**", therefore Members who have not registered their e-mail addresses are requested to register the same with M/s Bigshare Services Pvt. Ltd. / Depositories.
- h) Members are requested to note that the company's equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI circular No. 21/99 dated July 8, 1999. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
- i) The register of members & the share transfer books of company will remain closed from 23/09/2016 to 30/09/2016. (Both days inclusive).
- j) Members holding shares in physical form are requested to immediately notify change in their address, to the Registrar & Transfer Agent of the company, Viz. Big Share Services Pvt. Ltd. quoting their Folio Numbers.
- k) Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, email addresses, nominations, power of attorney, changes of address/name etc. To their Depository Participant (DP) only and not to the Company or its Registrar and Transfer Agent. Any such changes effected by the DPs will automatically reflect in the Company's subsequent records.
- l) Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013.
- m) The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.skumaronline.com](http://www.skumaronline.com).
- n) Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.

**Notice**

- o) All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 11 a.m. and 1 p.m. on all working days from the date hereof up to the date of the Meeting.
- p) The route map showing directions to reach the venue of the Seventeenth AGM is annexed with this Report.
- q) **VOTING THROUGH ELECTRONIC MEANS AND RESULTS:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 read with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members a facility to exercise their right to vote at the 17<sup>th</sup> Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Securities (India) Limited (CDSL).

The voting period begins on Tuesday, September 27, 2016 (9.00 a.m.) and ends on Thursday, September 29, 2016 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, September 23, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently.

**The instructions for members for voting electronically are as under:-**

Members whose shareholding is in the dematerialised form and whose email addresses are registered with the company/ depository participants(s) will receive an email from CDSL

**I) In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "S KUMAR ONLINE LIMITED" from the drop down menu and click on "SUBMIT"

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar or R. Amit Kumar with Sr. No. 1 then enter RA00000001 in the PAN field.(For your password please refer to address sticker affixed on AGM report i.e. 2 character of your name and 8 digit of Sr. numbers.)</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (iv) Now Enter your User ID
- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant S KUMAR ONLINE LIMITED on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Note for Non – Individual Shareholders and Custodians
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.



**II) In case of members receiving the physical copy:**

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

- r) The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the relevant date (record date) (cut off date) of Friday September 23, 2016.
- s) The facility for voting shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- t) The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- u) Mr. Shiv Hari Jalan, a whole time Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- v) The scrutinisers shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than two days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- w) The Results shall be declared after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.skumarsonline.com](http://www.skumarsonline.com) and on the website of CSDL immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE"), where the shares of the Company are listed.

Place: Mumbai

Date :11.08.2016

CIN: L45400MH1999PLC119875

Website: [www.skumarsonline.com](http://www.skumarsonline.com)

E-mail: [skumars.support@gmail.com](mailto:skumars.support@gmail.com)

By order of the Board of Directors

**Sd/-**

**RAMESH GANGWAL**

Chairman

**EXPLANATORY STATEMENT U/S. 102 OF THE COMPANIES ACT 2013**

The Explanatory Statements of the accompanying notice set out herein above are as under:

**ITEM NO. 3**

Company has received an email dated 08<sup>th</sup> August, 2016 from Statutory Auditors regarding change in their constitution from proprietorship firm to partnership firm and change of name from M/s. Shyam Malpani & Associates to M/s. S M M P & Associates having the same Firm Registration No. 120438W. The Board at their meeting held on 11<sup>th</sup> August, 2016 took a note of the same and proving details with this explanatory statement for the knowledge of the Members of the Company.

**ITEM NO. 2 & 4:**

Subject to approval by the shareholders of the company, The Board of Directors and the Remuneration Committee at their meeting held on 25<sup>th</sup> July, 2016, have re-appointed Shri O. P. Pacheria as a Whole- time Director of the Company for a period of three years with effect from 26<sup>th</sup> July, 2016 at the remuneration, terms and conditions as detailed hereunder with power to make such variation, or increase therein as may be thought fit from time to time, but within the ceiling laid down in Schedule V of the Companies Act, 2013 or any statutory amendment or relaxation thereto. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Shri O. P. Pacheria, who was appointed Whole Time Director by the members to hold office upto July 25, 2016 and who has attained the age of 70 years and hence re-appointment as Whole Time Director requires the approval of members by way of a special resolution. Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall appoint a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution. Part 1 of Schedule V to the Act contains a similar relaxation. Keeping in view that Shri O. P. Pacheria has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Shri O. P. Pacheria as Whole Time Director. Shri O. P. Pacheria is a graduate in Science, has been at the helm of Company since 2004. Shri O. P. Pacheria guided the Company through approx. two decades of diversification and growth to compete as E-Commerce and IT Management Consultancy Industry.

Remuneration payable to Shri O. P. Pacheria as a Whole- Time Director of the Company will be as follows:

**CATEGORY A**

- 1) Salary : Rs. 88,000/- per month.

**CATEGORY B**

- 2) Provident Fund : Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income – Tax Act, 1961.
- 3) Gratuity service : Gratuity payable at ½ month's salary for each completed year of.
- 4) Medical Reimbursement : One month salary in a year.
- 5) Leave Travel Allowance : One month salary in a year.
- 6) Telephone Bill : Reimbursement on actual basis.
- 7) Period of Re-appointment : 3 years
- 8) Car : Use of Company's Car along with Driver.

The details of the retiring director and whole time director are as under:

Sr. No	Name of the Director	Dr. Sadhana Sachin Deshmukh	Mr. Omprakash P. Pacheria
1	DIN	02881743	00105278
2	Date of Birth	11/04/1980	18/01/1943
3	Age	35 Years	74 Years
4	PAN	AJVPD4957F	AKMPP9577H
5	Date of Appointment on the Board	29/05/2015	25-10-2004
7	Expertise in specific functional areas	Expertise in dermatologists Laser Surgery, Cosmetologist and trichologist, and specialized in beauty aesthetic treatments since many years of experience	Specialization in several fields, particularly in legal and processing of textiles, polyester cotton & polyester viscos fabrics.

## Notice

8	No. of equity shares held in the Company	Nil	5600
9	Qualification	DNB, FCPS, MD - Dermatology, MBBS(Dermatologist /Cosmetologist)	Bachelor of Science
10	List of other directorship	1. Forever Yooung Wellness Pvt. Ltd. 2. Empowering Realtors Pvt. Ltd. 3. Productive Developers Pvt. Ltd. 4. Anshika Developers Pvt. Ltd. 5. Fortitude Hospitality Pvt. Ltd. 6. Driti Developers Pvt. Ltd. 7. Magnifier Developers Pvt. Ltd. 8. Kavach Developers Pvt. Ltd. 9. Akund Buildcon Pvt. Ltd. 10. Sarvak Developers Pvt. Ltd. 11. Mazda Developers Pvt. Ltd. 12. First Row Lifestyle Pvt. Ltd. 13. Nurturing Traders Pvt. Ltd. 14. Charming Realtors Pvt. Ltd. 15. Imaginative Leisure Pvt. Ltd. 16. Wholesome Developers Pvt. Ltd. 17. Determined Hospitality Pvt. Ltd.	1. S. K. M. Real infra limited 2.E-Assurance Services (India) Limited 3. Vijay Infrastructure Technologies Private Limited 4. Raghuvveer Urban Constructions Company Private Limited
11	Membership/Chairman of Committees of the other Companies	Nil	Nil
12	Relationships, if any, between Directors inter se	N.A.	NA

The Board recommends aforesaid resolution set out at the item no. 2 for your approval as an Ordinary Resolution and aforesaid resolution set out at the item no. 4 for your approval as a Special Resolution.

Except Dr. Sadhana Sachin Deshmukh & Mr. Omprakash P. Pacheria, None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in this resolution except to the extent of their shareholding in the Company.

**ITEM NO. 5****AUTHORISED BOARD OF DIRECTORS TO LEVY CHARGE FOR DELIVERY OF DOCUMENTS TO SHAREHOLDERS THROUGH A PARTICULAR MODE ON THEIR REQUEST**

In terms of provisions of Sections 17, 20, 136 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with heading after Article 97 of Articles of Association of the Company, approval of the members of the Company requires to authorise Board of directors or any officer authorised by the Board ("Authorised Person") to levy such printing, packaging and courier charges as may be fixed or decided by the Board of Directors of the Company from time to time for delivery of such documents, papers, resolutions etc. to shareholders through a particular mode on their request which can be inspected by members under the provisions of the Companies Act, 2013. The Board recommends aforesaid resolution set out at the item no. 5 for your approval as an Ordinary resolution.

None of the Directors and Key Managerial Personnel are concerned or interested in this resolution except to the extent of their shareholding in the Company.

Place: Mumbai

Date :11.08.2016

CIN: L45400MH1999PLC119875

Website: www.skumaronline.com

E-mail: skumars.support@gmail.com

By order of the Board of Directors

Sd/-

**RAMESH GANGWAL**

Chairman

**Board's Report- Sec. 134(3)**

To the Members of

**S KUMAR ONLINE LIMITED**

Dear Members,

Your Directors have pleasure in presenting the 17<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the financial year ended on 31<sup>st</sup> March, 2016 for your perusal, consideration and adoption.

**State of Affairs of the Company:**

Particular	Unconsolidated		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Total Revenue	57,29,436	27,46,408	57,29,436	27,46,408
Less :- Total expenditure	(92,75,480)	(85,88,502)	(92,88,877)	(86,00,139)
Profit (Loss) before Exceptional and Extraordinary items and Tax	<b>(35,46,044)</b>	<b>(58,42,094)</b>	<b>(35,59,441)</b>	<b>(58,53,731)</b>
Prior period adjustments	(2,500)	-	(2,500)	-
Profit (Loss) before Extraordinary items and Tax	<b>(35,48,544)</b>	<b>(58,42,094)</b>	<b>(35,61,941)</b>	<b>(58,53,731)</b>
Extraordinary items	-	-	-	-
Profit (Loss) before Tax	<b>(35,48,544)</b>	<b>(58,42,094)</b>	<b>(35,61,941)</b>	<b>(58,53,731)</b>
<b>Tax:</b> Current Tax	-	-	-	-
Tax Liability of Previous Years	-	-	-	(32,699)
Deferred Tax (Liability)/Assets	31,911	1,35,703	31,911	1,35,703
Profit (Loss) for the year before minority interest	<b>(35,16,633)</b>	<b>(57,06,391)</b>	<b>(35,30,030)</b>	<b>(57,50,727)</b>
Minority interest (share of loss transferred to minority)	-	-	16	53
Profit (Loss) after Tax (PAT)	<b>(35,16,633)</b>	<b>(57,06,391)</b>	<b>(35,30,014)</b>	<b>(57,50,673)</b>
<b>Less:- Appropriation:</b>				
Adjustment relating to fixed Assets	-	(3,31,686)	-	(3,31,686)
Balance brought forward from previous year	(38,17,22,611)	(37,56,84,534)	(38,17,66,458)	(37,56,84,099)
Balance carried to balance sheet	<b>(38,52,39,245)</b>	<b>(38,17,22,611)</b>	<b>(38,52,96,472)</b>	<b>(38,17,66,458)</b>

**Review of operations:**

There is no change in the nature of business of the company. During the year under review, your Company earned a total income of Rs. **57,29,436/-** as compared to a total income of Rs. **27,46,408/-** of the Previous Year and a net loss after tax of Rs. **35,16,633/-** as compared to net loss after tax of **57,06,391/-** of previous year.

**Transfer to Reserves**

In view of overall accumulated losses, the directors express their inability to transfer any amount to reserves for the financial year 2015-16.

**Dividend:**

In view of overall accumulated losses, the directors express their inability to recommend any dividend on Equity Shares for the financial year 2015-16

**Public Deposits:**

Your company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**Management discussion and analysis:**

**1. Industry Structure and Developments**

Slothful business due to immense competition among the I. T. Management consultancy services and "Moviegear" Equipment Rental business sector forced us to keep ourselves in the back foot for considerably long span during the year. It is the snapping factor responsible for our declined business growth and development. However, the Company continued with its I. T. Management consultancy services and "Moviegear" Equipment Rental business during the year.

**2. Industry Outlook:**

The Company is an information technology services, consulting and business solutions related Company. The Company provides end-to-end technology and technology related, telecommunication related, communication systems, satellite and satellite related, software and software related, computer hardware and hardware related, E-commerce and E-commerce related services, etc.

**3. Opportunities and Threats:**

The Company recognizes the need to accelerate ability to connect more deeply with our customers to enable true transformation. Increasing IT usage and adoption within the country is enhancing competitiveness of the Indian economy and the user community. Indian businesses, that are using Information Technology, as an enabler, are becoming increasingly competitive in the global arena.

The demand environment will continue to remain buoyant in the coming fiscals due to increased IT Consultancy spend by organizations as well as greater acceptance of the global delivery model. Due to immense competition the company is facing threat to its existing line of businesses.

**4. Segment-wise performance:**

During the year the your Company operated in three segments viz.,

1. I. T. Management Consultancy;
2. Equipment Rental;
3. Unallocated

Segment-wise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement for the year ended 31<sup>st</sup> March 2016 are as follow:

Sr.No.	Particulars	Year ended 31/03/2016 (Rs.In lacs)
		(Audited)
1	<b>Segment-wise Revenue</b>	
	(Net Sales / Income from each segment):	
	a) IT Management Consultancy	48.88
	b) Equipment Rental	-
	c) Unallocated	-
	<b>Total</b>	<b>48.88</b>
	Less: Inter Segment Revenue	-
	<b>Total Net Sales / Income from Operations</b>	<b>48.88</b>
2	<b>Segment-wise Results</b>	
	Profit from Operations of each segment	
	a) IT Management Consultancy	-25.03
	b) Equipment Rental	-8.01
	c) Unallocated	-60.90
	<b>Profit before Interest &amp; Tax</b>	<b>-43.88</b>

	Less:	
	(i) Interest	-
	(ii) Other Unallocable Expenditure net off	-
	(iii) Other Income (Unallocable)	8.42
	<b>Total Profit Before Tax</b>	<b>-35.46</b>
<b>3</b>	<b>Capital Employed</b> (Segment-wise Asset – Segment-wise Liabilities)	
	a) IT Management Consultancy	-2.59
	b) Equipment Rental	69.10
	c) Unallocated	-1061.58
	<b>Total</b>	<b>-989.89</b>

**5. Research and Development:**

Our Research and Development (R & D) focus is to drive innovation in all areas of our business, resulting in improvements in product quality, cost savings, higher efficiencies. We have integrated our R&D practices to operate in cope with all our businesses and various product categories. We leverage R & D activities to keep well informed of changing consumer preferences. This includes consumer studies to gauge feedback on new products, modifying products to suit consumer tastes and adding features and variants to existing products to provide alternative solutions to our consumers.

**6. Risks Management and compliance:**

Your Company has an elaborate risk management procedure, which is entirely based on different parameters related to business operations. Some of the risks related to competitive intensity and cost volatility. Major risks identified by the Audit Committee are systematically addressed. These are discussed with both Board and Audit Committee. These are routinely tested and certified by Internal Auditors/Statutory Auditors and cover all offices, divisions and key areas of business. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

**7. Internal financial control system and their adequacy:**

Your Company has proper and adequate system of internal financial controls, to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The internal financial control is supplemented by an extensive programme of external audits and periodic review by the management.

The system is designed to adequately ensure that financial and other records are reliable for presenting financial information and other data and maintaining accountability of assets.

**8. Human Resource:**

Your Company regularly organizes in-house training programmes for employees to improve operational efficiency. Company's strategy is to recruit qualified and talented employees.

**Cautionary Statement:**

Statement in this Management Discussion and Analysis deals with Company's objectives, projections, estimates, expectations and predictions. The expectations of the management are regarded as forward looking statements with meaning of applicable securities, laws and regulations. These 'forward looking statements' are inherently subject to risks and uncertainties, beyond the control of the Company or its management. Many factors could cause the actual results, performance and achievements of the Company to be materially different from any future results, performances or achievement that may be expressed or implied by such forward looking statements. S Kumar Online Limited shall not be liable for any loss which may arise as a result of any action taken on the basis of the information contained herein nor would be under any obligation to update the forward looking statements to reflect developments of events of circumstances hereafter.

**Extract of Annual Return**

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure I** in the prescribed Form MGT-9, which forms part of this report.

**Number of Board Meetings**

Five meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

**Board Independence:**

Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-executive Directors are Independent in terms of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013:-

- 1) Mr. Ramesh Gangwal
- 2) Mr. Rudra Narain Jha

The Company has received a declaration from the Independent Director(s) that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (LODR) Regulations, 2015 are annexed in **Annexure II**, which forms part of this report.

**Director's Responsibility Statement:**

Pursuant to Section 134(5) read with Section 134(3)(c) of the Companies Act, 2013, in best of their knowledge and belief, the Board of Directors confirm that:

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

**Auditors:**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, The Auditors M/s. S M M P & Associates, Chartered Accountants (Formerly known as M/s. Shyam Malpani & Associates, Chartered Accounts), who were appointed as statutory auditors of the Company from the conclusion of the Fifteenth Annual General Meeting (AGM) of the Company held on September 30, 2014 till the conclusion of the Eighteenth Annual General Meeting (AGM) of the Company subject to ratification of their appointment at every AGM at a remuneration (including term of payment) to be fixed by Board of Directors of the Company, plus service tax and such other tax(es), as may be applicable & reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company.

