A. K. Capital Finance Pvt. Ltd.

BUILDING BONDS

FINANCIAL STATEMENTS
2017-2018

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Atul Kumar Mittal
Managing Director (DIN: 00698377)

Mr. Abhinav Kumar Mittal
Director (DIN: 00698436)

Mrs. SnehLata Mittal
Director (DIN: 01308868)

Mr. Deepak Mittal
Director (DIN: 00043685)

Mr. Raghubinder Rai
Independent Director (DIN: 00851994)

Mr. Rajiv Kumar Bakshi
Independent Director (DIN: 00264007)

KEY MANAGEMENT PERSONNEL

Mr. Atul Kumar Mittal
Managing Director (DIN: 00698377)

Mr. Mahesh Bhootra
Chief Financial Officer

Ms. Meeta Sanghvi (Resigned w.e.f. December 27, 2017)
Company Secretary (ACS No: 21168)

Mr. Govind Lalwani (Appointed w.e.f. December 28, 2017)
Company Secretary (ACS No: 38806)

STATUTORY AUDITORS

M/s. Suresh Surana & Associates LLP, Chartered Accountants
LLP Identification Number: AAB-7509

DEBENTURE TRUSTEE

Catalyst Trusteeship Limited (Formerly GDA Trusteeship Ltd.)
Office No. 83 – 87, 8th floor, 'Mittal Tower',
'B' Wing, Nariman Point, Mumbai – 400021
Contact Person: Ms. Pallavi Kulkarni
Tel: +91 22 4922 0555; Fax: +91 22 4922 0505
Email: dt@ctltrustee.com
Website: www.catalysttrustee.com

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Limited
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Contact Person: Mr. Ganesh Jadhav
Tel No: +91 22 49186000; Fax: +91 22 49186060
Email: ganesh.jadhav@linkintime.co.in
Website: www.linkintime.co.in

BANKERS

The Federal bank Limited
Bank of India
The South Indian Bank Limited
The Karur Vyasya Bank Limited
Union Bank
ICICI Bank
Bank of Maharashtra
HDFC Bank Limited
Indusind Bank Limited
Punjab National Bank
Vijaya Bank
Yes Bank Limited

REGISTERED OFFICE

30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400 021, Maharashtra, India
Website: www.akgroup.co.in | Tel: + 91-22-66349300/67546500| Fax: + 91-22-66100594

BRANCH OFFICE

910, 9th Floor, Ansal Bhawan, 16, Kasturba Gandhi Marg, Connaught Place, New Delhi -110001, India
Website: www.akgroup.co.in | Tel: + 91-11-23739628/47340685 | Fax: +91-11-23739627

CORPORATE IDENTIFICATION NUMBER

U51900MH2006PTC214277

DIRECTOR'S REPORT

The Directors are pleased to present the Twelfth Annual Report of the company along with the audited standalone & consolidated financial statement for the financial year ended March 31, 2018

1 BACKGROUND:

A. K. Capital Finance Private Limited (hereinafter referred to as "the Company") was incorporated on February 3, 2006. It is a Subsidiary of A.K. Capital Services Limited; SEBI Category –I Merchant Banker in India.

The Company is registered with Reserve Bank of India as Systemically Important -Non Deposit taking -Non Banking Finance Company (NBFC). The Company is also member of the CBLO Segment of 'The Clearing Corporation of India Limited' (CCIL) and the Company is classified as a Qualified Institutional Buyer (QIB) under SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 vide SEBI notification dated May 31, 2017.The Company is primarily involved in Debt Market and is into trading of Debt securities (Non-SLR) and Investment in Government securities (SLR). The Company offers multitude of fee-based financial services to its Corporate and Institutional clients, across various business sectors. It also provides funding to the Corporates, thereby catering to the diversified needs of the clients. The Net worth of the Company as on March 31, 2018 is ₹ 5,071,435,055/- (Indian Rupees Five Hundred Seven Crores Fourteen Lakhs Thirty Five Thousand and Fifty Five Only).

2 FINANCIAL SUMMARY/ HIGHLIGHTS:

A. Standalone Financial Highlights:

The Company's financial performance, for the financial year ended March 31, 2018, on a Standalone basis is, summarized below:

(₹ in lakh)

Particulars	2017-2018	2016-2017
Total Income	19,153.03	15,361.58
Total Expenditure	13.106.23	10,375.37
Profit before tax	6,046.80	4,986.21
Provision for tax	2,006.00	1,877.21
Profit after tax	4,040.80	3,109.00
Add: Surplus brought forward from previous year	8,727.05	6,248.05
Profit available for appropriation	12,767.85	9,357.05
Less: Transfer to special reserve	810.00	630.00
Less: Dividend paid on CCPS	361.15	-
Less: Dividend Distribution Tax	73.52	-
Surplus carried to balance sheet	11,523.18	8,727.05
Earnings per equity share (face value ₹ 10/- per share)		
Basic (₹)	15.48	14.16
Diluted (₹)	15.48	14.16

The revenues for the FY 2017-18 were ₹ 19,153.03 Lakhs,a growth of 24.68% was seen as compared to ₹ 15,361.58 lakhs during FY 2016-17. The profit after tax for the FY 2017-18 was ₹ 4,040.80 Lakhs as compared to ₹ 3,109.00 Lakhs during FY 2016-17.

b) Consolidated Financial Highlights:

During FY 2017-18, the Company had one wholly owned subsidiary, Family Home Finance Private Limited ("FHFPL"). The financial performance of the Company for the Financial Year ended March 31, 2018, on a consolidated basis is, summarized below:

(₹ in lakh)

Particulars	2017-2018
Total Income	19,199.04
Total Expenditure	13.133.70
Profit before tax	6,065.34
Provision for tax	2,010.85
Profit after tax	4,054.49
Earnings per equity share (face value ₹ 10/- per share)	
Basic (₹)	15.54
Diluted (₹)	15.54

3. DIVIDEND:

a) Interim Dividend:

During FY 2017-18, the Board of Directors vide circular resolution dated March 15, 2018, declared interim dividend at the rate of 12% on 65,00,000 CCPS of ₹100/- each, for a period of 169 days from September 28, 2017 to March 15, 2018, amounting to ₹3,61,15,068/- (Indian Rupees Three Crores Sixty One Lakhs Fifteen Thousand and Sixty Eighth Rupees Only).

b) Final Dividend:

The Board has recommended a final dividend at the rate of 12% on 65,00,000 CCPS of ₹100/- each, for a period of 16 days from March 16, 2018 to March 31, 2018, amounting to ₹ 3,419,178/- (Rupees Thirty Four Lakh Nineteen Thousand One Hundred and Seventy Eighth Only). The payment of the final dividend is subject to declaration by the members at the ensuing Annual General Meeting (AGM).

