



# DB (INTERNATIONAL) STOCK BROKERS LTD.

- NSE-CAPITAL MARKET, F&O & CURRENCY SEGMENTS
- BSE-CAPITAL MARKET, F&O & CURRENCY SEGMENTS
- DEPOSITORY PARTICIPANT-CDSL • IPO, MUTUAL FUND & BONDS

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CIN : L67120HR1992PLC035349

Dated: 08 December 2017

To,  
Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (E)  
Mumbai - 400 051

Sub: " Financial Results for the quarter ended on 30 June 2017 not as per Ind-AS"

Dear Sir,

This is with reference to your e-mail dated 4 December 2017 seeking Clarification for Financial results - DBSTOCKBRO we would like to inform you that that the Financial Results which we submitted to the exchange on 28 July 2017 for the quarter ended on 30 June 2017 is IND-AS Complied.

We further submit that it was the first quarter of implementation of Ind-AS and despite of our best efforts, inadvertently certain disclosures as per Ind-AS including the disclosure pertaining to reconciliation for profits of 30 June 2016 was missing. We re-checked and noted that there was no "material" adjustment to the profits reported for the quarter ended 30 June 2016.

Subsequently, after becoming aware of certain issues, we have engaged an external expert to help us with the preparation of the Ind-AS results and we have also published our results for quarter and six months period ended 30 September 2017 which are fully compliant with Ind-AS and notifications, circulars by SEBI.

We request for your guidance in respect of this matter and let us know if we need to do anything further.

Kindly take the same in your records.

Thanking you,  
Yours faithfully,  
For DB (International) Stock Brokers Limited

for DB (International) Stock Brokers Limited

Shiv Narayan Daga  
Managing Director

Managing Director

**DB (International) Stock Brokers Limited**  
**Reconciliation of IndAS financials with GAAP for the quarter ended 30 June 2017**

These financial statements, for the quarter ended June 30, 2017, are the company's first interim financial statements prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the company had prepared its financial statements in accordance with Companies (Accounts) Rules, 2006, notified under section 133 of the Companies Act 2013, and other relevant provisions of the Act (GAAP).

The company has prepared financial statements which comply with Ind AS applicable for interim periods ending on June 30, 2017. This note explains the reconciliation between the total comprehensive income as derived as per IndAS in comparison to net profit as per GAAP for the quarter ended 30 June 17, also explaining the principal adjustments, if any, given effect by the company in restating its GAAP financial numbers.

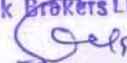
**Reconciliation of total comprehensive income for the period ended June 30, 2017 with the net profit as per GAAP for the same period.**

| Particulars                                     | Notes to<br>first time<br>adoption | Quarter ended<br>June 30, 2017 |
|-------------------------------------------------|------------------------------------|--------------------------------|
| Profit after tax as per GAAP                    |                                    | 525,000                        |
| <b>Adjustment for</b>                           |                                    |                                |
| 1) Change in value of PPE                       | Note 1                             | -                              |
| 2) Change in value of Intangible Assets         | Note 2                             | -                              |
| 3) Fair valuation of investment in other equity | Note 3                             | -                              |
| 4) Unwinding of discount on Loans and advan     | Note 4                             | -                              |
| <b>Total adjustment</b>                         |                                    | -                              |
| Profit after tax as per Ind AS                  |                                    | <b>525,000</b>                 |
| Other comprehensive income(OCI)                 |                                    | -                              |
| Total comprehensive income as per Ind AS        |                                    | <b>525,000</b>                 |

**Notes**

- 1. Property Plant and Equipment:** The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS-16, measured as per the GAAP and use that as its **deemed cost** as at the date of transition. There is no other item in PPE requiring adjustment for IndAS adoption.
- 2. Intangible:** The Company has elected to continue with the carrying value for all of its Intangible assets as recognized in the financial statements as at the date of transition to Ind AS-38, measured as per the GAAP and use that as its deemed cost as at the date of transition. There is no other item in intangible assets requiring adjustment for IndAS adoption.
- 3. Investments:** The Company has investment in equity instrument of other entity. The company has derived the fair valuation of equity investment applying the criteria as set out in IndAS 109 read with IndAS 113 for fair value measurements. Fair values are categorised and checked basis different level as per hierarchy of fair valuation based on inputs available for the particular investment.  
 Level 1: Quoted price (unadjusted) in market for same or identical assets or liabilities: The criteris could not be applied to current investments.  
 Level 2: Inputs other than quoted price that are observable for the assets or liability, either directly (i.e. as price) or indirectly (i.e. derived from price): This criteria could not be applied for current investment.  
 Level 3: Inputs for assets and liability that are not based on observable market data.  
 The company has used the valuation technique using the Adjusted Net Asset Approach Method and worked out the fair value of the investments, using that technique. The fair value as derived using the valuation technique is not significantly different from the book value and accordingly
- 4. Loans and advances:** The Company has given deposits to NSE/ BSE mainly on account of membership fees, the same are repayable on demand complying the terms and conditions of corresponding agreements. As there are replayable on demand, they can not be discounted at its current present value. Hence management is of the view that the book value of these deposits represents their fair value.

for DB (International) Stock Brokers Limited



Managing Director