No Fraud has been reported by Auditors under section 143(12) of the Companies Act, 2013 for the Financial Year 2015-16.

**Explanation on qualifications in Auditors' Report**

Company has continued with its IT management consultancy business during the quarter under review. Company has discontinued its old model of e- Commerce business due to which it is facing cash flow mismatches. However, the management is constantly trying to introduce new e-Commerce business model. Management is confident that in near future, Company will be in revival mode and thereby going concern will not be affected.

**Explanation on qualifications in Secretarial Auditors' Report**

Remarks highlighted by Secretarial Auditors are self-explanatory.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Secretarial Standards etc. issued by the regulatory bodies. The Secretarial Audit Report is annexed as **Annexure III** with this Report.

**Internal Audit**

The Company has appointed Internal Auditor for the Financial Year 2015-16. The scope and authority of the Internal Auditor is as per the terms of reference approved by the Audit Committee. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board & to the Chairman & Whole Time Director.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

**Policy on directors' appointment and remuneration and other details**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

**Particulars of Contracts or arrangements with related parties**

Your Company has not entered into any contracts or arrangements of material nature with related parties i.e. Directors or their relatives, which may conflict with the interest of the Company at large. The details of the related party transactions, if any, are disclosed in the financial section of this Annual Report and in prescribed form AOC-2 which is annexed as **Annexure IV** with this Report.

**Particulars of loans, guarantees or investments under section 186:**

Your Company has not given any loans, guarantee or made any investments in contravention of section 186 of the Companies Act, 2013. The particulars of loans, guarantees and investments, if any, are disclosed in the financial section of this Annual Report.

**Conservation of energy, technology absorption and Foreign Exchange Earning & Outgo:**

**A. Conservation of Energy:**

During the year under review the Company has not spent any amount on conservation of energy. Hence the Company has nothing to report as per the requirements of Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rule, 2014.

**B. Technology Absorption:**

During the year under review the Company has not absorbed any technology and hence the Company has nothing to report as per the requirements of Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rule, 2014.

**C. Foreign Exchange Earning & Outgo:**

Earning : NIL

Outgo : NIL

The Company is taking all possible and reasonable efforts to have export earnings.



**Annual Evaluation of Board's and Committee's Performance:**

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI under Clause 49 of the erstwhile Listing Agreements/ SEBI (LODR) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and of the Chairman was evaluated, taking into account the views of executive and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

**Composition of Committees and other related details:**

The Composition of various committees and other related details are disclosed in Corporate Governance Report forming part of this Report.

**Vigil Mechanism**

The company has a policy on vigil mechanism and the same has been kept on the website of the company.

**Corporate Social Responsibility (CSR)**

The provisions relating to Corporate Social Responsibility are not applicable to the Company.

**Significant and Material Orders**

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

**Particulars of Employees:**

The information required under Section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, are given below:

**1) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

<b>Name of the Directors with Category</b>	<b>Ratio to median remuneration</b>
Mr. Ramesh Gangwal - Non-Executive Independent Chairman	-
Mr. Rudra Narain Jha - Non-Executive Independent Director	-
Ms. Chandra Mundhra - Non-Executive Director (Date of Cessation - 30/09/2015)	-
Mr. Omprakash P. Pacharia - Whole-Time Director	3.83
Dr. Sadhana Sachin Deshmukh (Date of Appointment - 29.05.2015)	-

**2) The percentage increase in remuneration of each director, chief financial officer, in the financial year:**

Mr. Ramesh Gangwal, Non-Executive Independent Chairman	-
Mr. Rudra Narain Jha, Non-Executive Independent Director	-
Mrs. Chandra Mundhra, Non-Executive Director (Date of Cessation – 30/09/2015)	-
Mr. Omprakash P. Pacharia, Whole Time Director	37.50
Dr. Sadhana S. Deshmukh, Non-Executive Director (Date of Appointment – 29/05/2015)	-
Mr. Sameer S. Patil, Chief Financial Officer	24.73
Mr. Hitendrakumar Ranka, Company Secretary	

**3) The percentage increase in the median remuneration of employees in the financial year: 13.19%****4) The number of permanent employees on the rolls of Company: 7 (Seven)****5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase made in the salaries of employees other than the managerial personnel in the last financial year was around 16.29%. Increase in the managerial remuneration for the year was 37.50%. It is to justify that there was not increment given to Whole Time Director between F. Y. 2007-08 to F. Y. 2014-15. Hence the same was given during the last financial year 2015-16.

**6) Affirmation that the remuneration is as per the remuneration policy of the Company:**

Your Company affirms that the remuneration is as per the remuneration policy of the Company.

**7) There is no employee drawing remuneration covered under section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.****Subsidiaries:**

During the year under review 'e-Assurance Services (India) Ltd' is the only subsidiary of the Company. The said subsidiary is material in nature, non-listed subsidiary company as defined under the Company's Policy for determining Material Subsidiaries. Pursuant to Section 129 of the Companies Act, 2013, the Company is required to attach to its Annual Report, the Directors' Report and financial statements as well as the Company's interest in the Subsidiary Company. Accordingly, all the above details pertaining to e-Assurance Services (India) Limited have been annexed and form part of this Annual Report.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

**Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Our Company is committed to providing work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. The Company is also committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. During the financial year 2015-16, there were no cases reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Corporate Governance:**

The Company has taken appropriate steps and measures to comply with all the applicable provisions of Clause 49 of erstwhile Listing Agreement/ Corporate Governance requirement of SEBI (LODR) Regulations, 2015. A separate report on Corporate Governance, along with a certificate of Statutory Auditor, is annexed with this Annual Report. A certificate from the Whole Time Director and Chief Accounts Officer of the Company confirming internal controls and checks pertaining to financial statements for the year ended March 31, 2016 was placed before the Board of Directors and the Board has noted the same. A list of the committees and other related information is detailed in the enclosed Corporate Governance Report.

Further there is **no revision in financial statements or board report u/s 131 of the Companies Act 2013** made by the company.

**Acknowledgements:**

The Directors thank the Company's customers, franchisees, contractors, vendors, bankers, Government & other authorities and the shareholders for their support to the Company. The Directors also sincerely acknowledge the contribution made by all the employees for their services to the Company.

**Place : Mumbai**

**For and on behalf of the Board of Directors**

**Date : 11<sup>th</sup> August, 2016**

**Sd/-**

**Sd/-**

**O. P. Pacheria**

**R. N. Jha**

Whole Time Director

Director

**(DIN: 00105278)**

**(DIN: 00033291)**

## FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.

## I. REGISTRATION &amp; OTHER DETAILS:

1	CIN	L45400MH1999PLC119875
2	Registration Date	14.05.1999
3	Name of the Company	S KUMAR ONLINE LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Governmental Company
5	Address of the Registered office & contact details	"Avadh Bldg.", Avadesh Parisar, G. K. Marg, Worli, Mumbai, Maharashtra, India – 400 018 Mail Id: sameerpatil_203@yahoo.com Website: www.skumaronline.com
6	Whether listed company	Yes (Listed on BSE)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Pvt. Ltd. E/2, Ansal Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400 072. Phone No: 022-40430200, Fax No: 022-28475207. Email ID: investor@bigshareonline.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Information Technologies, Consultancy, Rental and other Related activities	620	100

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	e-ASSURANCE SERVICES (INDIA ) LIMITED" Avadh" Avadesh Parisar, G. K. Marg, Worli, Mumbai, Maharashtra, India – 400 018 Mail Id: sameerpatil_203@yahoo.com	U66010MH2002PLC137709	Subsidiary	99.88	2(87)

**IV. SHARE HOLDING PATTERN**  
(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	202,500	-	202,500	0.71%	202,500	-	202,500	0.71%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	18,282,306	-	18,282,306	63.87%	18,282,306	-	18,282,306	63.87%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	18,484,806	-	18,484,806	64.58%	18,484,806	-	18,484,806	64.58%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>TOTAL (A)</b>	<b>18,484,806</b>	<b>-</b>	<b>18,484,806</b>	<b>64.58%</b>	<b>18,484,806</b>	<b>-</b>	<b>18,484,806</b>	<b>64.58%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
1 Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	300	-	300	0.00%	300	-	300	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	300	-	300	0.00%	300	-	300	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.	3,816,924	823,600	4,640,524	16.21%	3,824,884	823,600	4,648,484	16.24%	-0.17%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2465,943	328,746	2,794,689	9.76%	2467,777	327,596	2,795,373	9.77%	-0.02%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2329,065	295,900	2,624,965	9.17%	2,321,421	295,900	2,617,321	9.14%	-0.29%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
Non Resident Indians	17,684	0	17,684	0.06%	17,684	0	17,684	0.06%	0.00%
Overseas Corporate Bodies	19	-	19	0.00%	19	-	19	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members	2,011	-	2,011	0.01%	1011	0	1,011	0.01%	-49.73%
Trusts			-	0.00%			-	0.00%	0.00%
Directors Relatives	58,602	1,400	60,002	0.21%	58602	1400	60,002	0.21%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	8,690,248	1,449,646	10,139,894	35.42%	8,691,398	1,448,496	10,139,894	35.42%	0.00%
Total Public (B)	8,690,548	1,449,646	10,140,194	35.42%	8,691,698	1,448,496	10,140,194	35.42%	0.00%
C. Shares held by Custodian									
for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	27,175,354	1,449,646	28,625,000	100.00%	27,176,504	1,448,496	28,625,000	100.00%	0.00%

## (ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2015]			Shareholding at the beginning of the year [As on 31-March-2016]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	HANUMESH INVESTMENTS PRIVATE LIMITED	12,272,814	42.87%	0	12,272,814	42.87%	0	0.00%
2	MANDAKINI INVESTFIN PVT LTD	2,576,598	9.00%	0	2,576,598	9.00%	0	0.00%
3	YASHASWINI INVESTMENTS COMPANY PRIVATE LIMITED	2,082,198	7.27%	0	2,082,198	7.27%	0	0.00%
4	KARTIKEYA FINVEST PRIVATE LIMITED	776,598	2.71%	0	776,598	2.71%	0	0.00%
5	VIDHI HOLDINGS PVT LTD	574,098	2.01%	0	574,098	2.01%	0	0.00%
6	VIKAS SHAMBHUKUMARJI KASLIWAL	110,000	0.38%	0	110,000	0.38%	0	0.00%
7	VIKAS S KASLIWAL	92,500	0.32%	0	92,500	0.32%	0	0.00%

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

Sr. No.	Particulars	Shareholding at the beginning of the year	Cumulative Shareholding during the year
	At the beginning of the year	There is no change in Promoters' Shareholding between 01.04.2015 to 31.03.2016	
	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		

(iv) Shareholding Pattern of top ten Shareholders  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	RATIONAL FINVEST P LTD	01.04.2015		434,800	1.52%	434,800	1.52%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31.03.2016				434,800	1.52%
2	HOLISTIC FINANCE PVT LTD	01.04.2015		251,400	0.88%	251,400	0.88%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31.03.2016				251,400	0.88%
3	INVITATION EQUIFIN PVT LTD	01.04.2015		581,244	2.03%	581,244	2.03%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31.03.2016				581,244	2.03%
4	RAJ INFIN PVT LTD	01.04.2015		726,598	2.54%	726,598	2.54%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31.03.2016				726,598	2.54%
5	CORONATION INFOTECH PVT LTD	01.04.2015		818,433	2.86%	818,433	2.86%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31.03.2016				818,433	2.86%
6	NABEELA FINVEST PRIVATE LIMITED	01.04.2015		978,738	3.42%	978,738	3.42%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31.03.2016				978,738	3.42%
7	YOGESH TALAKCHAND PAREKH	01.04.2015		126,322	0.44%	126,322	0.44%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31.03.2016				126,322	0.44%
8	MAHENDRA N SHAH	01.04.2015		170,419	0.60%	170,779	0.60%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31.03.2016				170,419	0.60%
9	VISHAL MEHTA	01.04.2015		128,296	0.45%	128,296	0.45%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31.03.2016				128,296	0.45%
10	SHRIPAL SHRENIK SHAH	01.04.2015		163,700	0.57%	163,700	0.57%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year						
	At the end of the year	31.03.2016				163,700	0.57%

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. O. P. Pacheria						
	At the beginning of the year	01.04.2015		5,600	0.02%	5,600	0.02%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2016			0.00%	5,600	0.02%
2	Ms. Chandra Mundra*						
	At the beginning of the year	01.04.2015		3,753	0.01%	3,753	0.01%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	30.09.2015			0.00%	3,753	0.01%
3	Mr. Sameer Patil						
	Date of Appointment	01.04.2015		10	0.00%	10	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2016			0.00%	10	0.00%

\*Ms. Chandra Mundra ceased to be a director as at 30.09.2015

**V. INDEBTEDNESS**

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

Amt. Rs. (Lacs)

Particulars	Secured Loans excluding deposits*1	Unsecured Loans*2	Deposits*3	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,62,212.00	10,72,36,360.00	-	10,73,98,572.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,62,212.00	10,72,36,360.00	-	10,73,98,572.00
Change in Indebtedness during the financial year				
* Addition	-	66,72,000.00		66,72,000.00
* Reduction	(1,62,212.00)	(800.00)	-	(1,63,012.00)
Net Change	(1,62,212.00)	66,71,200.00	-	65,08,988.00
Indebtedness at the end of the financial year				
i) Principal Amount	-	11,39,07,560.00		11,39,07,560.00
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	-	11,39,07,560.00	-	11,39,07,560.00

**Notes:**

1. Loan and advances from Financial Institutions which is secured against the assets of the Company.
2. Unsecured loans from Wholly Owned Subsidiary Company and other Body Corporates.
3. Company has not accepted any deposits during the current reporting period.



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)
		Name	Mr. Omprakash Pacharia	
		Designation	WTD	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	1,102,080.00 128,000.00 -	- - -	1,102,080.00 128,000.00 -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	- - -	- - -	- - -
5	Others, please specify	64,000.00	-	64,000.00
	<b>Total (A)</b>	<b>1,294,080.00</b>	<b>-</b>	<b>12,94,080.00</b>
	Ceiling as per the Act as per the provisions of Part II of Schedule V_ Company having no profit or inadequate profit may pay remuneration, without Central Government approval, with the permission of the board of director on the basis of Effective capital. As per accounts of the Company as on 1st April, 2015, Company's effective capital falls between negative to 5 crores. Hence Company May pay Rs. 30 lacs as managerial remuneration.			3,000,000.00

**B. Remuneration to other Directors**

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify	- - - -	- - - -	- - - -	- - - -
	<b>Total (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify	- - - -	- - - -	- - - -	- - - -
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Managerial Remuneration</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,294,080.00</b>
	<b>Overall Ceiling as per the Act</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000,000.00</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr.No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Name	Mr. Sameer Patil		
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	965,154.00	244,377.00	1,209,531.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	965,154.00	244,377.00	1,209,531.00

\*Mr. Hitendra Ranka has been appointed as Company Secretary (KMP) at Board Meeting held on 13.07.2015

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There was no penalties, punishment or compounding of offences during the year ended March 31, 2016 under any section of the Companies Act, 2013.

**Declaration of Independence**

For the F.Y. 2015-2016

To,  
The Board of Directors,  
**S Kumar Online Limited**  
Avadh Bldg., Avadhesh Parisar,  
G. K. Marg, Worli,  
Mumbai – 400 018.

**Sub : Declaration of Independence pursuant to Section 149 (7) of the Companies Act, 2013 for F.Y. 2016-2017.**

Dear Sirs,

I **Ramesh Gangwal** son of **Shri. Hukumchand Gangwal**, presently residing at Sneh, 85, A/B Scheme, No-54, Vijay Nagar, Indore, 452010, Madhya Pradesh, India intending to continue as an Independent Director in **M/s. S Kumar Online Limited** having its registered office at Avadh Bldg., Avadhesh Parisar, G. K. Marg, Worli, Mumbai – 400018 do hereby declare that I meet with all the criteria of independent Director as provided in sub-section (6) of Section 149 of the Companies Act, 2013 as following:

- (a) I Ramesh Gangwal, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) I am not a promoter of the company or its holding, subsidiary or associate company;  
(ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) I had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) None of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) I neither myself nor any of my relatives—
  - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) Is or has been an employee or proprietor or a partner, in any of the Three financial years immediately preceding the financial year in which I am proposed to be appointed, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
    - (iii) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company.

I hereby affirm that I have not been a material supplier, service provider or a customer or a lessor or a lessee of the Company, which may affect my independence; and was not a substantial shareholders of the Company i.e. owing two per cent or more of the block of voting shares.

I hereby affirm that I shall seek prior approval of the Board if and when I have any such relationship /transactions, whether material or non-material. If I fail to do so I shall cease to be an Independent Director from the date of entering into such relationship/ transactions.

I hereby affirm that I am qualified to continue as Independent Director of the Company.

-sd-

**RAMESH GANGWAL**

(DIN : 01281635)

Date : 30/05/2016

**Declaration of Independence**

For the F.Y. 2015-2016

To,  
The Board of Directors,  
**S Kumar Online Limited**  
Avadh Bldg., Avadhesh Parisar,  
G. K. Marg, Worli,  
Mumbai – 400 018.