4. EXTRACT OF ANNUAL RETURN:

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is annexed as Annexure 1.

5. INTERNAL CONTROL AND SYSTEM:

The Company has an effective Internal Control System including Internal Financial Controls for all functions with adequate checks and balances. Periodic audit of all functions is carried out by the internal auditors thereby ensuring regulatory compliance of various applicable statutes as well as internal guidelines and policies. The internal auditors review the systems and procedures and advise on further improvements wherever required. The reports of the internal audit are reviewed by the Audit Committee and the Board of Directors of the Company. The Company's policies are reviewed periodically in line with the dynamic business environment and regulatory requirements.

6. RISK AND COMPLIANCE FRAMEWORK:

The Company has a robust and integrated Risk Management System which safeguards the existence of the Company. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives and the same are discussed at meetings of the Risk Management Committee and Audit Committee of the Company.

Appropriateness of all the risk assessment methodology is continuously reviewed in light of dynamic risk environment.

The Company has an established practice of compliance reporting covering all operations and support functions; compliance reporting is also subject to internal audit and is periodically reviewed to ensure comprehensive coverage.

7. DIRECTORS:

During the year under review, there has been no change in the composition of the Board of Directors of the Company. However, Mr. Khimji Shamji Pandav (holding DIN: 01070944) is appointed as Additional Independent Director (Non-Executive Director) for the term of five years i.e from August 11, 2018 to August 10, 2023.

Also, in accordance with the provisions of section 152(6)(e) of the Companies Act, 2013, Mr. Abhinav Kumar Mittal (DIN: 00698436), Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers herself for re-appointment.

The Independent Directors of the Company have given a declaration to the Company that they meet the criteria of independence as provided in sub – section (6) of section 149 of Companies Act, 2013.

8. KEY MANAGERIAL PERSONNEL:

The following persons are the Key Managerial Personnel's (KMP's) of the Company as per the provisions of Section 203 of the Companies Act, 2013 (the Act) as on March 31, 2018:-

Mr. Atul Kumar Mittal - Managing Director

Mr. Mahesh Bhootra - Chief Financial Officer

Mr. Govind Lalwani - Company Secretary

Pursuant to the provision of Companies Act, 2013, the Board of Directors of the Company at their Meeting held on December 28, 2017 appointed, Mr Govind Lalwani as Company Secretary & Compliance Officer of the company.

9. HUMAN RESOURCES:

The Company firmly believes that its Human Resource is most valuable asset and it contributes towards the performance of the Company in a substantial way. The Company has devised various development programmes for the employees through internal as well as external training programmes. The Company has a robust performance management system in place which recognises the performers and accordingly rewards the employees. The Board of Directors places on record their appreciation to all the employees of the Company for their sustained efforts, dedication and hard work during the year

10. DETAILS OF SUBSIDIARIES:

The Company has incorporated its subsidiary in the name of 'Family Home Finance Private Limited' on June, 29, 2017 to carry on the business of Housing Finance and matters incidental thereto and certificate of registration to commence the business of a housing finance institution without accepting public deposits was also issued by NHB on April 5, 2018 bearing NHB registration no. 04.0167.18.

11. CONSOLIDATED FINANCIAL STATEMENTS:

Pursuant to the provisions of Section 129(3) of the Act, a separate statement containing the salient features of the Financial Statements of FHFPL, it's wholly owned Subsidiary of the Company, is included in Note no. 38 of the Audited Consolidated Financial Statement of the Company. The Financial Statements of the Company, including the Consolidated Financial Statements, are also available on the website of the Company, www.akgroup.co.in .

12. BORROWING:

During FY 2017-18, the Company met its funding requirements through a combination of short term debt (comprising Commercial Papers and Bank Loans) and Long Term debt (comprising Non-Convertible Debentures ("NCDs") and Bank Loans).

The aggregate debt outstanding as at March 31, 2018 was ₹ 16,59,12,09,777/- (of which, ₹ 5,80,24,35,217/- was payable within one year). The Debt / Equity ratio as on March 31, 2018 was 3.27 times. The Company has been regular in servicing all its debt obligations.

13. CREDIT RATING:

During the year under review, Rating Agencies reaffirmed / issued ratings to the Company, as under as on March 31, 2018:

Rating Agency	Rating	Rating amount (in Crore)	Nature of Securities
Brickwork Ratings India Pvt. Ltd.	BWR AA (SO) (Stable)	250	Non-Convertible Debentures
Brickwork Ratings India Pvt. Ltd.	BWR AA (SO) (Stable)	350	Non-Convertible Debentures
Acuite` Ratings & Research Ltd. (formerly known as SMERA Ratings Ltd)	Acuite AA (SO) (Stable)	550	Non-Convertible Debentures
Care Ratings	CARE A+ (SO)	275	Long Term Bank Facilities
Care Ratings	CARE A+	125	Long Term Bank Facilities
Care Ratings	CARE A1+	350	Commercial Paper (CP)
Brickwork Ratings India Pvt. Ltd.	BWR AA-	500	Bank Loan Facilities