**Sub : Declaration of Independence pursuant to Section 149 (7) of the Companies Act, 2013  
for F.Y. 2016-2017.**

Dear Sirs,

I **Rudra Narain Jha**, son of **Late Shri. Chumbit Lal Jha**, presently residing at Flat No. 101B, Cottage Land Co-Operative Housing, Soc. Ltd., Plot 16A, Sector 19A, Nerul, Navi Mumbai, 400706, Maharashtra, India, intending to continue as an Independent Director in **M/s. S Kumar Online Limited** having its registered office at Avadh Bldg., Avadhesh Parisar, G. K. Marg, Worli, Mumbai – 400018 do hereby declare that I meet with all the criteria of independent Director as provided in sub-section (6) of Section 149 of the Companies Act, 2013 as following:

- (a) I Rudra Narain Jha, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) I am not a promoter of the company or its holding, subsidiary or associate company;  
(ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) I had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) None of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) I neither myself nor any of my relatives-
  - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) Is or has been an employee or proprietor or a partner, in any of the Three financial years immediately preceding the financial year in which I am proposed to be appointed, of-
- (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- (B) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
  - (iii) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company.

I hereby affirm that I have not been a material supplier, service provider or a customer or a lessor or a lessee of the Company, which may affect my independence; and was not a substantial shareholders of the Company i.e. owing two per cent or more of the block of voting shares.

I hereby affirm that I shall seek prior approval of the Board if and when I have any such relationship /transactions, whether material or non-material. If I fail to do so I shall cease to be an Independent Director from the date of entering into such relationship/ transactions.

I hereby affirm that I am qualified to continue as Independent Director of the Company.

-sd-

**RUDRA NARAIN JHA**

(DIN : 0033291)

Date : 30/05/2016

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule  
No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**S Kumar Online Limited**

Avadh Building, Avadesh Parisar,  
G. K. Marg, Worli, Mumbai- 400018.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **S Kumar Online Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 w.e.f. 24.08.2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the company during the period under review)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;/ Securities and exchange board of India (Share based employee benefits) Regulations, 2014 notified on 28.10.2014. (Not applicable to the company during the period under review)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the period under review)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the period under review).
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the company during the period under review)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the period under review)
- (vi) The company has informed that there are no other laws which are specifically applicable to the company.  
I have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India w.e.f. 01.07.2015.
  - (ii) The Listing Agreements entered into by the Company with BSE Limited and Listing Obligations and Disclosure Requirements Regulations 2015 w.e.f. 01.12.2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

*The company has not complied the provision of section 180 (1) (c) of the Companies Act, 2013 in respect of borrowing in excess of prescribed ceiling. However the company has obtained the consent of its members at the annual general meeting of the company held on 30.09.2015.*

*The company has appointed Company Secretary w.e.f. 15.06.2015.*

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views if any are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the company had no specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**Sd/-**

**SHIV HARI JALAN**  
COMPANY SECRETARY  
FCS No: 5703  
C.P.NO: 4226

**Place: Mumbai**

**Date: 09.08.2016**

This report is to be read with my letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

**'Annexure A'**

To,

The Members,

**S Kumar Online Limited**

Avadh Building,  
Avadesh Parisar G. K. Marg,  
Worli, Mumbai- 400018.

My Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of provision of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

**Sd/-**

**SHIV HARI JALAN**  
COMPANY SECRETARY  
FCS No: 5703  
C.P.NO: 4226

**Place: Mumbai**

**Date: 09.08.2016**

**Form AOC-2**

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

Details of contracts or arrangements or transactions not at arm's length basis	<b>NIL</b>
Name(s) of the related party and nature of relationship	
Nature of contracts/ arrangements/ transactions	
Duration of the contracts / arrangements/ transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any	
Justification for entering into such contracts or arrangements or transactions	
date(s) of approval by the Board	
Amount paid as advances, if any:	
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
Details of material contracts or arrangement or transactions at arm's length basis	<b>NIL</b>
Name(s) of the related party and nature of relationship	
Nature of contracts/arrangements/transactions	
Duration of the contracts / arrangements/ transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any:	
Date(s) of approval by the Board, if any:	
Amount paid as advances, if any:	

**For and on Behalf of Board of Directors of  
S Kumar Online Limited**

**Sd/-  
O. P. Pacheria  
Whole Time Director  
DIN: 00105278**

**Sd/-  
R. N. Jha  
Director  
DIN: 00033291**

**Date: 11.08.2016  
Place: Mumbai**

**CORPORATE GOVERNANCE REPORT**

In accordance with Regulation 34(3) read with Clause C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI Listing Regulations, 2015") and Clause 49 of the Erstwhile Listing Agreement, the Report containing the details of Corporate Governance systems and processes at S Kumars Online Limited are as below:

**1. Corporate Governance Philosophy:**

The Company believes that the management is the trustee of all investors' capital and is obligated to maximize shareholders value over the long term, while preserving the interests of all its stakeholders, such as employees, customers, business partners, vendors and the society at large. It is committed to high levels of ethics and integrity in all its business dealings, which avoids all conflicts of interest. In order to conduct business with these principles, the Company creates simple corporate structures based on business needs and maintains a high degree of transparency through regular disclosures and a focus on adequate control systems. The Corporate Governance policies of the Company recognizes the accountability of the Board vis-à-vis its various constituents including Customers, Shareholders, Investors, Employees, Government and other Regulatory Authorities, with prime objective to deliver "Superior Stakeholder Value". In brief, the Company's Corporate Governance philosophy is woven around its total commitment to the ethical practices in the conduct of its business.

The Company believes in adopting the best corporate governance practices and protecting rights and interest of stakeholders. We further believe that the shareholders have the right to know complete information on the Board of Directors and the management, their interest in the organization as well as governance practice to be followed by them.

Company is in compliance with the requirements stipulated, with regard to corporate governance, under Clause 49 of the Erstwhile Listing Agreements entered into with the Bombay Stock Exchange Ltd. and Corporate Governance Requirement as required under SEBI Listing Regulations, 2015, as amended from time to time, stipulated under fresh Listing Agreement entered into with the Bombay Stock Exchange Ltd.

**2. Board of Directors:****I. Composition of Board of Director:**

- a) The composition of the board is in conformity with Clause 49 of the Erstwhile Listing Agreement entered into with Bombay Stock Exchange Ltd. and Regulation 17 of SEBI Listing Regulations, 2015. As on 31<sup>st</sup> March, 2016, out of the total strength of the Board of 4 Directors, 3 are Non-Executive Directors. The Company has a Non-Executive Independent Chairman and the number of Independent Directors is 2, which is more than one third of the total strength of the Board as required by the SEBI Listing Regulations, 2015.
- b) None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on 31<sup>st</sup> March, 2016 have been made by the directors. None of the directors are related to each other.
- c) Independent directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations, 2015. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned under SEBI Listing Regulations, 2015 and Section 149 of the Companies Act, 2013.

**II. Board Meetings / Directors' Particulars:**

During the financial year 2015-16, five (5) meetings of the Board of Directors were held on 29<sup>th</sup> May, 2015, 13<sup>th</sup> July, 2015, 12<sup>th</sup> August, 2015, 09<sup>th</sup> November, 2015 and 11<sup>th</sup> February, 2016. The Company has complied with the provisions of clause 49 of the Erstwhile Listing Agreement as well as SEBI Listing Regulations, 2015, as amended from time to time, stipulated under fresh Listing Agreement entered into with the Bombay Stock Exchange Ltd. for holding a Board Meeting at least once in each quarter and the maximum time gap between two meetings was not more than 120 days.

The Board Agenda papers are prepared by the Company Secretary in consultation with the Chairman. The Directors are free to bring up any matter for discussion at the Board Meeting with the permission of the Chairman.

Agenda papers for Board Meetings containing all necessary documents / minimum information, as specified under Regulation 17(7) read with Part A of Schedule II of SEBI Listing Regulations, 2015, wherever applicable and materially significant, are made available to the Board at the meeting as well as in advance.



The draft minutes of the meetings are circulated to all the Directors within time as prescribed under the requirement of Secretarial Standard-1. After comment and observations by any of directors, the same has been approved by the Chairman.

The annual calendar of Board Meetings is decided by the Board of Directors in advance. The Meetings of the Board are generally held at 'Avadh' Avadhesh Parisar, G. K. Marg, Worli, Mumbai - 400 018.

The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2016 are given herein below. Other directorships do not include directorships of private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanships / memberships of board committees shall include only Audit Committee and stakeholders' Relationship Committee.

Name of the Directors	Category and Position	Board Meeting Held	Board Meeting Attended	Whether attended last AGM	Member [Chairman]* of Board Committees	Number of other Director ships held	Number of shares and convertible instruments# held by non executive directors
Mr. Ramesh Gangwal	Non-Executive Independent Chairman	5	5	Yes	Nil	1	Nil
Mr. R. N. Jha	Non-Executive Independent Director	5	5	Yes	Nil	1	Nil
Mr. Omprakash P. Pacharia	Executive Whole Time Director	5	5	Yes	Nil	2	5600
Ms. Chandra Mundhra <sup>§</sup>	Non-Executive Director	3	0	No	Nil	Nil	3753
Dr. Sadhana Sachin Deshmukh <sup>@</sup>	Non-Executive Director	4	2	No	Nil	Nil	Nil

\*Figures in [ ] indicate the number of Board Committees of which Director is a Chairman, wherever applicable.

# The Company has not issued any convertible instruments.

§ Mrs. Chandra Mundra retired from directorship of the company on 30.09.2015.

@ Dr. Sadhana Sachin Deshmukh has been appointed on 29.05.2015.

### III. Review of compliance reports by the Board of Directors:

The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company. Compliance certificates confirming the due compliance with the statutory requirements are placed at the Board Meetings for review by the Directors. A system of ensuring material compliance with the laws, orders, regulations and business & affairs of the Company is in place. Instances of non-compliance, if any, are also separately reported to the Board and their due compliances are monitored.

IV. The details of the Familiarisation Programme imparted to the Independent Directors are available on the website of Company (<http://www.skumaronline.com/FPI.pdf>).

### 3. Committees of the Board:

As on 31<sup>st</sup> March, 2016, the Company has the following Board Committees, namely:

- A. Audit Committee;
- B. Nomination and Remuneration Committee; and
- C. Stakeholders' relationship committee.

**A. Audit Committee:**• **Brief description of terms of reference:**

The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, 2015 read with Section 177 of the Act.

The terms of reference of the audit committee are broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
  - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
    - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
    - (b) Changes, if any, in accounting policies and practices and reasons for the same.
    - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
    - (d) Significant adjustments made in the financial statements arising out of audit findings.
    - (e) Compliance with listing and other legal requirements relating to financial statements.
    - (f) Disclosure of any related party transactions.
    - (g) Qualifications in the draft audit report.
  - Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - Review and monitor the auditors' independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the Company with related parties; Scrutiny of inter-corporate loans and investments;
  - Examination of the financial statement and the auditors' report thereon;
  - Valuation of undertakings or assets of the company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
  - The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- **Composition, Names of Members and Chairman:**

The Audit Committee comprises of 2 Independent Directors and 1 Whole Time Director as its chairman and members. Mr. Ramesh Gangwal, an Independent Director is the Chairman of the Committee. All the members of the Committee have sound knowledge of accounting, finance and law.

• **Meetings and Attendance during the year:**

During the year, four (4) Audit Committee meetings were held on 29<sup>th</sup> May, 2015, 12<sup>th</sup> August, 2015, 09<sup>th</sup> November, 2015 and 11<sup>th</sup> February, 2016. The time gap between the two meetings was less than 120 days.

The details of attendance of Audit Committee members at the meetings are provided in the following table:

Sr. No.	Name of Director	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Ramesh Gangwal	4	4
2.	Mr. R. N. Jha	4	4
3.	Mr. Omprakash Prahaladrai Pacheria	4	4

**Corporate Governance Report**

The Statutory Auditors are invited to the meetings of the Audit Committee. The necessary quorum was present for all the meetings.

The Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 30<sup>th</sup> September, 2015 to respond to the queries of the shareholders.

The Audit Committee discharges such functions and duties which are generally specified under clause 49 of the Erstwhile Listing Agreement, SEBI Listing Regulations, 2015 and section 177 of the Companies Act, 2013.

The management of the Company is responsible for the Company's internal controls and the financial reporting process, while the Statutory Auditors are responsible for performing independent audit of the Company's financial statements in accordance with the generally accepted auditing practices and for issuing reports based on such audits. The Audit Committee supervises these processes and thus ensures proper and timely disclosures to maintain the transparency, integrity and quality of financial control and reporting.

The Company continued to benefit from the deliberations in the Audit Committee Meetings, as members of the Audit Committee have sound knowledge of finance, accounts, taxation and corporate laws.

**B. Nomination and Remuneration Committee:**

- **Brief description of terms of reference:**

The broad terms of reference of the nomination and remuneration committee are as under:

- Recommend to the Board the setup and composition of the Board and its committees, if think fit, including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director." The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of directors.
- Devise a policy on Board diversity.
- Recommend to the Board the appointment of Key Managerial Personnel as and when think necessary to recommend.
- Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors.
- Recommend to the Board the Remuneration Policy for directors or Key Managerial Personnel.
- On an annual basis, The Committee may recommend to the Board the remuneration payable to the directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
- Oversee familiarization programmes for directors.
- Performing such other duties and responsibilities as may be prescribed under the law.

- **Composition, Names of Members and Chairman:**

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, 2015 read with Section 178 of the Act. The said committee was re-constituted on 09<sup>th</sup> November, 2015 as per the provisions of Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement. Then the new Composition of chairman and members are as follow:

Sr. No.	Name of Director	Designation
1.	Mr. Rudra Narain Jha	Chairman
2.	Mr. Ramesh Gangwal	Member
3.	Mr. Sadhana Sachin Deshmukh	Member

- Meetings and Attendance during the year:**

During the year, One Meeting of Nomination and Remuneration Committee was held on 11<sup>th</sup> February, 2016. The details of attendance of the Committee members at the meetings are provided in the following table:

Sr. No.	Name of Director	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Rudra Narain Jha	1	1
2.	Mr. Ramesh Gangwal	1	1
3.	Dr. Sadhana Sachin Deshmukh	1	0

- Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

- Remuneration of Directors:**

During the year under review, none of the Non-Executive Directors were paid by way of sitting fees, commission, or by any other way. The Company reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

Apart from the above, there are no material significant related party transactions, pecuniary transaction or relationship between the Company and its Directors except those disclosed in the financial statements for the year ended on 31<sup>st</sup> March, 2016.

**Details of Remuneration paid to Whole Time Director for the year ended 31<sup>st</sup> March, 2016:**

Name of Whole Time Director, details of service contracts, notice period and severance fees	Salary(In Rs.)	Perquisites & Benefits(In Rs.)	Ex-gratia (In Rs.)	Stock Options (In Rs.)	Pension (In Rs.)
Shri. Omprakash Prahladrai Pacheria (Current term expired on 25.07.2016)	*11,02,080	1,28,000	64,000	Nil	Nil

\* Re-appointed as Whole Time Director at Board Meeting 25.07.2016 subject to approval of Members of the Company at their Meeting.

**C. Stakeholders' Relationship Committee:**

The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act. The Composition of chairman and members are as follow:

Sr. No.	Name of Director	Designation
1.	Mr. Ramesh Gangwal	Chairman
2.	Mr. R. N. Jha	Member
3.	Mr. Omprakash Prahaladrai Pacheria	Member

During the year, One Meeting of the Committee was held on 29<sup>th</sup> May, 2015. The details of attendance of the Committee members at the meetings are provided in the following table:

Sr. No.	Name of Director	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Ramesh Gangwal	1	1
2.	Mr. Rudra Narain Jha	1	1
3.	Mr. Omprakash Prahaladrai Pacheria	1	1

Stakeholders' Relationship Committee is empowered to perform all functions of the Board in relation to attending Securities holders' grievances. The Committee primarily focuses on redressal of Securities holders' complaints received by the Company. The Committee also oversees the performance of the Registrar and Share Transfer Agent as well recommends the suggestions to improve services to the investors and other stakeholders.

The Committee ensures that the Securities holders' grievances and correspondence are attended and resolved expeditiously. During the year under review, zero (0) Complaints were received. There were no investor grievances remaining unattended and pending as on 31<sup>st</sup> March, 2016. Investors/Stakeholders may send their query to the Compliance Officer at the following address:

**Mr. Hitendrakumar Mahendrakumar Ranka**  
Company Secretary & Compliance Officer  
S Kumar Online Limited

**Registered Office:**

Avadh Bldg., Avadhesh Parisar, G. K. Marg, Worli, Mumbai – 400 018.

[grievance.skol@gmail.com](mailto:grievance.skol@gmail.com)

**4. Whole Time Director / Chief Financial Officer's Certification:**

The requisite certification from the Whole Time Director and Chief Financial Officer required to be given under Listing Regulations, 2015 regarding financial statements of the Company for the year ended 31<sup>st</sup> March, 2016 as placed before the Board of Directors of the Company at their meeting 30<sup>th</sup> May, 2016 is annexed at the end of this report.