14. STATUTORY AND SECRETARIAL AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS:

a) Statutory Auditors

M/s. Suresh Surana & Associates LLP, Chartered Accountants (LLP Identification No. AAB – 7509, reappointed as Statutory Auditors of the Company for the 5 years, to hold office from the conclusion of Eleventh AGM till the conclusion of Sixteenth AGM, and as per Companies Amendment Act, 2017 there is no requirement for the ratification of appointment of Statutory Auditors in every Annual General Meeting, hence your Company is not considering the ratification of the appointment of M/s. Suresh Surana & Associates LLP, Chartered Accountants (LLP Identification No. AAB - 7509), Statutory Auditors of the Company in ensuring Annual General Meeting.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this report. The Auditors' Report to the Shareholders for the year under review does not contain any qualification, reservation or adverse remark.

b) Secretarial Auditors

The Board has appointed M/s. Manish Ghia & Associates, Practising Company Secretary as Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as Annexure 2 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Conservation of energy, technology absorption and research and development:

The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, usage of alternate sources of energy and investments for energy conservation, wherever required have been taken. The Company makes all efforts towards conservation of energy, protection of environment and ensuring safety.

The Company has not absorbed any technology.

b) Foreign exchange earnings and Outgo:

During the Financial year under review, the Company has neither any earnings nor any outgo in foreign exchange.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3)(c) of the Companies Act, 2013:

a) in the preparation of the annual accounts, the applicable accounting standards and master directions issued by Reserve Bank of India had been followed along with proper explanation relating to material departures;

b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2018 and of the profit and loss of the company for that period;

c) the directors have 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 have prepared the annual accounts on a going concern basis; and

e) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

17. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCTION AND PROTECTION FUND ('IEPF'):

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply for the financial year under review.

18. COMPLIANCE WITH SECRETARIAL STANDARD:

The Company has complied with Secretarial Standards issued by Institute of Company Secretaries of India on Board Meetings and General Meetings.

19. PARTICULARS OF EMPLOYEES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report and is attached as Annexure - 7 and forms an integral part of this Report.

Further, as per Section 197(14) of the Companies Act, 2013, Mr. Atul Kumar Mittal, Managing Director was not disqualified for receiving any remuneration or commission from A. K. Capital Services Limited ("holding Company") during the year under review.

In terms of the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. to 2.00 p.m. on any working day (Monday to Friday) upto the date of 12th Annual General Meeting of the Company. Any Member who is interested in obtaining such information may write to the Company Secretary and the same will be furnished on such request.

20. CORPORATE GOVERNANCE:

The Company believes and strives to adopt and adhere to the highest standards of corporate governance principles and best practices. With this objective the Company has the Code of Conduct for Directors and Senior Management of the Company.

The key aspects of the Corporate Governance are highlighted as below:

a) Board of Directors:

The Board comprises of seven Directors, one Managing Director, two Executive Directors, one Non-Executive Director and three

Independent Directors from varied Financial, Banking and Legal sectors. The composition of the Board also meets the required regulatory norms.

b) Committees of the Board:

The Board of Directors of the Company has constituted following Committees to ensure more focused attention on the affairs of the Company in the respective areas

(a) Audit Committee
(b) Investment and Credit Committee
(c) Asset Liability and Management Committee
(d) Risk Management Committee
(e) Nomination and Remuneration Committee
(f) Corporate Social Responsibility Committee
(g) Internal Complaints Committee
(h) Debenture Committee
(i) Finance Committee
(j) Banking & Operation Committee

c) The Constitution of the Board and Committees of the Board, the terms of reference of the Committees, number of Meetings of the Board & Committees held during the financial year under review and attendance of the Members of the Board and Committees thereof are stated below:

(1) Board of Directors:

Board constitution and number of meetings attended by Directors are tabled below:

Name	Designation	DIN	Meetings attended
Mr. Atul Kumar Mittal	Managing Director	00698377	11
Mr. Abhinav Kumar Mittal	Executive Director	00698436	07
Mrs. Sneh Lata Mittal	Executive Director	01308868	11
Mr. Deepak Mittal	Non-Executive Director	00043685	09
Mr. Raghubinder Rai	Independent Director	00851994	10
Mr. Rajiv Kumar Bakshi	Independent Director	00264007	11
Mr. Khimji Shamji Pandav*	Additional Independent Director	01070944	00
Total Meetings held during the year			**11**

* Mr. Khimji Shamji Pandav was appointed as Additional Independent Director of the Company in board meeting held on August 11, 2018.

(2) Audit Committee:

During the year under review, there has been no change in the composition of the Audit Committee of the Company. Committee constitution and number of meetings attended by members are tabled below:

Name	Designation	Meetings attended
Mr. Rajiv Kumar Bakshi	Chairman	04
Mr. Deepak Mittal	Member	04
Mr. Raghubinder Rai	Member	03
Total Meetings held during the year		**04**

(3) Investment and Credit Committee:

During the year under review, there has been no change in the composition of the Investment and Credit Committee of the Company. However, the composition of the committee of the Company has been re-constituted on April 2, 2018, wherein Mr. N Madhusudhan was replaced by appointment of Mr. Sunny Mirchandani as a member of the Committee. Accordingly, as on date, Mr. Atul Kumar Mittal, Mr. Deepak Mittal, Mr. Alpesh Busa, Ms. Sharaddha Joshi and Mr. Sunny Mirchandani are the members of the Committee and number of Meetings attended by Members during the year are tabled below:

Name	Designation	Meetings attended
Mr. Rajiv Kumar Bakshi	Chairman	04
Mr. Deepak Mittal	Member	04
Mr. Raghubinder Rai	Member	03
Total Meetings held during the year		**04**

(4) Asset Liability and Management Committee:

During the year under review, there has been no change in the composition of the Asset Liability and Management Committee of the Company. However, the composition of the committee of the Company has been re-constituted on April 2, 2018, wherein Mr. N Madhusudhan and Mr. Manish Kara were replaced by appointment of Mr. Rahul Agarwal and Ms. Shweta Shah as a member of the Committee. Accordingly, as on date, Mr. Atul Kumar Mittal, Ms. Sharaddha Joshi, Mr. Rahul Agarwal and Ms. Shweta Shah are the members of the Committee and number of Meetings attended by Members during the year are tabled below:

Name	Designation	Meetings attended
Mr. Atul Kumar Mittal	Member	04
Ms. Shraddha Joshi	Member	01
Mr. Manish Kara	Member	04
Mr. N Madhusudhan	Member	04
Mr. Rahul Agarwal	Member	00
Ms. Shweta Shah	Member	00
Total Meetings held during the year		04

(5) Risk Management Committee:

During the year under review, there has been no change in the composition of the Risk Management Committee of the Company. However, the composition of the committee of the Company has been re-constituted on April 2, 2018, wherein Mr. Manish Kara was replaced by appointment of Ms. Shilpa Sadani as a member of the Committee. Accordingly, as on date, Mr. Abhinav Kumar Mittal, Mr. Rajiv Kumar Bakshi, Ms. Shraddha Joshi and Ms. Shilpa Sadani are the members of the Committee and number of Meetings attended by Members during the year are tabled below:

Name	Designation	Meetings attended
Mr. Abhinav Kumar Mittal	Member	09
Mr. Rajiv Kumar Bakshi	Member	11
Ms. Shraddha Joshi	Member	11
Mr. Manish Kara	Member	05
Ms. Shilpa Sadani	Member	00
Total Meetings held during the year		11

(6) Nomination and Remuneration Committee:

During the year under review, there has been no change in the composition of the Nomination and Remuneration Committee of the Company. The constitution of the Committee and number of Meetings attended by Members are tabled below:

Name	Designation	Meetings attended
Mr. Rajiv Kumar Bakshi	Member	03
Mr. Deepak Mittal	Member	02
Mrs. Sneh Lata Mittal	Member	03
Mr. Raghubinder Rai	Member	03
Total Meetings held during the year		03

(7) Corporate Social Responsibility Committee

During the year under review, there has been no change in the composition of the Corporate Social Responsibility Committee of the Company. The constitution of the Committee and number of Meetings attended by Members are tabled below:

Name	Designation	Meetings attended
Mr. Abhinav Kumar Mittal	Member	01
Mr. Atul Kumar Mittal	Member	01
Mr. Rajiv Kumar Bakshi	Member	01
Total Meetings held during the year		**01**

(8) Internal Complaint Committee

It is hereby informed that with effect from December 28, 2017 the composition of the Internal Complaint Committee of the Company has been re-constituted wherein Ms. Meeta Sanghvi was replaced by appointment of Mr. Govind Lalwani as a member of the Committee. Accordingly, as on date, Ms. Shraddha Joshi, Ms. Lajwanti Jhamnani and Mr. Govind Lalwani are the members of the Committee.

The constitution of the Committee and number of Meetings attended by Members are tabled below:

Name	Designation	Meetings attended
Ms. Shraddha Joshi	Member	02
Ms. Lajwanti Jhamnani	Member	04
Ms. Meeta Sanghvi	Member	03
Mr. Govind Lalwani	Member	01
Total Meetings held during the year		04

(9) Debenture Committee

It is hereby informed that with effect from December 28, 2017 the composition of the Debenture Committee of the Company has been re-constituted wherein Ms. Meeta Sanghvi was replaced by appointment of Mr. Govind Lalwani as a member of the Committee. Accordingly, as on date, Mr. Atul Kumar Mittal, Mr. Alpesh Busa, Ms. Shraddha Joshi, Ms. Lajwanti Jhamnani and Mr. Govind Lalwani are the members of the Committee.

The constitution of the Committee and number of Meetings attended by Members are tabled below:

Name	Designation	Meetings attended
Mr. Atul Kumar Mittal	Member	14
Mr. Alpesh Busa	Member	14
Ms. Shraddha Joshi	Member	06
Ms. Lajwanti Jhamnani	Member	13
Ms. Meeta Sanghvi	Member	12
Mr. Govind Lalwani	Member	02
Total Meetings held during the year		14

(10)Finance Committee

During the year under review, there has been no change in the composition of the Finance Committee of the Company. However, the composition of the committee of the Company has been re-constituted on April 2, 2018, wherein Mr. N Madhusudhan was replaced by appointment of Ms. Lajwanti Jhamnani as a member of the Committee. Accordingly, as on date, Mr. Alpesh Busa, Ms. Shraddha Joshi and Ms. Lajwanti Jhamnani are the members of the Committee and number of Meetings attended by Members during the year are tabled below:

Name	Designation	Meetings attended
Mr. Alpesh Busa	Member	14
Ms. Sharaddha Joshi	Member	07
Mr. N Madhusudhan	Member	14
Ms. Lajwanti Jhamnani	Member	00
Total Meetings held during the year		14

(11)Banking & Operation Committee

During the year under review, the Board of Directors have constituted a Banking & Operation Committee of the Company with effect from August 21, 2017, comprising of Mr. Atul Kumar Mittal, Mr. Abhinav Kumar Mittal and Mr. Rajiv Kumar Bakshi, to consider and transact the matter related to 1. Opening/operating/closing of bank accounts, demat accounts & CSGL accounts; 2. Modification in the list of authorized signatories to operate bank accounts, demat accounts & CSGL accounts; 3.Taking bank credit limits for onward lending; 4. Empanelment applications to the clients.

The constitution of the Committee and number of Meetings attended by Members are tabled below:

Name	Designation	Meetings attended
Mr. Atul Kumar Mittal	Member	04
Mr. Abhinav Kumar Mittal	Member	01
Mr. Rajiv Kumar Bakshi	Member	04
Total Meetings held during the year		04

21. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

Pursuant to the section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, The transactions to be reported under section 188(1) of the Companies Act, 2013 are mentioned in Form AOC 2, annexed as Annexure 3.