**5. General Body Meetings:**

**a) Annual general meeting held during the last three years:**

Year	AGM/ EGM	Date	Time	Venue	Whether any Special Resolution(s) Passed
2012-13	14 <sup>th</sup> AGM	30.09.2013	9.00 a.m.	Victoria Memorial School, Opp. Tardeo A.C.Market, Tardeo Road, Mumbai – 400 034.	Yes
2013-14	15 <sup>th</sup> AGM	30.09.2014	9.00 a.m.		No
2014-15	16 <sup>th</sup> AGM	30.09.2015	9.00 a.m.		Yes

**b) Extraordinary general meeting:**

No extraordinary general meeting of the members was held during the year 2015-16.

**6. Means of Communication:**

The Annual and Quarterly results are submitted to the Stock Exchanges in accordance with Erstwhile Listing Agreement/ SEBI Listing Regulations, 2015 and published in Apla Mahanagar (Vernacular Newspaper) and The Financial Express (English Newspaper). The Information is also uploaded by BSE at their website [www.bseindia.com](http://www.bseindia.com) and at the website of the Company [www.skumarsonline.com](http://www.skumarsonline.com). Official News, if any, are also displayed on Company's Website as and when required. During the year, no presentations were made to institutional investors/analysts.

A separate e-mail ID [grievance.skol@gmail.com](mailto:grievance.skol@gmail.com) has been designated for the purpose of registering complaints by shareholder. The Company also registered with the SCORES portal for the said purpose according to the SEBI Guidelines.

**7. General Shareholders' Information:**

**a) Annual General Meeting**

Date and Time : 30<sup>th</sup> September 2016, at 9.00 A.M.  
 Venue : Victoria Memorial School, Opp. Tardeo  
 A.C. Market, Tardeo Road, Mumbai – 400034.  
 Book Closure Date : 23.09.2016 to 30.09.2016 [Both days inclusive]  
 Dividend payment date : Not Applicable  
 [Due to Loss, Board has not recommend any dividend for the F. Y. 2015-2016]  
 Financial year : 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016.  
 Registered office : S Kumar Online Limited  
 Avadh Bldg., Avadhesh Parisar, G. K. Marg,  
 Worli, Mumbai-400 018.  
 CIN : L45400MH1999PLC119875  
 Equity Shares listed on : The Bombay Stock Exchange Ltd.  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai- 400001.  
 Scrip Code No. : 532316  
 ISIN No. : INE827A01018

As required under Regulation 36(3) of the SEBI Listing Regulations, 2015, particulars of directors seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the notice of the AGM to be held on September 30, 2016.

The Company confirms that the listing fees of BSE LTD. for the F.Y. 2015-2016 was being paid.

**b) Financial Calendar:**

Key financial reporting dates for the financial year 2016-17 (tentative)

Quarter	Release Date
First Quarterly Unaudited Results	11 <sup>th</sup> August 2016
Half yearly Unaudited Results	On or Before 14 <sup>th</sup> November, 2016
Third Quarterly Unaudited Results	On or Before 14 <sup>th</sup> February, 2017
Annual Audited results for the year 2016-17	On or Before 30 <sup>th</sup> May, 2017

**c) Market Price Data:**

High, low during each month in last financial year:

Month	High (Rs.)	Low (Rs.)
April, 2015	3.40	2.24
May, 2015	3.39	2.07
June, 2015	2.45	1.85
July, 2015	2.92	2.36
August, 2015	3.24	2.45
September, 2015	2.33	1.90
October, 2015	2.47	1.93
November, 2015	2.91	2.33
December, 2015	3.04	2.51
January, 2016	2.63	2.51
February, 2016	-	-
March, 2016	2.63	2.16

**d) Performance in comparison to BSE Sensex:**



**e) Registrar and Transfer Agent:**

For lodgment of transfer deeds and other documents or for any grievances / complaints, investors may contact the Company's Registrar and Transfer Agent at the following address:

**Bigshare Services Pvt. Ltd.**

E/2, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (East), Mumbai - 400 072.  
Phone No: 022-40430200, Fax No: 022- 40430251  
Mail ID: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**f) Share Transfer System:**

94.94% of the equity shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Bigshare Services Pvt. Ltd. at any of the above mentioned address or any other address provided by above mentioned RTA.

Transfer of shares in physical form is normally processed within ten to fifteen days from the date of receipt, if the documents are complete in all respects. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary), under the authority of the board, severally approve transfers, which are noted at subsequent board meetings. The Company's Share Transfer Agent-M/s. Bigshare Services Pvt. Ltd. has adequate infrastructure to process the above matters.

As per the requirements of clause 47[c] of the Erstwhile Listing Agreement with the BSE Ltd., and Regulation 40(9) of SEBI Listing Regulations, 2015, the Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of shares transfer formalities.

**g) Reconciliation of Share Capital Audit:**

The Reconciliation of Share Capital Audit was carried out by a qualified Practicing Company Secretary for each of the quarters in the financial year 2015-16, to reconcile the total admitted capital with National Securities Depository Limited [NSDL] and Central Depository Services [India] Limited [CDSL] and total issued and listed capital. The audit reports confirm that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

**h) Dematerialisation of Shares and Liquidity:**

With effect from 26<sup>th</sup> June, 2000, trading in Equity Shares of the Company at the Stock Exchange is permitted only in dematerialised form. The Company's shares are available for trading in the depository systems with National Securities Depository Limited [NSDL] and the Central Depository Services [India] Limited [CDSL].

As on 31<sup>st</sup> March, 2016, 94.94 % of the Share Capital of the Company is held by the members in electronic form.

**i) Distribution of Equity Shareholding as on 31<sup>st</sup> March, 2016:**

NO. EQUITY SHARES HELD	SHAREHOLDERS		SHARES	
	Nos.	%	Nos.	%
1- 500	3992	75.75	730660	2.55
501-1000	592	11.23	519368	1.82
1001-2000	282	5.35	452314	1.58
2001-3000	129	2.45	344712	1.20
3001-4000	46	0.87	162325	0.57
4001-5000	47	0.89	226841	0.79
5001-10000	76	1.44	587902	2.05
10001 – Above	106	2.02	25600878	89.44
<b>Total</b>	<b>5270</b>	<b>100.00</b>	<b>28625000</b>	<b>100.00</b>

**j) Categories of Equity Shareholders as on 31<sup>st</sup> March, 2016:**

Category	No. of Shares held			% of Shareholding
	Physical	Electronic	Total	
Promoters' holding	—	18484806	18484806	64.58
Directors / Relatives	1400	58602	60002	0.21
Banks FIs and Insurance Cos.	—	300	300	0.00
Clearing Members	—	1011	1011	0.00
NRIs / OCBs	—	17703	17703	0.06
Other Corporate Bodies	823600	3824884	4648484	16.24
Indian Public	623496	4789198	5412694	18.91
<b>Total</b>	<b>1448496</b>	<b>27176504</b>	<b>28625000</b>	<b>100.00</b>

**k) Top ten equity shareholders of the Company as on 31<sup>st</sup> March, 2016:**

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage of holding
1	Hanumesh Investments Private Limited	12272814	42.87
2	Mandakini Investfin Private Limited	2576598	9.00
3	Yashaswini Investment Company Private Limited	2082198	7.27
4	Nabeela Finvest Private Limited	978738	3.42
5	Coronation Infotech Private Limited	818433	2.86
6	Kartikeya Finvest Private Limited	776598	2.71
7	Raj Infin Private Limited	726598	2.54
8	Invitation Equifin Private Limited	581244	2.03
9	Vidhi Holdings Private Limited	574098	2.01
10	Rational Finvest Private Limited	434800	1.52

**l) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs, warrants or any convertible instruments.

**m) Address for correspondence:**

Shareholders should send all communication to the Company's Registrar and Transfer Agent at the address mentioned in this report.

Shareholders may also contact Mr. Hitendrakumar Ranka, Compliance Officer at the Registered Office address for any assistance.

e-mail id: [skumars.support@gmail.com](mailto:skumars.support@gmail.com)

Investors can also send their complaints at [grievance.skol@gmail.com](mailto:grievance.skol@gmail.com), a special e-mail ID created for handling of Stakeholders' grievance on time. Shareholders holding shares in the electronic mode should address all their correspondence to their respective depository participants.

**8. Subsidiaries:**

'e-Assurance Service (India) Limited' is a material unlisted Indian Subsidiary due to negative net worth of the Company ("Holding Company") whose turnover is NIL.

**9. Disclosures:****a) Related Party Transactions:**

The Company has not entered into any transaction of material nature with related parties i.e. Directors or their relatives etc., which may conflict with the interest of the Company at large. The details of related party transactions, if any, are disclosed in the financial section of this Annual Report.

**b) Remuneration of Directors:**

The Non-Executive Directors neither draw any remuneration nor paid any sitting fees from the Company. The details of remuneration paid to Whole Time Director are as under

Name of Director	Position	Salary & Perquisite	Service Contract
Mr. O. P. Pacheria	Whole Time Director	Rs. 12,94,080/- p.a.	3 years w.e.f. 26 <sup>th</sup> July 2013

**c) Directors liable to retire by rotation:**

Dr. Sadhana Sachin Deshmukh is liable to retire by rotation at the ensuing Annual General Meeting scheduled to be held on 30<sup>th</sup> September, 2016. Dr. Sadhana Sachin Deshmukh, being eligible, and offered herself for reappointment at the ensuing Annual General Meeting. The information as required under the SEBI (LODR) Regulations, 2015 for the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is annexed to the notice of Annual General Meeting.

**d) There were no cases of non-compliance by the Company. During last three years, no penalties or Strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets.****e) No treatment different from the Accounting Standards, prescribed by the Institute of Chartered Accountants of India, has been given in the preparation of financial statements.****f) The Company has complied with all mandatory requirements of clause 49 of the Erstwhile Listing Agreement/ Corporate Governance requirement of SEBI (LODR) Regulations, 2015.**



g) The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. No person has been denied access to the chairman of the audit committee.

h) Web link where the policy for determining 'material' subsidiaries : [www.skumaronline.com/PDMS.pdf](http://www.skumaronline.com/PDMS.pdf)

i) Web link where the policy on dealing with Related Party Transactions : [www.skumaronline.com/PoR.pdf](http://www.skumaronline.com/PoR.pdf)

**10. Code of Conduct:**

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management Personnel and the same has been posted on the Company's website ([www.skumaronline.com](http://www.skumaronline.com)). All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.

**11 Prohibition of Insider Trading:**

In compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct for Insider Trading, which is applicable to all Directors and Senior Officers of the Company, who are expected to have access to unpublished price sensitive information relating to the Company. The Code lays down guidelines which advise them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company.

Share held by the Directors and KMPs as at 31<sup>st</sup> March 2016:

Name of Directors/KMPs	No. of Shares held
Mr. Ramesh Gangwal	—
Mr. R. N. Jha	—
Mr. O. P. Pacheria (WTD)	5600
Dr. Sadhana Sachin Deshmukh	—
Mr. Sameer Patil (CFO)	10
Mr. Hitendrakumar Ranka (CS)	—

**12. Adoption of Discretionary Requirements:**

The listed entity has appointed separate persons to the post of chairperson and Whole Time Director on its Board. The internal auditor report directly to the audit committee.

13. Declaration signed by the Whole Time Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management are annexed herewith this report.

14. Compliance certificate from practicing company secretary regarding compliance of conditions of corporate governance has been annexed with this Report.

**For S Kumar Online Limited**

Place : Mumbai

Date : 11.08.2016

**Sd/-**  
**Rudra Narain Jha**  
Director  
(DIN: 00033291)

**Sd/-**  
**Omprakash Pacheria**  
Whole-time director  
(DIN: 00105278)

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel. These Codes are available on the Company's website.

I further confirm that the Company has in respect of the year ended 31<sup>st</sup> March, 2016, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Executive capacity and the Company Secretary as on 31<sup>st</sup> March, 2016.

Place : Mumbai.  
Date : 11<sup>th</sup> August, 2016

**Sd/-**  
**O. P. Pacheria**  
Whole Time Director

**CERTIFICATION ON CORPORATE GOVERNANCE**

**To,**

**The Members of S KUMAR ONLINE LIMITED**

I have examined the compliance of conditions of Corporate Governance by **S KUMAR ONLINE LIMITED** ('the Company') for the year ended March 31, 2016 as stipulated in Clause 49 of the listing Agreement ('Listing Agreement') of the Company with the Stock Exchange for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation') as referred to in Regulation 15(2) of the Listing Regulations for the period December 1, 2015 to March 31, 2016.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing regulations, as applicable.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Mumbai

**Date:** 09.08.2016

**Sd/-  
SHIV HARI JALAN  
COMPANY SECRETARY  
FCS No: 5703  
C.P.NO.: 4226**

**CERTIFICATION BY WHOLE TIME DIRECTOR AND CHIEF FINANCIAL OFFICER ON FINANCIAL STATEMENTS/RESULTS OF THE COMPANY**

We, **O.P.Pacheria**, Whole Time Director and **Sameer Patil**, Chief Financial Officer of **S KUMARS ONLINE LIMITED**, certify that:

- A. We have reviewed the financial statements/results and the cash flow statement for the quarter/year and that to the best of their knowledge and belief:
- (1) These statements/results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements/results together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. These are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter, which are fraudulent, illegal or in violation of the Company's code of conduct;
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the these deficiencies; and
- D. We have indicated to the auditors and the Audit Committee:
- 1) there has not been significant changes in internal control over financial reporting during the quarter/year;
  - 2) there has not been significant changes in accounting policies during the quarter/year and that the same have been disclosed in the notes to the financial statements/results; and
  - 3) there has not been instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Sd/-**  
**O. P. Pacheria**  
**Whole Time Director**

**Sd/-**  
**Sameer Patil**  
**Chief Financial Officer**

**Place: Mumbai**  
**Date: 19<sup>th</sup> May, 2016**

**Independent Auditors' Report**

To the members  
S Kumars Online Limited

**I. Report on the Financial Statements**

We have audited the attached financial statements of **S Kumars Online Limited** (hereinafter referred to as the Company), comprising of the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended along with the Significant Accounting Policies and other explanatory information forming an integral part thereof.

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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 (hereinafter referred to as the Act), read with Rule 7 of the Companies (Accounts) Rules, 2014 and in accordance with the accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**III. Auditors' Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Basis for Qualified Opinion**

*As stated in the Notes No.24.2. of the financial statements regarding;*

*The Company has been incurring constant losses also the net worth of the Company has been fully eroded further the Company has also discontinued all its major line of business, it has also been facing cash-flow mismatches if the management is not able to infuse adequate money on appropriate time than the going concern assumption might get impacted. However the financial statement of the Company are prepared on going concern basis.*

**IV. Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, 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 31<sup>st</sup> March 2016, and its loss and its cash flows for the year ended on that date.

**V. Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure I", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the Annexure referred to in 1. above as per the requirements of Section 143(3) of the Act, we report as follows:
  - (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 appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
  - (f) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.;
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II"
  - (h) 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 financial statements
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Shyam Malpani & Associates**  
Chartered Accountants  
Firm Registration No. 120438 W

**Sd/-**  
**Shyam Malpani**  
Proprietor  
Membership No. F- 34171

Camp : Chicago, USA

Date : 30<sup>th</sup> May, 2016

**Annexure I to the Independent Auditors' Report**  
(Referred to in paragraph V of our report of even date)

In terms of the information and explanations given to us and the books and records examined by us and on the basis of such checks, as we considered appropriate, we further report as under:

**(i) Fixed Assets:**

- a) In our opinion, the Company is maintaining proper records showing the relevant particulars including quantitative details of its fixed assets.
- b) The Company has conducted a physical verification of its fixed asset during the year. Further, the Company is in process of tagging individual fixed assets. There were no discrepancies noticed on such verification.
- c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the company does not have any immovable properties.

**(ii) Inventories:**

As explained to us, the management has conducted physical verification of inventory as at the close of the year.

The discrepancies noticed on such verification between physical inventories and the book records which were material in relation to the operations of the Company have been properly dealt with in the Company's books of account.

**(iii) Loans & Advances granted and taken:**

During the year, the Company has not granted any loans and advances, secured or unsecured, to any parties covered in the register maintained under Section 189 of the Companies Act.

**(iv) Compliance of Sec 185 and 186 of Companies Act, 2013**

In our opinion, in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

**(v) Public Deposits:**

According to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India and the provisions of Sections 73 and 76 or any other relevant provisions of the Act and the rules framed there under.

**(vi) Cost Records:**

As explained to us, maintenance of cost records under of section 148(1) of the Act is not applicable to the Company during the year under review.

**(vii) Statutory Dues:**

- a) As per the records verified by us, the Company is generally regular in depositing the statutory dues involving Provident Fund, Profession Tax, Service Tax, Sales Tax Income-tax and other major statutory dues applicable to the Company with the appropriate authorities except Service tax amounting to Rs. 16,559 and Income Tax (TDS) amounting to Rs 6,349 which have remained outstanding for more than six months as at the close of the financial year however the same has been regularized before the signing date.

We were explained that the statutes pertaining to Employees' State Insurance Corporation, Excise Duty, Customs Duty are not applicable to the Company during the year under review.

- b) According to the information and explanations given to us, there were no disputed dues of Sales Tax and Income Tax which have not been deposited by the Company during the year under review, except in respect of Income Tax matters as per the details given below:

Authority	Nature of Dues	Amount (Rs.)	Assessment Year	Forum
Income Tax Department	Income Tax and Interest	8,20,73,960	2002-2003	Mumbai High Court

**(viii) Dues to Financial Institutions/Banks/Debenture Holders:**

As per the records verified by us and based on our audit procedures, there were no secured loans taken by the Company during the current year. The Company has not issued any debentures during the year under review.

(ix) **Utilization of funds raised**

As per the records verified by us and based on our audit procedures, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and no term loans were taken by the Company during the current year.

(x) **Frauds:**

To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company by its officers or employees during the year was noticed or reported, nor have we been informed of such case by the management.

(xi) **Managerial remunerations**

As per the records verified by us and based on our audit procedures, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule XIII to the Act (As the appointment was before 1.4.2014 Schedule XIII is applicable for the purpose managerial remuneration instead of Schedule V as per the General Circular No. 07/2015 dated 10th April, 2015 issued by the MCA and the Company is complying with the same.)

(xii) **Nidhi Company**

According to the information and explanation given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly paragraph 3 (xii) of the order is not applicable to the Company.

(xiii) **Related Party Transaction**

According to the information and explanation given to us, all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;

(xiv) **Preferential or private allotment**

According to the information and explanation given to us and based on our examination of records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review

(xv) **Non cash transaction with Directors**

According to the information and explanation given to us and based on our examination of records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him

(xvi) **Non Banking Financial Institution**

According to the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) is not applicable.

For **Shyam Malpani & Associates**  
Chartered Accountants  
Firm Registration No. – 120438W

**Sd/-**  
**Shyam Malpani**  
Proprietor  
Membership No. F 34171

Camp : Chicago, USA  
Date : 30<sup>th</sup> May, 2016.

**Annexure II to the Independent Auditors' Report  
(Referred to in our report of even date)**

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

We have audited the attached financial statements of **S Kumars Online Limited** (hereinafter referred to as "the Company") as at 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls :**

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

**Auditor's Responsibility :**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting :**

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

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



**Inherent Limitations of Internal Financial Controls over Financial Reporting :**

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

**Opinion :**

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

For **Shyam Malpani & Associates**

Chartered Accountants

Firm Registration No. – 120438W

**Sd/-**

**Shyam Malpani**

Proprietor

Membership No. F 34171

Camp : Chicago, USA

Date : 30<sup>th</sup> May 2016.

**Balance Sheet as at March 31, 2016**

Particulars	Note No.	March 31, 2016	March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	28,62,50,000	28,62,50,000
Reserves And Surplus	2	<u>-38,52,39,245</u>	<u>-38,17,22,611</u>
		<u>-9,89,89,245</u>	<u>-9,54,72,611</u>
<b>Non-Current Liabilities</b>			
Long-Term Provisions	3	<u>4,11,313</u>	<u>3,91,387</u>
		<u>4,11,313</u>	<u>391,387</u>
<b>Current Liabilities</b>			
Short-Term Borrowings	4	11,39,07,560	10,72,36,360
Trade Payables	5	26,48,072	26,38,867
Short-Term Provisions	6	5,64,936	3,78,521
Other Current Liabilities	7	<u>22,63,515</u>	<u>38,65,188</u>
		<u>11,93,84,083</u>	<u>11,41,18,936</u>
<b>TOTAL</b>		<u><u>2,08,06,151</u></u>	<u><u>1,90,37,711</u></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible Assets	8	78,93,701	91,58,070
Non-Current Investments	9	1,99,400	1,99,400
Deferred Tax Asset	10	2,38,188	2,06,277
Long-Term Loans And Advances	11	<u>43,52,006</u>	<u>3,8,29,543</u>
		<u>1,26,83,294</u>	<u>1,33,93,290</u>
<b>Current Assets</b>			
Inventories	12	1,33,155	13,31,545
Trade Receivables	13	14,97,625	-
Cash And Cash Equivalents	14	63,57,070	38,92,900
Short-Term Loans And Advances	15	91,900	3,94,405
Other Current Assets	16	<u>43,106</u>	<u>25,571</u>
		<u>81,22,856</u>	<u>56,44,421</u>
<b>TOTAL</b>		<u><u>2,08,06,151</u></u>	<u><u>1,90,37,711</u></u>

See accompanying notes forming part of the financial statements  
As per our attached report of even date

**For Shyam Malpani & Associates**

Chartered Accountants

Sd/-

**Shyam Malpani**

Proprietor

Camp : Chicago, USA

Date : May 30, 2016

**For and on behalf of the Board of Directors**

Sd/-

**O. P. Pacheria**

Whole Time Director

DIN: 00105278

Sd/-

**R. N. Jha**

Director

DIN: 00033291

Sd/-

**Sameer Patil**

Chief Financial Officer

Place : Mumbai

Date : May 30, 2016

Sd/-

**Hitendrakumar Ranka**

Company Secretary

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

	Note No.	March 31, 2016	March 31, 2015
Revenue From Operations (Gross)	17	48,87,500	15,27,000
Other Income	18	8,41,936	12,19,408
<b>Total Revenue</b>		<b>57,29,436</b>	<b>27,46,408</b>
Purchases	19	-	1,54,807
Changes In Inventories	20	11,98,390	7,17,422
Employee Benefits Expense	21	41,68,714	29,91,688
Finance Costs	22	3,512	36,822
Depreciation and Amortisation Expense	8	12,64,369	15,08,401
Other Expenses	23	26,40,496	31,79,363
		<b>92,75,480</b>	<b>85,88,502</b>
<b>Profit / (Loss) Before Exceptional And Extraordinary Items And Tax</b>		<b>-35,46,044</b>	<b>-58,42,094</b>
Prior Period Adjustments		-2,500	-
<b>Profit / (Loss) Before Extraordinary Items and Tax</b>		<b>-35,48,544</b>	<b>-58,42,094</b>
Current Tax		-	-
Deferred Tax		-31,911	-1,35,703
Total		<b>-31,911</b>	<b>-1,35,703</b>
<b>Profit / (Loss) after Tax From Continuing Operation</b>		<b>-35,16,633</b>	<b>-57,06,391</b>
<b>Profit / (Loss) For The Year</b>		<b>-35,16,633</b>	<b>-57,06,391</b>
<b>EPS Before Extraordinay and Exceptional Item</b>			
Basic		-0.12	-0.20
Diluted		-0.12	-0.20
<b>EPS After Extraordinay and Exceptional Item</b>			
Basic		-0.12	-0.20
Diluted		-0.12	-0.20

See accompanying notes forming part of the financial statements  
In terms of our report attached.

**For Shyam Malpani & Associates**

Chartered Accountants

Sd/-

**Shyam Malpani**

Proprietor

Camp : Chicago, USA

Date : May 30, 2016

**For and on behalf of the Board of Directors**

Sd/-

**O. P. Pacheria**

Whole Time Director

DIN: 00105278

Sd/-

**R. N. Jha**

Director

DIN: 00033291

Sd/-

**Sameer Patil**

Chief Financial Officer

Place : Mumbai

Date : May 30, 2016

Sd/-

**Hitendrakumar Ranka**

Company Secretary

## Cash Flow Statement for the year ended March 31, 2016

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		-35,48,544		-58,42,094
<i>Adjustments for:</i>				
Depreciation and amortisation	12,64,369		15,08,401	
Finance costs	3,512		62,045	
Interest Received	-3,33,796		-57,794	
Provision for Doubtful Debts	2,88,910		9,89,808	
		12,22,995		25,02,460
Operating profit / (loss) before working capital changes		-23,25,550		-33,39,634
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	11,98,390		7,17,422	
Trade receivables	-17,86,535		8,88,610	
Short-term loans and advances	3,02,505		9,13,578	
Long-term loans and advances	-5,22,463		-1,71,642	
Other current assets	-17,535		66,355	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	9,204		-4,07,870	
Other current liabilities	-16,01,673		4,36,259	
Long-term provisions	19,926		23,424	
Short-term provisions	1,86,415		1,05,493	
		-22,11,765		25,71,629
Net cash flow from / (used in) operating activities (A)		-45,37,314		-7,68,005
B. Cash flow from investing activities				
Capital expenditure on fixed assets	-		1,21,852	
Income From Investment	3,33,796		57,794	
Net cash flow from / (used in) investing activities (B)		3,33,796		1,79,646
C. Cash flow from financing activities				
Repayment of Long / Short Term borrowings	66,71,200		8,29,388	
Finance cost	-3,512		-62,045	
		66,67,688		7,67,343
Net cash flow from / (used in) financing activities (C)		66,67,688		7,67,343
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		24,64,170		1,78,984
Cash and cash equivalents at the beginning of the year		38,92,900		37,13,916
Cash and cash equivalents at the end of the year		63,57,070		38,92,900

See accompanying notes forming part of the financial statements  
In terms of our report attached.

**For Shyam Malpani & Associates**  
Chartered Accountants

**Sd/-**  
**Shyam Malpani**  
Proprietor  
Camp : Chicago, USA  
Date : May 30, 2016

**For and on behalf of the Board of Directors**

**Sd/-**  
**O. P. Pacheria**  
Whole Time Director  
DIN: 00105278

**Sd/-**  
**R. N. Jha**  
Director  
DIN: 00033291

**Sd/-**  
**Sameer Patil**  
Chief Financial Officer  
Place : Mumbai  
Date : May 30, 2016

**Sd/-**  
**Hitendrakumar Ranka**  
Company Secretary

**Significant Accounting Policies**

**1 Corporate information**

S Kumars Online Ltd. is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The company is mainly engaged in E-Commerce business. The company also provides IT Management Consultancy and Equipment Rental Services.

**2 Significant accounting policies**

The financial statements have been prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the accounting standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

**2.1 Basis of Accounting:**

The Financial Statements are prepared in accordance with the historical cost convention.

**2.2 Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**2.3 Fixed Assets**

Fixed assets includes only tangible assets and are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and financing cost of borrowed funds relating to acquisition of fixed assets up to the date of commissioning/commercial exploitation of assets.

**2.4 Depreciation / Amortisation**

Depreciation is provided on Straight Line Method (SLM) based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

**2.5 Investments**

An investment in the shares of subsidiary Companies in India is stated at cost.

**2.6 Valuation of Inventories:**

Trading goods are valued at cost or realizable value whichever is lower.

**2.7 Foreign Exchange Fluctuations :**

Transactions in Foreign Currency are recorded at the exchange rate prevailing on the date of transaction. The realised gains and losses on foreign exchange transactions are recognised in the Profit and Loss account.

**2.8 Revenue recognition:**

Sales are recognised when goods are supplied in accordance with the terms of sale and are recorded net of trade discounts, rebates and sales tax. Income from services is accrued as per terms of relevant agreement.

Income and Expenditure are accounted on an accrual basis.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of profit and loss.

**2.9 Retirement Benefits:**

- I. Contribution to defined contribution schemes such as Provident Fund and Employer's Pension Scheme is charged to the Profit and Loss account.
- ii. Provision for the employees' Gratuity is based on actuarial valuation carried out at the end of the year. Actuarial gains or losses arising from such valuation are charged to revenue in the year in which they arise.

**2.10 Taxation :**

Provision for current taxation is made in accordance with the relevant Income Tax provisions applicable.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and laws that has been enacted as of the Balance Sheet date.

Deferred Tax Assets are recognized on unabsorbed depreciation and carried forward of losses based on virtual certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

**2.11 Impairment of Assets:**

The carrying amount of assets is reviewed periodically for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

**2.12 Borrowing Costs**

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use and other borrowing costs are charged to the Profit & Loss Account.

**2.13 Provisions for Contingencies:**

A provision is recognised when:

- I. The company has a present obligation as a result of a past event;
- ii. It is probable that an outflow of resources embodying economic benefits which will be required to settle the obligation; and
- iii. A reliable estimate can be made of the amount of the obligation

**2.14 Segment Reporting**

The Company prepares its segment information if any, in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**2.15 Earning per Share**

In determining earnings per share, the Company considers the net profit/ (Loss) after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic earnings per share is weighted average number of shares outstanding during the period.

For the purpose of computing diluted earnings per share, the net profit /(Loss) attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares from exercise of options on un- issued share capital.

**2.16 Preoperative expenses, pending allocation**

Expenses incurred by the Company on the projects under implementation and have not yet commenced operations are considered as preoperative expenses to be capitalised / amortised upon commencement of operations by the said projects.

**2015-2016**  
**Financial Statements with Auditors' Report**

**S Kumar Online Limited**

Notes forming part of the Financial Statements

Particulars	March 31, 2016	March 31, 2015
Note 1 Share Capital		
Authorized:		
11,00,00,000 (2015: 11,00,00,000) Equity shares of ₹ 10 each with voting rights	1,10,00,00,000	1,10,00,00,000
Issued Subscribed and Paid up:		
2,86,25,000 (2015: 2,86,25,000) Equity shares of ₹ 10 each with voting right	28,62,50,000	28,62,50,000
Total	28,62,50,000	28,62,50,000

(I) No. of Equity shares and amount outstanding at the beginning and at the end of the year.

	2016		2015	
	Number		Number	
Per last Balance sheet	2,86,25,000	28,62,50,000	2,86,25,000	28,62,50,000
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	2,86,25,000	28,62,50,000	2,86,25,000	28,62,50,000

Shares held by each shareholder holding more than 5% of equity share capital

	Year ended March 31, 2016		Year ended March 31, 2015	
	Nos.	Percentage	Nos.	Percentage
Hanumesh Investments Pvt. Ltd.	1,22,72,814	42.87%	1,22,72,814	42.87%
Mandakini Investfin Pvt. Ltd.	25,76,598	9.00%	25,76,598	9.00%
Yashaswini Investment Co. Pvt. Ltd.	20,82,198	7.27%	20,82,198	7.27%

Company has not issued any bonus shares during the last 5 years.

Term / Rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share except & otherwise stated.

Note 2 Reserves and Surplus

	March 31, 2016	March 31, 2015
(a) Surplus / (Deficit) in Statement of Profit and Loss		
As per Last Balance Sheet	-38,17,22,611	-37,56,84,534
Add: Profit / Loss for the Year	-35,16,633	-57,06,391
Less: Appropriation		
Adjustment relating to Fixed Assets (Ref. Note No. 24.11)	-	3,31,686
Total Appropriation	-	3,31,686
Net Deficit in Statement of Profit and Loss	-38,52,39,245	-38,17,22,611
Total	-38,52,39,245	-38,17,22,611

Note 3 Long-Term Provisions

For Gratuity (Refer Note No. 24.4)	4,11,313	3,91,387
Total	4,11,313	3,91,387

Particulars	March 31, 2016	March 31, 2015
Note 4 Short Term Borrowings		
Loan and advances from related parties		
From a wholly owned Subsidiary Company (Unsecured)	1,90,468	1,91,268
Loan and advances from others		
From other bodies Corporate (Unsecured)	11,37,17,092	10,70,45,092
Total	<u>11,39,07,560</u>	<u>10,72,36,360</u>
Note 5 Trade Payables		
Trade payables (including acceptances) (Refer Note No. 24.5 for details of dues to micro and small enterprises)		
	26,48,072	26,38,867
Total	<u>26,48,072</u>	<u>26,38,867</u>
Note 6 Short-Term Provisions		
For Gratuity (Refer Note No.24.4)		
	5,64,936	3,78,521
Total	<u>5,64,936</u>	<u>3,78,521</u>
Note 7 Other Current Liabilities		
Current Maturities of Long Term Debts	-	1,62,212
Other Liabilities	22,63,515	37,02,976
(*includes balances of Franchisees, SBAs,provision for expenses, statutory liabilities and salary payable)		
Total	<u>22,63,515</u>	<u>38,65,188</u>



## Notes forming part of the financial statements

## Note 8 Fixed assets

Particulars	Gross Block		Accumulated Depreciation				Net Block			
	As on April 1, 2015	Deductions/ Adjustments	As on March 31, 2016	Up to March 31, 2015	For the Year	Deductions / Adjustment	Additional Depreciation	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
<u>Tangible Asset</u>										
Furniture and Fittings	6,97,385	-	6,97,385	5,80,172	36,823	-	-	6,16,995	80,390	1,17,213
Office Equipments	7,49,515	-	7,49,515	6,18,904	96,753	-	-	7,15,657	33,858	1,30,611
Computer	10,13,276	-	10,13,276	9,81,215	32,061	-	-	10,13,276	-	32,061
Vehicles	14,67,927	-	14,67,927	4,04,086	1,94,294	-	-	5,98,381	8,69,546	10,63,841
Plant & Machinery	1,14,91,637	-	1,14,91,637	36,77,293	9,04,438	-	-	45,81,731	69,09,906	78,14,344
Total....	1,54,91,740	-	1,54,19,740	62,61,671	12,64,369	-	-	75,26,040	78,93,700	91,58,069
Previous year	1,55,89,740	1,70,000	1,54,19,740	44,69,732	15,08,401	48,148	3,31,686	62,61,671	91,58,069	