All Related Party Transactions as required under Accounting Standard AS 18 are reported in note 33 of Notes to Accounts. The Committee has devised a Related Party Policy for the purpose of identification and monitoring of such transactions.

22. OTHER COMPLIANCES:

a) Directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of a director:

The Company has a Nomination and Remuneration Policy on appointment and remuneration including criteria for determining qualifications, positive attributes and independence of a director, key managerial personnel and senior management Personnel which is annexed herewith as Annexure 4.

b) Corporate Social Responsibility Policy and allied disclosures:

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under section 135(1) of the Companies Act, 2013 consisting of the following Directors:

Mr. Atul Kumar Mittal - Managing Director

Mr. Abhinav Kumar Mittal - Director

Mr. Rajiv Kumar Bakshi - Independent Director

The CSR Committee drives the CSR Programme of the Company. The Company has a Board approved CSR Policy, stating out its CSR objectives and approach. The CSR Policy may be accessed on the Company's website at the link:

http://www.akgroup.co.in/docs/Corporate%20Social%20Responsibility%20Policy20170823192543664212 7.pdf

The annual report on our CSR activities has been set out as Annexure 5 to the Directors' Report.

c) Management:

In terms of the RBI Circular NO RBI/2014-15/299 DNBR (PD) CC. No. 002/03.10.001/2014-15 dated November 10, 2014 and the report of the Directors on Corporate Governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis report has been set out as Annexure 6 to the Directors' Report.

d) Loans given, investment made, guarantees given or security provided under Section 186 of the Companies Act, 2013:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement (Please refer to Note 13,14,15,16,19 and 20 to the financial statement).

e) Whistle Blower Policy and Establishment of Vigil Mechanism:

The Company is committed to maintain and provide to all its employees and directors highest standard of transparency, probity and accountability. The Company endeavours to develop a culture where it is safe and acceptable for all its employees and directors to raise/voice genuine concerns in good faith, and in a responsible as well as effective manner.

The Vigil mechanism has been implemented through adoption 'WHISTLE BLOWER POLICY AND ESTABLISHMENT OF VIGIL MECHANISM' in terms section 177(9) of Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 to deal with instance of fraud, mismanagement, malpractices and events which have taken place/suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company's rules, manipulations, negligence causing danger to public health and safety, misappropriation of the Company's funds/assets or resources, pilferation of confidentiality, deliberate violation of law/regulation, breach of employees Code of Conduct or rules and other matters or activity on account of which the interest of the Company is affected. The Protected disclosures should be reported in writing by the whistle blower through an e-mail or letter to the Chairman of the Audit Committee.

f) Material changes and commitments affecting the financial position:

The following material changes have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

1. The Company has issued and allotted 22,700 Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of face value of ₹ 1,00,000 (Rupees One Lakh) each aggregating to ₹ 227 crores, on private placement basis during the financial year and subsequently the said NCDs are listed on BSE Limited.
2. The Company has issued and allotted 65,00,000 Participating Non-cumulative Compulsorily Convertible Preference Shares ('CCPS') of ₹ 100/- each.
3. The Company has incorporated its subsidiary in the name of 'Family Home Finance Private Limited' on June, 29, 2017 to carry on the business of Housing Finance and matters incidental thereto and certificate of registration to commence the business of a housing finance institution without accepting public deposits was also issued by NHB on April 05, 2018 bearing NHB registration no. 04.0167.18.

g) Details of significant and material orders:

During the financial year under review, there were no significant or material order/s passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

h) Recommendation of the Audit Committee:

During the financial year, the Board of Directors of the Company has accepted all the recommendation of the Audit Committee

i) Non-Acceptance of Public Deposits:

The Company is a Non Deposit taking, Systemically Important, Non Banking Financial Company. Hence, it has not accepted any Deposits as per the Companies Act, 2013, during the Financial Year ended March 31, 2018.

j) Transfer to reserves:

The Company transferred ₹ 810 Lakhs to reserves during the financial year ended March 31, 2018.

k) Change in nature of business:

There has been no change in the nature of business of the Company.

l) Share Capital and Issue of Equity shares with differential voting rights:

During the Year the Company has raised funds by issuing Non-Cumulative participating Compulsorily Convertible Preference Shares ('CCPS') of ₹ 100/- each aggregating an amount of ₹ 65,00,00,000/- (Indian Rupees Sixty Five Crores Only), carrying a dividend rate of 12.00% p.a. to following applicants:

Sr. No.	Name of allottees	No. of CCPS allotted
1.	Mr. Atul Kumar Mittal	30,00,000
2.	Ms. Aditi Mittal	25,00,000
3.	A.K. Capital Markets Limited	10,00,000

Further, during the financial year, A.K. Capital Markets Limited has transferred 10,00,000 CCPS to A. K. Services Private Limited on March 13, 2018 and Ms. Aditi Mittal has transferred 25,00,000 CCPS to A. K. Capital Services Limited on March 26, 2018.

Post issue and transfer of the CCPS, following is the share capital structure of the Company as on March 31, 2018:

EQUITY SHAREHOLDING (A)				
Sr.	**Name of the Shareholder**	**No. of Equity Shares**	**Value of Shares in Rupees**	**% Holding**
1.	A. K. Capital Services Limited	2,29,97,487	22,99,74,870	98.73
2.	Mr. Atul Kumar Mittal	2,62,090	26,20,900	1.12
3.	Mrs. Anshu	18,090	1,80,900	0.08
4.	Ms. Aditi Mittal	16,080	1,60,800	0.07
5.	Mr. Abhinav Kumar Mittal	1*	10	0.00
6.	Mrs. Sneh Lata Mittal	1*	10	0.00
7.	Mr. Mitesh Kapadia	1*	10	0.00
	Total	2,32, 93,750	23,29,37,500	100.00
COMPULSORY CONVERTIBLE PREFERENCE SHAREHOLDING (B)				
Sr.	**Name of the Shareholder**	**No. of CCPS**	**Value of Shares in Rupees**	**% Holding**
1.	Mr. Atul Kumar Mittal	30,00,000	30,00,00,000	46.15
2.	A. K. Capital Services Limited	25,00,000	25,00,00,000	38.46
3.	A. K. Services Private Limited	10,00,000	10,00,00,000	15.39
	Total (B)	65,00,000	65,00,00,000	100.00

* Holding shares as nominee of A. K. Capital Services Limited

During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

m) Prevention of Sexual Harassment:

The Company has in place a Policy in line with the requirements of the Sexual Harassment of the Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. an Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

There were no complaints received during the Financial Year.

n) Compliance:

The Company has complied with all the applicable regulations of RBI during FY 2017-18. With respect to provisioning of non-performing assets, the Company follows stricter norms than those prescribed by RBI. The Capital to Risk Assets Ratio of the Company is 25.97% as on March 31, 2018, which is more than the prescribed minimum of 15%.

o) Evaluation of the Board, Its Committees and Individual Directors:

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance and of the individual Directors (including the Chairman) as well as an evaluation of the working of all the Committees of the Board. The Board of Directors was assisted by the NRC. The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be.

p) Secretarial Standards:

The Company is in compliance with SS -1, i.e. Secretarial Standard on Meetings of the Board of Directors and SS – 2 i.e. Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India .

q) Registered Office and other office:

The Registered Office of the Company is situated at 30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point – Mumbai-400021.

The Company has a branch office in Delhi situated at 910, 9th Floor, Ansal Bhawan, 16 Kasturba Gandhi Marg, Connaught Place, New Delhi-110001.

r) Means of Communication:

The 'Investors' section on the Company's website keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, etc. The debenture holders can also send in their queries / complaints at the designated email address: ncd_akcf@akgroup.co.in.

s) General Information for Members and Debenture holders:

The half-yearly Financial Results of the Company are submitted to the Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are published in a leading English daily newspaper and also communicated to the Debenture holders every six months through a half-yearly communiqué. Official news releases, including the half-yearly results, are also posted on the Company's website, www.akgroup.co.in .

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs ("MCA") is U51900MH2006PTC214277. The Company has Debentures issued on a private placement basis listed on the Wholesale Debt Market segment of the BSE Limited. Details of Debenture Trustees and the Registrar and Transfer Agents for the Debentures issued by the Company, are given below:

Registrar & Share Transfer Agent

Link Intime India Pvt Limited

C 101, 247 Park,

L B S Marg, Vikhroli West,

Mumbai 400 083

Contact Person: Ganesh Jadhav
Tel No: +91 22 49186000; Fax: +91 22 49186060
Email: ganesh.jadhav@linkintime.co.in
Website: www.linkintime.co.in

Debenture Trustee

Catalyst Trusteeship Limited (Formerly GDA Trusteeship Ltd.)
Office No. 83 – 87, 8th floor, 'Mittal Tower',
'B' Wing, Nariman Point, Mumbai – 400021
Contact Person: Ms. Pallavi Kulkarni
Tel: +91 22 4922 0555; Fax: +91 22 4922 0505
Email: dt@ctltrustee.com
Website: www.catalysttrustee.com

23. CAUTIONARY STATEMENT:

Statements in the Directors Reports and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement.

24. ACKNOWLEDGEMENTS:

The Directors would like to place on record their gratitude for the valuable guidance and support received from RBI, SEBI, Registrar of Companies and other government and regulatory agencies and to convey their appreciation to A. K. Capital Services Limited (the holding company), customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation for the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

For and on behalf of the Board of Directors
of A. K. Capital Finance Private Limited

Atul Kumar Mittal	Rajiv Kumar Bakshi
Managing Director	Independent Director
(DIN: 00698377)	(DIN: 00264007)

Date: August 11, 2018
Place: Mumbai

Annexure I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U51900MH2006PTC214277
Registration Date	February 03, 2006
Name of the Company	A. K. Capital Finance Private Limited
Category/ Sub-Category of the Company	Company limited by shares Non-Banking Financial Company-Non Deposit Accepting-Systemically Important (NBFC-ND-SI) registered with RBI.
Address of the Registered office and contact details	30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215 Nariman Point, Mumbai – 400 021. Email ID: compliance@akgroup.co.on Contact no: 022-67506500
Whether listed company	Yes (Only Debt Instruments are listed on BSE Limited)
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel. No.: +91-22-49186270 Fax: +91-22-49186060 E-mail id: ganesh.jadhav@linkintime.co.in Website: www.linkintime.co.in

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:-

Sl. No.	Name and Description of main products/ services	*NIC Code of the Product/ service	% to total turnover of the company
1	Investment in Securities	64300	60.34
2	lending of funds to corporate and individuals	64920	39.49

***As per NIC 2008**

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	A. K. Capital Services Ltd.	L74899MH1993PLC274881	HOLDING	98.73	2 (87)
2	Family Home Finance Pvt. Ltd.	U74999MH2017PTC296737	SUBSIDIARY	100%	2 (87)

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

Shareholding Pattern of the Company as on March 31, 2018

Sr. No.	Name of Shareholders	No. of equity shares	Face Value per share(₹)	% of Total
1	A. K. Capital Services Limited	2,29,97,487	10	98.73
2	A. K. Mittal	2,62,090	10	1.12
3	Anshu	18,090	10	0.08
4	Aditi Mittal	16,080	10	0.07
5	Abhinav Kumar Mittal	1*	10	0
6	Sneh Lata Mittal	1*	10	0
7	Mitesh Kapadia	1*	10	0
		2,32, 93,750		100.00