## Notes forming part of the Financial Statements

Particulars	March 31, 2016	March 31, 2015
Note 9 Non Current Investments (At cost) (Non Trade - Unquoted) Investment in Subsidiaries 49,940 (2015: 49,940) Equity Shares having Face Value of ₹ 10 per share fully paid-up in E-Assurance Services (India) Ltd. Less: Provision for Diminution in Value of Investment	4,99,400 3,00,000 <u>1,99,400</u>	4,99,400 3,00,000 <u>1,99,400</u>
Note 10 Deferred Tax Asset Deferred Tax Asset Impact of difference between depreciation under Income Tax and Company Law Provision of Gratuity	-63,473 3,01,661 <u>2,38,188</u>	-31,625 2,37,902 <u>2,06,277</u>
Note 11 Long-Term Loans and Advances Unsecured, Considered Good Advance Income Tax (net of provision) Security Deposits	39,57,953 3,94,053 <u>43,52,006</u>	34,35,490 3,94,053 <u>38,29,543</u>
Note 12 Inventories (At lower of cost and net realizable value) Trading Goods (Ref. Note No. 24.13)	1,33,155 <u>1,33,155</u>	13,31,545 <u>13,31,545</u>
Note 13 Trade Receivables Unsecured, Considered Good Other Debts	14,97,625 <u>14,97,625</u>	- <u>-</u>
Unsecured, Considered Doubtful Debts outstanding for more than six months Less: Provision for Doubtful Debts	21,78,593 21,78,593 <u>-</u>	21,78,593 21,78,593 <u>-</u>
Note 14 Cash and Cash Equivalents Balances with Banks In Current Accounts Cash on Hand Other Bank Balance Deposit with original maturity less than 12 months	7,70,053 3,73,329 52,13,689 <u>63,57,070</u>	2,89,861 28,88,465 7,14,575 <u>38,92,900</u>
Note 15 Short Term Loans and Advances Unsecured, Considered Good Advance to supplier Security Deposits Loans and advances to Employees	58,555 - 33,345 <u>91,900</u>	94,495 2,88,910 11,000 <u>394,405</u>
Unsecured, Considered Doubtful Advance to supplier Security Deposits Less: Provision for Doubtful Recovery	9,00,000 2,88,910 11,88,910 <u>-</u>	9,00,000 - 9,00,000 <u>-</u>
Note 16 Other Current Assets Unsecured, considered good	43,106 <u>43,106</u>	25,571 <u>25,571</u>

**2015-2016**  
**Financial Statements with Auditors' Report**

**S Kumar Online Limited**

Notes forming part of the Financial Statements

Particulars	March 31, 2016	March 31, 2015
Note 17 Revenue from Operation		
Sale of Services	48,87,500	15,27,000
Total	<u>48,87,500</u>	<u>15,27,000</u>
Note 18 Other Income		
Interest income		
From Banks	3,33,796	57,794
Other Non-Operating Income		
Sundry Balance Written back	4,61,390	10,83,466
Others	46,750	78,148
Total	<u>8,41,936</u>	<u>12,19,408</u>
Note 19 Purchases		
Materials and Related Expenses	-	1,54,807
Total	<u>-</u>	<u>1,54,807</u>
Note 20 Changes in Inventories		
Inventories at the end of the year (Ref. Note No. 24.13)		
Finished Goods	1,33,155	13,31,545
	<u>1,33,155</u>	<u>13,31,545</u>
Inventories at the beginning of the year		
Finished Goods	13,31,545	20,48,967
	<u>13,31,545</u>	<u>20,48,967</u>
Net (increase) / decrease	<u>11,98,390</u>	<u>7,17,422</u>
Note 21 Employee Benefits Expense		
Salaries and Wages	38,94,042	27,62,984
Contribution to Provident	2,74,672	2,28,704
Total	<u>41,68,714</u>	<u>29,91,688</u>
Note 22 Finance Costs		
Interest	3,512	36,823
Total	<u>3,512</u>	<u>36,823</u>
Note 23 Other Expenses		
Auditor's Remuneration	1,71,750	1,68,540
Car Expenses	3,20,659	2,52,905
Insurance	29,226	98,807
Legal And Professional	9,67,756	7,56,368
Printing And Stationery	1,01,161	93,163
Travelling And Conveyance	5,08,389	5,00,850
General Expenses	43,478	1,26,751
Doubtful Debts	2,88,910	9,89,808
Miscellaneous Expenses	2,09,167	1,92,170
Total	<u>26,40,496</u>	<u>31,79,363</u>
<u>Payments to the auditors comprises:</u>		
For Statutory Audit	91,600	84,270
For Tax Audit	22,900	28,090
For Other Services	57,250	56,180
Total	<u>1,71,750</u>	<u>1,68,540</u>

## Note 24 Additional information to the financial statements

(fig. in lacs)

	March 31, 2016	March 31, 2015
24.1 Contingent liabilities and commitments (to the extent not provided for)		
(a) Income Tax Matters ( Details given in table below)	820.74	820.74
(b) Legal cases with Franchisees and Strategic Business Associates	11.68	11.68

Authority	Nature of dues	Amount (Rs. in Lacs)	Assessment Year	Forum
Income Tax Department	Income Tax and Interest	820.74	2002-03	Mumbai High Court

- 24.2 During the year management has revived its 'IT Management Consultancy' segment and is constantly trying to introduce new e-Commerce business model to eradicate cash flow mismatches and negative net worth of the company. Management is confident that in near future Company will be in revival mode and thereby going concern will not be affected.
- 24.3 In the opinion of the management, the Current Assets, Loans and Advances are realizable at the values represented in the accounts and adequate provision has been made in the accounts for all known liabilities, except to the extent wherever stated otherwise.
- 24.4 The following table summarizes the components of the net employee benefit expenses recognized in the Profit and Loss Account and in the Balance Sheet for the gratuity as per the recommendations of the Accounting Standard – 15 Employee Benefits. No provision towards leave encashment is considered in the Company's accounts.

Particulars	March 31, 2016	March 31, 2015
	Gratuity	Gratuity
<b>Amount Recognised in Statement of Profit and Loss A/c</b>		
Actuarial losses/(gains)	2,06,341	1,28,917
<b>Expense recognised in the Profit and Loss A/c</b>	2,06,341	1,28,917
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Liability at the end of the year	9,76,249	7,69,908
<b>Net asset / (liability) recognised in the Balance Sheet</b>	9,76,249	7,69,908
<b>Actuarial assumptions</b>		
Retirement Age	60 Years	60 Years
Attrition Rate	2% p.a.	2% p.a.
Future Salary Rate	5% p.a.	5% p.a.
Rate of Discounting	7.86%	7.90%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The defined Gratuity benefit obligation of the Company is unfunded and hence there are no planned assets which are maintained exclusively therefore. Accordingly, the said disclosure is not given.

- 24.5 Outstanding amounts payable to Micro, Small and Medium Enterprises included under Current Liabilities, as per the information available with the Company and relied upon by the auditors – Nil (Previous year- Nil).
- 24.6 **Earnings Per Share (EPS): Equity Shares of Rs 10, fully paid-up**

Particulars	March 31, 2016	March 31, 2015
<b>A. Net Profit for</b>	-35,16,633	-57,06,391
<b>B. Weighted Average No of Equity Shares</b>	2,86,25,000	2,86,25,000
<b>C. Earning Per share</b>	-	-
Basic & Diluted	-0.12	-0.20

24.7 Related Party Transactions

**Details of related parties:**

Description of relationship	Names of related parties
Subsidiary Company	E-Assurance Services (India) Limited
Key Management Personnel (KMP)	Shri O. P. Pacheria - Whole Time Director Shri Sameer Patil - Chief Financial Officer Shri Hitendrakumar Ranka - Company Secretary

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended and balances outstanding:**

	Subsidiaries	KMP
<b>Transactions</b>		
Remuneration Paid	-	25,03,611 (13,48,614)
Unsecured Loans repaid	800 (400)	-
<b>Balances outstanding at the end of the year</b>		
Unsecured Loans	1,90,468 (1,91,268)	
Investment	4,99,400 (4,99,400)	

Previous year's figures are given in parenthesis.

24.8 Taxation

No provision has been made towards Current taxation keeping in view the carried forward losses under the Income Tax Act, 1961.

24.9 The Company has two reportable segments i.e. IT Management Consultancy, Equipment Rental and E-Commerce. The disclosure requirements as per the recommendations of Accounting Standard – 17 Segment Reporting, during the year under review, are given as under:

Particulars	IT Consultancy	Equipment Rental	Total
<b>Revenue:</b>			
External	48,87,500 (14,55,000)	- (72,000)	48,87,500 (15,27,000)
<b>Total</b>	48,87,500 (14,55,000)	- (72,000)	48,87,500 (15,27,000)
<b>Results</b>			
Segment results	2,502,820 (-26,91,895)	-8,00,657 (-7,97,376)	17,02,162 (-34,89,271)
Unallocable corporate Income/(expenses)			-60,90,143 (-35,72,231)
<b>Operating Profit / (Loss) (PBIT)</b>			-43,87,980 (-70,61,502)
Interest Expenses			-
Interest / Other Income			8,41,936 (12,19,408)
<b>Profit / (Loss) before tax (PBT)</b>			-35,46,044 (-58,42,094)
Provision for current tax			-
Deferred tax			31,911 (1,35,703)
Prior period adjustments			-2,500 -

<b>Profit / (Loss) After Tax</b>			<b>-35,16,633</b> (-57,06,391)
<b>Other Information</b>			
Segment Asset:	<b>15,45,119</b> (57,584)	<b>69,09,906</b> (70,56,820)	<b>84,55,025</b> (71,14,404)
Unallocable corporate assets			<b>1,23,51,125</b> (1,19,23,306)
<b>Total Assets</b>	<b>15,45,119</b> (57,584)	<b>69,09,906</b> (70,56,820)	<b>2,08,06,150</b> (1,90,37,710)
Segment liabilities	<b>12,86,440</b> (21,25,793)	- -	<b>12,86,440</b> (21,25,793)
Unallocable corporate liabilities			<b>11,85,08,956</b> (11,23,84,530)
<b>Total Liabilities</b>	<b>12,86,440</b> (21,25,793)	- -	<b>11,97,95,396</b> (11,45,10,323)
Segment Depreciation	32,061 (75,132)	8,00,657 (7,98,469)	<b>8,32,718</b> (8,73,602)
Unallocable Depreciation			<b>4,31,651</b> (6,34,799)
<b>Total Depreciation</b>			<b>12,64,369</b> (15,08,401)

Previous year's figures are given in parenthesis.

- 24.10 The Company is of the view that there are no indications of material impairment and the carrying amount of its fixed assets or where applicable, the cash generating unit to which these assets belong, do not exceed their recoverable amounts (i.e., the higher of the assets' net selling price and value in use). Hence, no impairment had arisen during the year as per the recommendations of AS 28 - "Impairment of Assets".
- 24.11 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted in the opening balance of Profit and Loss Account of previous year amounting to Rs. 3,31,686/-.
- 24.12 No provision in respect of appreciation/erosion in the book value of unquoted Investments has been made in the current year, since the management is of the opinion that the diminution, if any, in the said category of investments is purely temporary in nature (Previous year – Nil).
- 24.13 The Company has valued its inventories as per Accounting Standard -2 " Valuation of Inventories" on account of the some dead inventories as well as non moving stock has been valued at net releasable value by the management. This has resulted in a charge to the Profit and Loss Account by Rs. 11.98 Lacs under the head 'Change in Inventories (Previous Year Rs. 7.17 Lacs).
- 25.14 Product wise details

<b>Inventory</b>		
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Retail Products - E-Commerce	<b>92,939</b>	9,29,385
Cans	<b>40,216</b>	4,02,106
<b>Total</b>	<b>1,33,155</b>	13,31,545

- 24.15 Expenditure in Foreign Currency- Rs. NIL (Previous Year - Rs. NIL)  
Earnings in Foreign Currency- Rs. NIL (Previous Year – Rs. NIL).

In terms of our report attached.

**For Shyam Malpani & Associates**

Chartered Accountants

**Sd/-**

**Shyam Malpani**

Proprietor

Camp : Chicago, USA

Date : May 30, 2016

**For and on behalf of the Board of Directors**

**Sd/-**

**O. P. Pacheria**

Whole Time Director

DIN: 00105278

**Sd/-**

**Sameer Patil**

Chief Financial Officer

Place : Mumbai

Date : May 30, 2016

**Sd/-**

**R. N. Jha**

Director

DIN: 00033291

**Sd/-**

**Hitendrakumar Ranka**

Company Secretary

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiary  
(Information in respect of each subsidiary to be presented with amounts in Rs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	e-ASSURANCE SERVICES (INDIA ) LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3.	Reporting currency	INR
4.	Share capital	5,00,000
5.	Reserves & surplus	(3,57,654)
6.	Total assets	2,31,827
7.	Total Liabilities	89,481
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	(13,396)
11.	Provision for taxation	0
12.	Profit after taxation	(13,396)
13.	Proposed Dividend	Nil
14.	% of shareholding	99.88

Notes:

1. Name of subsidiaries which are yet to commence operations : Nil
2. Name of subsidiaries which have been liquidated or sold during the year : Nil

**Part "B" Associates and Joint Ventures**

**Note: Company does not have any associates/Joint Ventures, Hence the Part "B" of this statement not applicable to the Company.**

Sd/-  
O. P. Pacharia  
Whole Time Director  
DIN: 00105278

Sd/-  
R. N. Jha  
Director  
DIN: 00033291

Sd/-  
Sameer Patil  
Chief Financial Officer

Sd/-  
Hitendrakumar Ranka  
Company Secretary

Date : 30/05/2016

Place: Mumbai

**Independent Auditors' Report**

To the members

S Kumars Online Limited

**I. Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of S Kumars Online Limited (hereinafter referred to as "the Holding Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated 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 (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**III. Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 there under.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give 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 Holding Company has an adequate internal financial controls system over financial reporting in place 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.



**Basis for Qualified Opinion**

*As stated in the Notes No.24.2. of the financial statements regarding;*

*The Holding Company has been incurring constant losses also the net worth of the Holding Company has been fully eroded further the Holding Company has also discontinued all its major line of business, it has also been facing cash-flow mismatches if the management is not able to infuse adequate money on appropriate time than the going concern assumption will get impacted. In case of the Subsidiary Company the Company has not identified any line of business further more than 50% of its networth is already eroded if the said subsidiary Company is not able to identify and commence business in near future than the going concern assumption will get impacted. However the financial statement are prepared of the Group on going concern basis.*

**IV. Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31st March 2016, and its loss and its cash flows for the year ended on that date.

**V Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the so far as appears from our examination of those books;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the preparation of the consolidated financial statements;
  - (d) In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid consolidated financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
  - (f) On the basis of written representations received from the directors of the Holding Company as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.;
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure I"
  - (h) 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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the group. Refer note 24.1 to the consolidated financial statements
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For **Shyam Malpani & Associates**

Chartered Accountants  
Firm Registration No. 120438 W

**Sd/-**  
**Shyam Malpani**  
Proprietor  
Membership No. F- 34171

Camp : Chicago, USA  
Date : 30<sup>th</sup> May, 2016

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

We have audited the attached consolidated financial statements of **S Kumars Online Limited** (hereinafter referred to as "the Company") as at 31st March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility :**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting :**

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

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting :**

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

**Opinion :**

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

**For Shyam Malpani & Associates**  
Chartered Accountants  
Firm Registration No. 120438 W

**Sd/-**  
**Shyam Malpani**  
Proprietor  
Membership No. F- 34171

Camp : Chicago, USA

Date : 30<sup>th</sup> May, 2016

## Consolidated Balance Sheet as at March 31, 2016

Particulars	Note No.	March 31, 2016	March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	28,62,50,000	28,62,50,000
Reserves And Surplus	2	-38,52,96,472	-38,17,66,458
		<u>-9,90,46,472</u>	<u>-9,55,16,458</u>
Minority Interest	3	171	187
<b>Non-Current Liabilities</b>			
Long-Term Provisions	4	4,11,313	3,91,387
		<u>4,11,313</u>	<u>3,91,387</u>
<b>Current Liabilities</b>			
Short-Term Borrowings	5	11,37,17,092	10,70,45,092
Trade Payables	6	26,48,072	26,38,867
Short-Term Provisions	7	5,64,936	3,78,521
Other Current Liabilities	8	23,52,996	39,42,073
		<u>11,92,83,096</u>	<u>11,40,04,553</u>
<b>TOTAL</b>		<u><b>2,06,48,109</b></u>	<u><b>1,88,79,669</b></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>			
Tangible Assets	9	78,93,701	91,58,070
Deferred Tax Asset	10	2,38,188	2,06,277
Long-Term Loans And Advances	11	43,52,005	38,29,542
		<u>1,24,83,893</u>	<u>1,31,93,888</u>
<b>Current Assets</b>			
Inventories	12	1,33,155	13,31,545
Trade Receivables	13	14,97,625	-
Cash And Cash Equivalents	14	63,98,430	39,34,260
Short-Term Loans And Advances	15	91,900	3,94,405
Other Current Assets	16	43,106	25,571
		<u>81,64,216</u>	<u>56,85,781</u>
<b>TOTAL</b>		<u><b>2,06,48,109</b></u>	<u><b>1,88,79,669</b></u>

See accompanying notes forming part of the financial statements  
As per our attached report of even date

For Shyam Malpani & Associates  
Chartered Accountants

Sd/-  
Shyam Malpani  
Proprietor  
Camp : Chicago, USA  
Date : May 30, 2016

For and on behalf of the Board of Directors

Sd/-  
O. P. Pacheria  
Whole Time Director  
DIN: 00105278

Sd/-  
R. N. Jha  
Director  
DIN: 00033291

Sd/-  
Sameer Patil  
Chief Financial Officer  
Place : Mumbai  
Date : May 30, 2016

Sd/-  
Hitendrakumar Ranka  
Company Secretary

## Consolidated Financial Statements with Auditors' Report

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

	Note No.	March 31, 2016	March 31, 2015
Revenue From Operations (Gross)	17	48,87,500	15,27,000
Other Income	18	8,41,936	12,19,408
<b>Total Revenue</b>		<b>57,29,436</b>	<b>27,46,408</b>
Purchases Of Stock-In-Trade	19	-	1,54,807
Changes In Inventories	20	11,98,390	7,17,422
Employee Benefits Expense	21	41,68,714	29,91,688
Finance Costs	22	3,512	36,823
Depreciation and Amortisation Expense	9	12,64,369	15,08,401
Other Expenses	23	26,53,892	31,90,998
		<b>92,88,877</b>	<b>86,00,139</b>
<b>Profit / (Loss) Before Exceptional And Extraordinary Items And Tax</b>		<b>-35,59,441</b>	<b>-58,53,731</b>
Prior Period Adjustments		-2,500	-
<b>Profit / (Loss) Before Extraordinary Items and Tax</b>		<b>-35,61,941</b>	<b>-58,53,731</b>
Current Tax		-	-
Tax Relating to Prior Years		-	32,699
Deferred Tax		-31,911	-1,35,703
Total		<b>-31,911</b>	<b>-1,03,004</b>
<b>Profit / (Loss) after Tax From Continuing Operation</b> (before adjustment of minority interest)		<b>-35,30,030</b>	<b>-57,50,727</b>
Share of Loss transferred to Minority		16	53
<b>Profit / (Loss) For The Year</b>		<b>-35,30,014</b>	<b>-57,50,673</b>
<b>EPS Before Extraordinary and Exceptional Item</b>			
Basic		-0.12	-0.20
Diluted		-0.12	-0.20
<b>EPS After Extraordinary and Exceptional Item</b>			
Basic		-0.12	-0.20
Diluted		-0.12	-0.20

See accompanying notes forming part of the financial statements  
In terms of our report attached.