* Holding shares as nominee of A. K. Capital Services Limited

(i) Category-wise Share Holding

	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year (2-1)
		Demat	Physical	Total	% of Total shares (1)	Demat	Physical	Total	% of Total shares (1)	
A.	**Promoters**									
1.	Indian									
a.	Individual/HUF	-	278,170	278,170	1.19	-	278,170	278,170	1.19	1.19
b.	Central Govt	-	-	-	-	-	-	-	-	-
c.	State Govt(s)	-	-	-	-	-	-	-	-	-
d.	Bodies Corp.	-	2,29,97,490	2,29,97,490	98.73	-	2,29,97,490	2,29,97,490	98.73	98.73
e.	Banks/FI	-	-	-	-	-	-	-	-	-
f.	Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-		-	2,32,75,660	2,32,75,660	99.92	-	2,32, 75,660	2,32, 75,660	99.92	99.92
2.	**Foreign**									
a.	NRIs-Individuals	-	18,090	18,090	0.08	-	18,090	18,090	0.08	0.08
b.	Other-Individuals	-	-	-	-	-	-	-	-	-
c.	Bodies Corp.	-	-	-	-	-	-	-	-	-
d.	Banks/ FI	-	-	-	-	-	-	-	-	-
e.	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2):-	-	18,090	18,090	0.08	-	18,090	18,090	0.08	0.08
	Total shareholding of Promoter (A)=(A)(1)+(A)(2)	-	2,32,93,750	2,32,93,750	100.00	-	2,32,93,750	2,32, 93,750	100.00	100.00

B. Public Shareholding										
1. Institutions										
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Banks / FI	-	-	-	-	-	-	-	-	-
c	Central Govt	-	-	-	-	-	-	-	-	-
d	State Govt(s)	-	-	-	-	-	-	-	-	-
e	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f	Insurance Companies	-	-	-	-	-	-	-	-	-
g	FIIs	-	-	-	-	-	-	-	-	-
h	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i	Others (specify)	-	-	-	-	-	-	-	-	-
Sub - total (B) (1):-		-	-	-	-	-	-	-	-	-

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Share pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Share pledged/ encumbered to total shares	
1	A. K. Capital Services Limited	*2,29,97,490	98.73	Nil	*2,29,97,490	98.73	Nil	0.00
2	A. K. Mittal	2,62,090	1.12	Nil	2,62,090	1.12	Nil	0.00
3	Anshu	18,090	0.08	Nil	18,090	0.08	Nil	0.00
4	Aditi Mittal	16,080	0.07	Nil	16,080	0.07	Nil	0.00
	Total	**2,32,93,750**	**100.00**	Nil	**2,32,93,750**	**100.00**	Nil	0.00

**Includes shareholders holding shares as a Nominee of A. K. Capital Services Limited*

The rounding off of percentages could result into arithmetical differences.

(iii) Change in Promoters' Shareholding:

Sr. No.	shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	A. K. Capital Services Limited	*2,29,97,490	98.73	*2,29,97,490	98.73
2	A. K. Mittal	2,62,090	1.12	2,62,090	1.12
3	Anshu	18,090	0.08	18,090	0.08
4	Aditi Mittal	16,080	0.07	16,080	0.07

**Includes shareholders holding shares as a Nominee of A. K. Capital Services Limited*

The rounding off of percentages could result into arithmetical differences.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable since all the shareholders are Promoters.

Sr. No.	For Each of the Top 10 Shareholders (Name of the Shareholder)	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Nil					

(v) Shareholding of Directors and Key Managerial Personnel:

A. Directors

1. A. K. Mittal

Sr. No.	For Each of the Top 10 Shareholders (Name of the Shareholder)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	2,62,090	1.12	2,62,090	1.12
	Increase/Decrease	-	-	-	-
	At the End of the year	**2,62,090**	**1.12**	**2,62,090**	**1.12**

2. No other Director holds any share in the Company

B. None of the Key Managerial Personnel (except the Managing Director as mentioned above in point A),holds any share in the Company.

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	15,428,289,116	978,709,733	-	16,406,998,849
ii) Interest due but not paid	6,574,495	-	-	6,574,495
iii) Interest accrued but not due	13,297,336	-	-	13,297,336
Total (i+ii+iii)	15,448,160,947	978,709,733	-	16,426,870,680
Change in Indebtedness during the financial year				
• Addition	6,39,95,30,011	-	25,91,132	6,40.21,21,143
• Reduction	(5,79,83,13,667)	(28,97,21,997)	-	(6,08,80,35,664)
Net Change	**60,12,16,344**	**(28,97,21,997)**	**25,91,132**	**3,40,85,479**
Indebtedness at the end of the financial year				
i) Principal Amount	15,902,222,041	688,987,736	2,591,132	16,593,800,909
ii) Interest due but not paid	4,524,518	-	-	
iii) Interest accrued but not due	142,630,732	-	-	
Total(i+ii+iii)	**16,049,377,291**	**688,987,736**	**2591132**	**16,740,956,159**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		A. K. Mittal (MD)	Abhinav Kumar Mittal (Executive Director)	Snehlata Mittal (Executive Director)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,600,000	7,200,000	600,000	17,400,000
	(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	-	-	-	-
	Stock Option	-	-	-	-
	Sweat Equity	-	-	-	-
	Commission -as % of profit -others, specify…	-	-	-	-
	Others – Bonus	10,000,000	-	-	10,000,000
	Total (A)	**19,6000,000**	**7,200,000**	**600,000**	**27,4000,000**
	Ceiling as per the Act				65,977,861

B. Remuneration to other directors:

(Amount in ₹)

Si No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	**Mr. Raghubinder Rai**	**Mr. Rajiv Kumar Bakshi**	
	• Fee for attending board/ committee meetings	Nil	80,000	**80,000**
	• Commission	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil
	Total (1)	Nil	80,000	**80,000**
2	Other Non-Executive Directors			
	• Fee for attending board/ committee meetings	Nil		Nil
	• Commission	Nil		Nil
	• Others, please specify	Nil		Nil
	Total (2)	Nil		Nil
	Total (B)=(1+2)	Nil		Nil
	Total Managerial Remuneration	27,480,000		
	Overall Ceiling as per the Act	**The Total Managerial Remuneration is within the ceiling prescribed.**		