**For Shyam Malpani & Associates**

Chartered Accountants

Sd/-

**Shyam Malpani**

Proprietor

Camp : Chicago, USA

Date : May 30, 2016

**For and on behalf of the Board of Directors**

Sd/-

**O. P. Pacharia**

Whole Time Director

DIN: 00105278

Sd/-

**R. N. Jha**

Director

DIN: 00033291

Sd/-

**Sameer Patil**

Chief Financial Officer

Place : Mumbai

Date : May 30, 2016

Sd/-

**Hitendrakumar Ranka**

Company Secretary

**Cash Flow Statement for the year ended March 31, 2016**

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		-35,61,940		-58,86,429
<i>Adjustments for:</i>				
Depreciation and amortisation	12,64,369		15,08,401	
Finance costs	3,512		62,045	
Interest Received	-3,33,796		-57,794	
Provision for Doubtful Debts	<u>2,88,910</u>		<u>9,89,808</u>	
		<u>12,22,995</u>		<u>25,02,460</u>
Operating profit / (loss) before working capital changes		<u>-23,38,946</u>		<u>-33,83,968</u>
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	11,98,390		7,17,422	
Trade receivables	-17,86,535		8,88,610	
Short-term loans and advances	3,03,305		9,13,978	
Long-term loans and advances	-5,22,463		-1,38,943	
Other current assets	-17,535		66,355	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	9,204		-4,07,870	
Other current liabilities	-15,89,077		4,47,495	
Long-term provisions	19,926		23,424	
Short-term provisions	<u>1,86,415</u>		<u>1,05,493</u>	
		<u>-21,98,370</u>		<u>26,15,964</u>
Net cash flow from / (used in) operating activities (A)		<u>-45,37,315</u>		<u>-7,68,005</u>
B. Cash flow from investing activities				
Capital expenditure on fixed assets	-		1,21,852	
Income From Investment	3,33,796		57,794	
Net cash flow from / (used in) investing activities (B)		<u>3,33,796</u>		<u>1,79,646</u>
C. Cash flow from financing activities				
Repayment of Long / Short Term borrowings	66,71,200		8,29,388	
Finance cost	<u>-3,512</u>		<u>-62,045</u>	
		<u>66,67,688</u>		<u>7,67,343</u>
Net cash flow from / (used in) financing activities (C)		<u>66,67,688</u>		<u>7,67,343</u>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		<u>24,64,169</u>		<u>1,78,984</u>
Cash and cash equivalents at the beginning of the year		<u>39,34,261</u>		<u>37,55,277</u>
Cash and cash equivalents at the end of the year		<u>63,98,430</u>		<u>39,34,261</u>

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

**For Shyam Malpani & Associates**

Chartered Accountants

**Sd/-**

**Shyam Malpani**

Proprietor

Camp : Chicago, USA

Date : May 30, 2016

**For and on behalf of the Board of Directors**

**Sd/-**

**O. P. Pacharia**

Whole Time Director

DIN: 00105278

**Sd/-**

**R. N. Jha**

Director

DIN: 00033291

**Sd/-**

**Sameer Patil**

Chief Financial Officer

Place : Mumbai

Date : May 30, 2016

**Sd/-**

**Hitendrakumar Ranka**

Company Secretary

**S Kumars Online Limited - Consolidated**

**Significant Accounting Policies and Notes on Accounts: 31.03.2016**

**I. Background**

- a) S Kumars Online Limited (hereinafter called the Company) has controlling interest in the following entity throughout the year that ended on March 31, 2016:

Name of Subsidiary	Country of Incorporation	Name of Company	Percentage of Ownership of Company in the Subsidiary Company (as at the close of the year)
e-Assurance Services (India) Ltd.	India	S Kumars Online Ltd.	99.88%

The Subsidiary Company is primarily engaged in the business of soliciting or procuring Life Insurance business and General Insurance Business as a Corporate Agent of Life Insurers or as otherwise permitted by Insurance Regulatory and Development Authority (IRDA) from time to time.

**b) Basis of consolidation**

- i. The consolidated financial statements are prepared by consolidating the accounts of S Kumars Online Limited (the Company) with those of its subsidiary, which constitute the Group, in accordance with the generally accepted accounting principles and in consonance with the Accounting Standard 21- "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- ii. The financial year of the group have been aligned with the Company and are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2016.

**c) Principles of Consolidation**

- i. The consolidated financial statements of the Company and its subsidiaries (together the Group) have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses. Intra-group balances and intra-group transactions and resulting unrealized profits or losses if any have been fully eliminated.
- ii. Consolidated financial statements have been prepared using uniform accounting policies for the like transactions and other events in similar circumstances are presented, to the extent possible, in the same manner as the Company's separate financial statements. Changes have been made in the accounting policies followed by the subsidiary to the extent they were material and identifiable from their respective audited accounts to make them uniform with the accounting policies followed by the Holding Company. In case the uniform accounting policy is not followed by each company in the Group, the same, as disclosed in the audited accounts of the said company, are reproduced.

**II Summary of Group's Significant Accounting Policies:**

**1. General**

- a) The financial statements have been prepared on accrual basis, accept wherever otherwise stated, under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the power conferred under sub-section (1)(a) of Section 642 and the relevant provisions of the Companies Act, 2013.
- b) All expenses and income to the extent considered payable and receivable respectively, unless specifically stated to be otherwise, are accounted for on accrual basis except those with significant uncertainties.

**2. Use of Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

## Consolidated Financial Statements with Auditors' Report

3. **Fixed Assets**  
Fixed assets of the Company are stated at cost less accumulated depreciation.
4. **Depreciation**  
Depreciation is provided on Straight Line Method (SLM) based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
5. **Investments**  
Investments are carried at cost. Unless otherwise stated, all the investments are of long-term nature. Diminution, other than temporary, in the long-term investment is provided in the Profit and Loss statement.
6. **Inventories**  
Inventory of the Company is carried at the lower of cost or net realizable value. Adequate provision in the accounts is made in respect of obsolescence, wherever applicable, in the inventory.
7. **Foreign Currency Transactions**  
Transactions in foreign currency are accounted at the rate of exchange prevailing on the date of transaction. Current Assets and Liabilities denominated in foreign currency are translated at the exchange rates prevailing at the Balance Sheet date and the fluctuations are charged to the revenue.
8. **Retirement Benefits**  
Provision for Gratuity in Company has been made in the accounts on the basis of actuarial valuation in respect of employees in service with the Company as per the recommendations of the Accounting Standard – 15, Employee Benefits, issued of The Institute of Chartered Accountants of India. In respect of the Subsidiary Company, the said Accounting Standard is not applicable
9. **Accounting for Taxes on Income**  
Provision for Current taxation is made in accordance with the relevant Income Tax provisions applicable. Deferred Taxation in Company is calculated as stipulated in Accounting Standard – 22 issued by the Institute of Chartered Accountants of India.
10. **Impairment of Assets**  
The carrying amounts of the assets are reviewed at each Balance Sheet date. If any indication of impairment exists, an impairment loss is recognised to the extent of the excess of the carrying amount over the estimated accountable amount.
11. **Segment Reporting Policy:**  
The Company prepares its segment information if any, in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.
12. **Contingent Liabilities and Provisions**  
Disputed liabilities and claims against the Company including claims raised by the various venue authorities (e.g., Income Tax etc.), pending in appeal /court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliably estimable, is recognized in accounts.
13. **Earnings per Share**  
In determining earnings per share, the Company considers the net profit/ (Loss) after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic earnings per share is weighted average number of shares outstanding during the period.  
For the purpose of computing diluted earnings per share, the net profit /(Loss) attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares from exercise of options on un- issued share capital.
14. **Preoperative expense**  
Expenses incurred by the Company on the projects under implementation and have not yet commenced operations are considered as preoperative expenses to be capitalised / amortised upon commencement of operations by the said projects.



**2015-2016**  
**Consolidated Financial Statements with Auditors' Report**

**S Kumar Online Limited**

Notes forming part of the Consolidated Financial Statements

Particulars	March 31, 2016	March 31, 2015
Note 1 Share Capital		
Authorized:		
11,00,00,000 (2015: 11,00,00,000) Equity shares of ₹ 10 each with voting rights	<u>1,10,00,00,000</u>	<u>1,10,00,00,000</u>
Issued Subscribed and Paid up:		
2,86,25,000 (2015: 2,86,25,000) Equity shares of ₹ 10 each with voting right	<u>28,62,50,000</u>	<u>28,62,50,000</u>
Total	<u>28,62,50,000</u>	<u>28,62,50,000</u>

(I) No. of Equity shares and amount outstanding at the beginning and at the end of the year.

	2016		2015	
	Number		Number	
Per last Balance sheet	2,86,25,000	28,62,50,000	2,86,25,000	2,86,250,000
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>2,86,25,000</u>	<u>28,62,50,000</u>	<u>2,86,25,000</u>	<u>2,86,250,000</u>

Shares held by each shareholder holding more than 5% of equity share capital

	Year ended March 31, 2016		Year ended March 31, 2015	
	Nos.	Percentage	Nos.	Percentage
Hanumesh Investments Pvt. Ltd.	1,22,72,814	42.87%	1,22,72,814	42.87%
Mandakini Investfin Pvt. Ltd.	25,76,598	9.00%	25,76,598	9.00%
Yashaswini Investment Co. Pvt. Ltd.	20,82,198	7.27%	20,82,198	7.27%

Company has not issued any bonus shares during the last 5 years.

Term / Rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share except & otherwise stated.

Note 2 Reserves and Surplus	March 31, 2016	March 31, 2015
(a) Surplus / (Deficit) in Statement of Profit and Loss		
As per Last Balance Sheet	-38,17,66,458	-37,56,84,099
Add: Profit / Loss for the Year	-35,30,014	-57,50,673
Less: Appropriation		
Adjustment relating to Fixed Assets (Ref. Note No. 24.11)	-	3,31,686
Total Appropriation	-	3,31,686
Net Deficit in Statement of Profit and Loss	<u>-38,52,96,472</u>	<u>-38,17,66,458</u>
Total	<u>-38,52,96,472</u>	<u>-38,17,66,458</u>

Note 3 Minority Interest	March 31, 2016	March 31, 2015
Shares held by Minorities in e-Assurance Services (India) Ltd.	600	600
Less: Share in Loss of e-Assurance Services (India) Ltd. (current year Rs. 16/- (upto 31st March 2015 Rs. 413)	429	413
Total	<u>171</u>	<u>187</u>

Particulars	March 31, 2016	March 31, 2015
Note 4 Long-Term Provisions For Gratuity (Refer Note no. 24.4)	4,11,313	3,91,387
Total	<u>4,11,313</u>	<u>3,91,387</u>
Note 5 Short Term Borrowings Loan and advances from related parties From other bodies Corporate (Unsecured)	11,37,17,092	10,70,45,092
Total	<u>11,37,17,092</u>	<u>10,70,45,092</u>
Note 6 Trade Payables Trade payables (including acceptances) (Refer Note no. 24.5 for details of dues to micro and small enterprises)	26,48,072	26,38,867
Total	<u>26,48,072</u>	<u>26,38,867</u>
Note 7 Short-Term Provisions For Gratuity (Refer Note no.24.4)	5,64,936	3,78,521
Total	<u>5,64,936</u>	<u>3,78,521</u>
Note 8 Other Current Liabilities Current Maturities of Long Term Debts Other Liabilites (*includes balances of Franchisees, SBAs,provision for expenses, statutory liabilities and salary payable)	- 23,52,996	1,62,212 37,79,861
Total	<u>23,52,996</u>	<u>39,42,073</u>

## Notes forming part of the consolidated financial statements

## Note 9 Fixed assets

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	As on April 1, 2015	Deductions/ Adjustments	As on March 31, 2016	Up to March 31, 2015	For the Year	Deductions/ Adjustment	Additional Depreciation	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
<u>Tangible Asset</u>										
Furniture and Fittings	6,97,385	-	6,97,385	5,80,172	36,823	-	-	6,16,995	80,390	1,17,213
Office Equipments	7,49,515	-	7,49,515	6,18,904	96,753	-	-	7,15,657	33,858	1,30,611
Computer	10,13,276	-	10,13,276	9,81,215	32,061	-	-	10,13,276	-	32,061
Vehicles	14,67,927	-	14,67,927	4,04,086	1,94,294	-	-	5,98,381	8,69,546	10,63,841
Plant & Machinery	1,14,91,637	-	1,14,91,637	36,77,293	9,04,438	-	-	45,81,731	69,09,906	78,14,344
Total....	1,54,19,740	-	1,54,19,740	62,61,671	12,64,369	-	-	75,26,040	78,93,700	91,58,069
Previous year	1,55,89,740	1,70,000	1,54,19,740	44,69,732	15,08,401	48,148	3,31,686	62,61,671	91,58,069	

Particulars	March 31, 2016	March 31, 2015
Note 10 Deferred Tax Asset		
Deferred Tax Asset		
Impact of difference between depreciation under Income Tax and Company Law	-63,473	-31,625
Provision of Gratuity	3,01,661	2,37,902
Total	2,38,188	2,06,277
<b>Note 11 Long-Term Loans and Advances Unsecured, Considered Good</b>		
Advance Income Tax (net of provision)	39,57,953	34,35,490
Security Deposits	3,94,052	3,94,052
Total	43,52,005	38,29,542
<b>Note 12 Inventories (At lower of cost and net realizable value)</b>		
Trading Goods	1,33,155	13,31,545
Total	1,33,155	13,31,545
<b>Note 13 Trade Receivables Unsecured, Considered Good</b>		
Other Debts	14,97,625	-
Total	14,97,625	-
<b>Unsecured, Considered Doubtful</b>		
Debts outstanding for more than six months	21,78,593	21,78,593
Less: Provision for Doubtful Debts	21,78,593	21,78,593
Total	-	-
<b>Note 14 Cash and Cash Equivalents Balances with Banks</b>		
In Current Accounts	8,11,380	3,31,188
<b>Cash on Hand</b>	3,73,361	28,88,497
<b>Other Bank Balance</b>		
Deposit with original maturity less than 12 months	52,13,689	7,14,575
Total	63,98,430	39,34,260
<b>Note 15 Short Term Loans and Advances Unsecured, Considered Good</b>		
Advance to supplier	58,555	94,495
Security Deposits	-	2,88,910
Loans and advances to Employees	33,345	11,000
Total	91,900	3,94,405
<b>Unsecured, Considered Doubtful</b>		
Advance to supplier	9,00,000	9,00,000
Security Deposits	2,88,910	-
Less: Provision for Doubtful Recovery	11,88,910	9,00,000
Total	-	-
<b>Note 16 Other Current Assets</b>		
Unsecured, considered good	43,106	25,571
Total	43,106	25,571
Note 17 Revenue from Operation		
Sale of Services	48,87,500	15,27,000
Total	48,87,500	15,27,000

**2015-2016**  
**Consolidated Financial Statements with Auditors' Report**

**S Kumar Online Limited**

Particulars	March 31, 2016	March 31, 2015
Note 18 Other Income		
Interest income		
From Banks	3,33,796	57,794
Other Non-Operating Income		
Sundry Balance Written back	4,61,390	10,83,466
Profit on Sale of Asset	46,750	78,148
	<u>8,41,936</u>	<u>12,19,408</u>
Note 19 Purchase of Stock-In-Trade		
Materials and Related Expenses	-	1,54,807
Total	<u>-</u>	<u>1,54,807</u>
Note 20 Changes in Inventories		
Inventories at the end of the year		
Finished Goods	1,33,155	13,31,545
	<u>1,33,155</u>	<u>13,31,545</u>
Inventories at the beginning of the year		
Finished Goods	13,31,545	20,48,967
	<u>13,31,545</u>	<u>20,48,967</u>
Net (increase) / decrease	<u>11,98,390</u>	<u>7,17,422</u>
Note 21 Employee Benefits Expense		
Salaries and Wages	38,94,042	27,62,984
Contribution to Provident	2,74,672	2,28,704
Total	<u>41,68,714</u>	<u>29,91,688</u>
Note 22 Finance Costs		
Interest	3,512	36,823
Total	<u>3,512</u>	<u>36,823</u>
Note 23 Other Expenses		
Auditor's Remuneration	1,77,475	1,74,158
Car Expenses	3,20,659	2,52,905
Insurance	29,226	98,807
Legal And Professional	9,74,627	7,61,986
Printing And Stationery	1,01,161	93,163
Travelling And Conveyance	5,08,389	5,00,850
General Expenses	43,478	1,26,751
Doubtful Debts	2,88,910	9,89,808
Miscellaneous Expenses	2,09,967	1,92,570
Total	<u>26,53,892</u>	<u>31,90,998</u>
Payments to the auditors comprises:		
For Statutory Audit	97,325	89,888
For Tax Audit	22,900	28,090
For Other Services	57,250	56,180
Total	<u>1,77,475</u>	<u>1,74,158</u>

## Note 25 Additional information to the Consolidated Financial Statements

(fig. in lacs)

	March 31, 2016	March 31, 2015
<b>24.1 Contingent liabilities and commitments (to the extent not provided for)</b>		
(a) Income Tax Matters ( Details given in table below)	820.74	820.74
(b) Legal cases with Franchisees and Strategic Business Associates	11.68	32.14

Authority	Nature of dues	Amount (Rs. in Lacs)	Assessment Year	Forum
Income Tax Department	Income Tax and Interest	820.74	2002-03	Mumbai High Court

- 24.2 During the year management has revived its 'IT Management Consultancy' segment and is constantly trying to introduce new e-Commerce business model to eradicate cash flow mismatches and negative net worth of the company. Management is confident that in near future Company will be in revival mode and thereby going concern will not be affected.
- 24.3 In the opinion of the management, the Current Assets, Loans and Advances are realizable at the values represented in the accounts and adequate provision has been made in the accounts for all known liabilities, except to the extent wherever stated otherwise.
- 24.4 The following table summarizes the components of the net employee benefit expenses recognized in the Profit and Loss Account and in the Balance Sheet for the gratuity as per the recommendations of the Accounting Standard – 15 Employee Benefits. No provision towards leave encashment is considered in the Company's accounts.

Particulars	March 31, 2016 Gratuity	March 31, 2015 Gratuity
<b>Amount Recognised in Statement of Profit and Loss A/c</b>		
Actuarial losses/(gains)	2,06,341	1,28,917
<b>Expense recognised in the Profit and Loss A/c</b>	<b>2,06,341</b>	<b>1,28,917</b>
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Liability at the end of the year	9,76,249	7,69,908
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>9,76,249</b>	<b>7,69,908</b>
<b>Actuarial assumptions</b>		
Retirement Age	60 Years	60 Years
Attrition Rate	2% p.a.	2% p.a.
Future Salary Rate	5% p.a.	5% p.a.
Rate of Discounting	7.86%	7.90%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The defined Gratuity benefit obligation of the Company is unfunded and hence there are no planned assets which are maintained exclusively therefore. Accordingly, the said disclosure is not given.

- 24.5 Outstanding amounts payable to Micro, Small and Medium Enterprises included under Current Liabilities, as per the information available with the Company and relied upon by the auditors – Nil (Previous year- Nil).
- 24.6 **Earnings Per Share (EPS): Equity Shares of Rs 10, fully paid-up**

Particulars	March 31, 2016	March 31, 2015
<b>A. Net Profit for</b>	<b>-35,61,941</b>	<b>-58,53,731</b>
<b>B. Weighted Average No of Equity Shares</b>	<b>2,86,25,000</b>	<b>2,86,25,000</b>
<b>C. Earning Per share</b>		
Basic & Diluted	-0.12	-0.20

24.7 **Related Party Transactions**  
**Details of related parties:**

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Shri O. P. Pacheria - Whole Time Director Shri Sameer Patil - Chief Financial Officer Shri Hitendrakumar Ranka - Company Secretary

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended and balances outstanding:**

	Subsidiaries	KMP
<b>Transactions</b>		
Remuneration Paid	-	25,03,611 (13,48,614)

Previous year's figures are given in parenthesis.

24.8 **Taxation**

No provision has been made towards Current taxation keeping in view the carried forward losses under the Income Tax Act, 1961.

24.9 The Company has two reportable segments i.e. IT Management Consultancy, Equipment Rental and E-Commerce. The disclosure requirements as per the recommendations of Accounting Standard – 17 Segment Reporting, during the year under review, are given as under:

Particulars	IT Consultancy	Equipment Rental	Total
<b>Revenue:</b>			
External	48,87,500 (14,55,000)	- (72,000)	48,87,500 (15,27,000)
<b>Total</b>	48,87,500 (14,55,000)	- (72,000)	48,87,500 (15,27,000)
<b>Results</b>			
Segment results	25,02,820 (-26,91,895)	-8,00,657 (-7,97,376)	17,02,162 (-34,89,271)
Unallocable corporate Income/ (expenses)			-60,90,143 (-35,72,231)
<b>Operating Profit / (Loss) (PBIT)</b>			-43,87,980 (-70,61,502)
Interest Expenses			-
Interest / Other Income			8,41,936 (12,19,408)
<b>Profit / (Loss) before tax (PBT)</b>			-35,46,044 (-58,42,094)
Provision for current tax			-
Deferred tax			31,911 (1,35,703)
Prior period adjustments			-2,500
<b>Profit / (Loss) After Tax</b>			-35,16,633 (-57,06,391)
<b>Other Information</b>			
Segment Asset:	15,45,119 (57,584)	69,09,906 (70,56,820)	84,55,025 (71,14,404)
Unallocable corporate assets			1,23,51,125 (1,19,23,306)
<b>Total Assets</b>	15,45,119 (57,584)	69,09,906 (70,56,820)	2,08,06,150 (1,90,37,710)

## Consolidated Financial Statements with Auditors' Report

Segment liabilities	<b>12,86,440</b> (21,25,793)	- -	<b>12,86,440</b> (21,25,793)
Unallocable corporate liabilities			<b>11,85,08,956</b> (11,23,84,530)
<b>Total Liabilities</b>	<b>12,86,440</b> (21,25,793)	- -	<b>11,97,95,396</b> (11,45,10,323)
Segment Depreciation	<b>32,061</b> (75,132)	<b>8,00,657</b> (7,98,469)	<b>8,32,718</b> (8,73,602)
Unallocable Depreciation			<b>4,31,651</b> (6,34,799)
<b>Total Depreciation</b>			<b>12,64,369</b> (15,08,401)

Previous year's figures are given in parenthesis.

- 24.10 The Company is of the view that there are no indications of material impairment and the carrying amount of its fixed assets or where applicable, the cash generating unit to which these assets belong, do not exceed their recoverable amounts (i.e., the higher of the assets' net selling price and value in use). Hence, no impairment had arisen during the year as per the recommendations of AS 28 - "Impairment of Assets".
- 24.11 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted in the opening balance of Profit and Loss Account of previous year amounting to Rs. 3,31,686/-.
- 24.12 The Company has valued its inventories as per Accounting Standard -2 "Valuation of Inventories" on account of the some dead inventories as well as non moving stock has been valued at net releasable value by the management. This has resulted in a charge to the Profit and Loss Account by Rs. 11.98 Lacs under the head 'Change in Inventories (Previous Year Rs. 7.17 Lacs).
- 24.13 Product wise detail

**Inventory**

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Retail Products - E-Commerce	<b>92,939</b>	9,29,385
Cans	<b>40,216</b>	4,02,160
<b>Total</b>	<b>1,33,155</b>	13,31,545

- 24.14 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprise consolidated as Subsidiary.

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b> S Kumars Online Ltd.	100.14	(99,188,645)	99.62	(3,516,633)
<b>Subsidiary</b> e-Assurance Services (India) Ltd.	-0.14	142,346	0.38	(13,396)
Minority Interest in Subsidiary	-0.00	171	-0.00	16

- 24.15 Expenditure in Foreign Currency- Rs. Nil Lacs (Previous Year - Nil)  
Earnings in Foreign Currency- Rs. Nil (Previous Year - Nil).

In terms of our report attached.

**For Shyam Malpani & Associates**

Chartered Accountants

**Sd/-**  
**Shyam Malpani**  
Proprietor  
Camp : Chicago, USA  
Date : May 30, 2016

**For and on behalf of the Board of Directors**

**Sd/-**  
**O. P. Pacheria**  
Whole Time Director  
DIN: 00105278

**Sd/-**  
**R. N. Jha**  
Director  
DIN: 00033291

**Sd/-**  
**Sameer Patil**  
Chief Financial Officer  
Place : Mumbai  
Date : May 30, 2016

**Sd/-**  
**Hitendrakumar Ranka**  
Company Secretary



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## S KUMAR ONLINE LIMITED

CIN: L45400MH1999PLC119875

Registered Office: 'Avadh' Bldg, Avadesh Parisar, G K Marg, Worli, Mumbai- 400 018  
Tel: 24914795/24980390 Email ID: [skumars.support@gmail.com](mailto:skumars.support@gmail.com) Website: [www.skumarsonline.com](http://www.skumarsonline.com)

### ATTENDANCE SLIP

(To be presented at the entrance)

**17<sup>TH</sup> ANNUAL GENERAL MEETING ON FRIDAY, 30<sup>TH</sup> SEPTEMBER, 2016 AT 9.00 A.M.**  
at The Victoria Memorial School, Opp. Tardeo A.C. Market, Tardeo Road, Mumbai – 400034.

Folio No./Client ID No. : \_\_\_\_\_ DP ID No.: \_\_\_\_\_

Name of the Member: \_\_\_\_\_ Signature: \_\_\_\_\_

Name of the Proxy holder: \_\_\_\_\_ Signature: \_\_\_\_\_

I/We hereby record my/our presence at the 17<sup>th</sup> Annual General Meeting of the Members of S Kumar Online Limited held on Friday, 30<sup>th</sup> September, 2016 at 9.00 am at The Victoria Memorial School, Opp. Tardeo A.C. Market, Tardeo Road, Mumbai – 400 034.

#### Electronic Voting Particulars:-

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

**Note:** \* The Member/Proxy must bring the Attendance Slip to the Meeting duly completed and signed and hand over the same at the Entrance to the Meeting Hall. Please bring your copy of the enclosed Annual Report for reference.



## S KUMAR ONLINE LIMITED

CIN: L45400MH1999PLC119875

Registered Office: 'Avadh' Bldg, Avadesh Parisar, G K Marg, Worli, Mumbai- 400 018  
Tel: 24914795/24980390 Email ID: [skumars.support@gmail.com](mailto:skumars.support@gmail.com) Website: [www.skumaronline.com](http://www.skumaronline.com)

### PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014)

Name of the Member(s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Folio No. / Client ID No. : \_\_\_\_\_ DP ID No.: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ Shares of S Kumar Online Limited, hereby appoint

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on Friday, 30<sup>th</sup> September, 2016 at 9.00 a.m. at The Victoria Memorial School, Opp. Tardeo A.C. Market, Tardeo Road, Mumbai – 400034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	Voted For	Voted Against
1.	To receive, consider and adopt: a) the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon; and b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Report of the Auditors thereon.		
2.	Ms.Sadhana Sachin Deshmukh (DIN 02881743), a Non-executive director, who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.		
3.	To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration.		
4.	To re- appoint Shri. Omprakash Prahladrai Pacheria (DIN: 00105278) as a Whole Time Director of the Company.		
5.	To Authorise Board of Directors to Levy Charge for Delivery of Documents to Shareholders through a Particular Mode on their Request.		

Signed this \_\_\_\_\_ day of September, 2016

Signature of shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Rs. 1/-  
Revenue  
Stamp

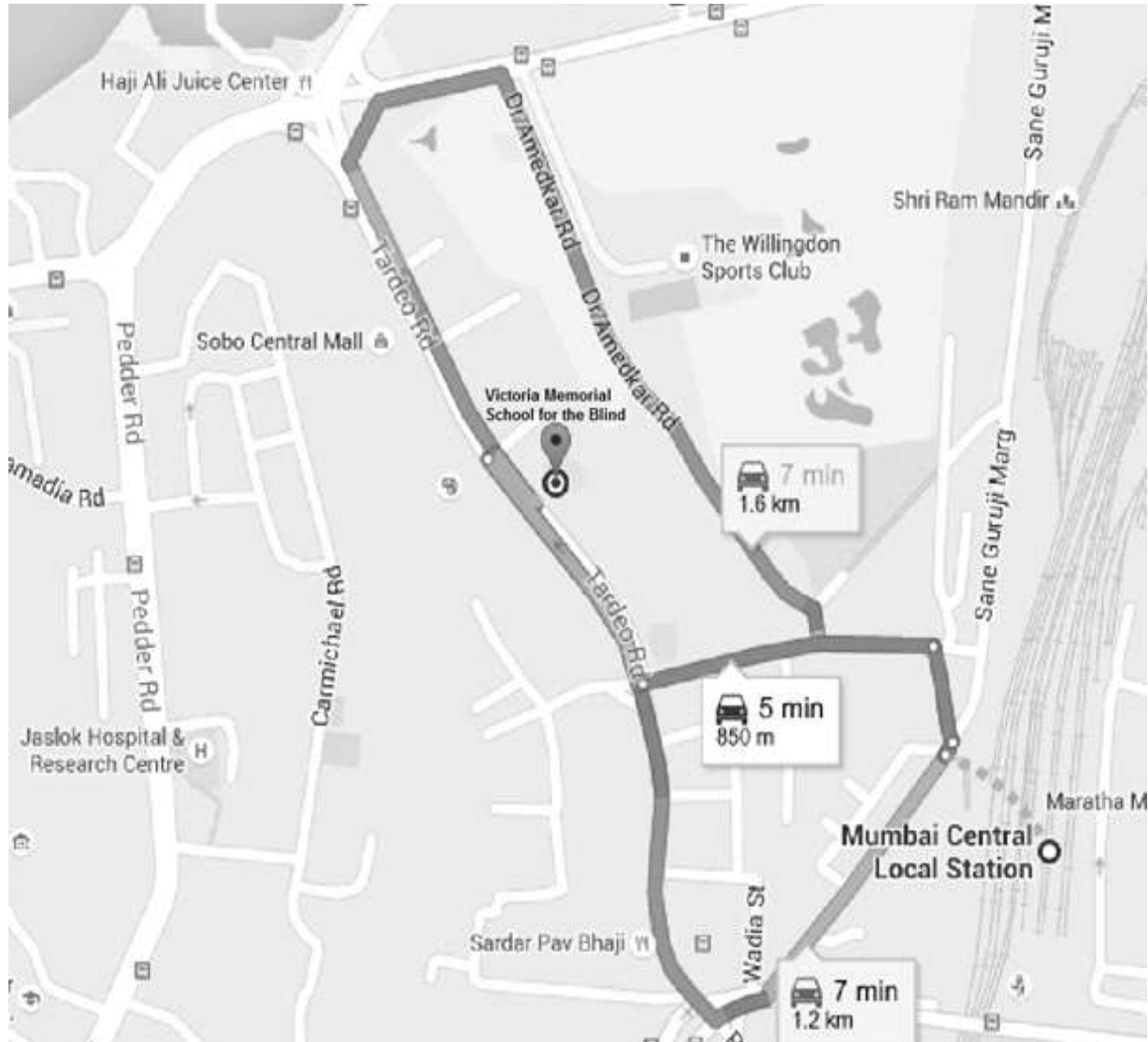
#### NOTES:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Avadh Bldg., Avadesh Parisar, G K Marg, Worli, Mumbai- 400018, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.



## Route Map to the AGM Venue

**Venue :** Victoria Memorial School, Opp. Tardeo A.C.Market, Tardeo Road, Mumbai – 400034.



Landmark: Film Centre

**by Book-Post / by Courier**

To,

If undelivered, return to :

**S Kumar Online Limited**  
"Avadh Bldg.", Avadhesh Parisar  
G. K. Marg, Worli,  
Mumbai - 400 018.

Printed by : Dnyanesh Print Art - 9969180321