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

(Amount in ₹)

Sl No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		(Company Secretary 1) (April 1, 2017– December 28, 2017)	**(Company Secretary 2) (December 28,2017– March 31, 2018)**	**(Chief Financial Officer)**	
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 © Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	10,95,643	1,72,022	-	12,67,665
	Stock Option	-	-	-	-
	Sweat Equity	-	-	-	-
	Commission -as % of profit -others, specify…	-	-	-	-
	Others, please specify	-	-	-	-
	Total (A)	**1095,643**	**172,022**	**-**	**1,267,665**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			**NONE**		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			**NONE**		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			**NONE**		
Punishment					
Compounding					

For and on behalf of A.K. Capital Finance Private Limited

A. K. Mittal
Managing Director
(DIN: 00698377)

Rajiv Kumar Bakshi
Independent Director
(DIN: 00264007)

Date: August 11, 2018
Place: Mumbai

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members of **A. K. Capital Finance Private Limited**

Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **A. K. Capital Finance Private Limited** (CIN: U51900MH2006PTC214277) and having its registered office at 30-39, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai-400021 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed & other records maintained by the Company & also the information provided by the Company, its officers, agents & authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder & also that the Company has proper Board-processes & compliance-mechanism in place to the extent, in the manner & subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 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 **(Not applicable to the Company during the audit period)**;

(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 **(Not applicable to the Company during the audit period)**;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the audit period)**;

(d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period)**;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period)**;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period); and

(I The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Non-convertible debentures of the Company listed at stock exchanges;

(vi) The Reserve Bank of India Act, 1934 and Credit Information Companies (Regulation) Act, 2005 and the directions, regulations issued by Reserve Bank of India thereunder and as applicable to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company, being laws that are specifically applicable to the Company based on their sector/ industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above and in respect of laws specifically applicable to the Company based on their sector/industry, in so far as registration, membership, submission of various returns/information or other particulars to be filed with Reserve Bank of India

We 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. There were no changes in the composition of the Board of Directors during the period under review.

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 are captured and recorded as part of the minutes.

We 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, standards and guidelines.

We further report that during the audit period the Company has:

1. issued and allotted 22,700 Secured Rated Listed Redeemable Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of face value of ₹1,00,000 (Rupees One lakh) each aggregating to ₹ 227 crores, on private placement basis during the financial year and subsequently the said NCDs are listed on BSE Limited;
2. issued and allotted 65,00,000 Participating Non-cumulative Compulsorily Convertible Preference Shares ('CCPS') of ₹100/- each;
3. incorporated its subsidiary in the name of 'Family Home Finance Private Limited' on June, 29, 2017 to carry on the business of Housing Finance and matters incidental thereto and certificate of registration to commence the business of a housing finance institution without accepting public deposits was also issued by National Housing Bank on April 05, 2018 bearing NHB Registration No. 04.0167.18; and
4. been classified as a Qualified Institutional Buyer (QIB) under SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 vide SEBI notification dated May 31, 2017.

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

For Manish Ghia & Associates
Company Secretaries
Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531

Place : Mumbai
Date: 9th August, 2018

Annexure A

To,

The Members,

A. K. Capital Finance Private Limited

Mumbai

Our report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes 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. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Manish Ghia & Associates
Company Secretaries

Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531

Place : Mumbai
Date: 9th August, 2018

Annexure 3

Form No. 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)

Disclosure of Particulars of Contracts/Arrangements Entered into by the Company with Related Parties Referred to in Section 188 (1) of the Companies Act, 2013, including certain Arm's Length Transactions under Third Proviso there to

1. Details of contracts or arrangements or transactions not at arm's length basis -

All transactions entered into by the Company during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis -

The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

For and on behalf of the Board of Directors
of A. K. Capital Finance Private Limited

Atul Kumar Mittal
Managing Director
(DIN: 00698377)

Rajiv Kumar Bakshi
Independent Director
(DIN: 00264007)

Date: August 11, 2018
Place: Mumbai

Annexure 4

A. K. Capital Finance Private Limited

Nomination and Remuneration Policy

1) INTRODUCTION:

The only vital value an enterprise has is the experience, skills, innovativeness and insights of its employees. A. K. Capital Finance Private Limited (the "Company") believes in transparency in evaluating the performances of its Directors, Key Managerial Personnel's (KMPs), Senior Management and other employees of the Company and paying equitable remuneration to them. The Company recognizes its Directors, Key Managerial Personnel (KMP), Senior Management and its employees as an invaluable asset.

As a part of a good Corporate Governance and in compliance with the Section 178 and Schedule IV of the Companies Act, 2013 and all other applicable rules, regulations, guidelines and laws (including any amendments thereto or re-enactments thereof for the time being in force) the Nomination and Remuneration Committee of the Board formulated and the Board of Directors of the Company approved the Nomination and Remuneration Policy of the Company (the "Policy").

2) OBJECTIVES OF THE POLICY:

The Key objectives of the Policy would be:

a) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

b) That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks

c) That the remuneration to Directors, Key Managerial Personnel (KMP), and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

d) To formulate criteria for evaluation of annual performance of the Board of Directors and Members of other Committees of the Board, KMPs, Senior Management and other employees of the Company and recommend remuneration payable to them to the Board.

e) Formulation of criteria for evaluation of Independent Directors and the Board.

f) To guide the Board in relation to appointment and removal of Directors, KMPs and Senior Management.

g) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down.

h) To retain, motivate and promote talent and to ensure their sustainability.

3) DEFINITIONS:

a) 'Act' means the Companies Act, 2013 and the rules framed thereunder

b) 'Board of Directors' or 'Board' in relation to a company, means the collective body of the directors of the company

c) 'Director' means a director appointed to the Board of a company

d) 'Independent Director' means an independent director referred to in sub-section (5) of section 149

e) 'Key Managerial Personnel' means

a) Managing Director, or Chief Executive Officer or Manager and in their absence a Whole-Time Director;

b) Chief Financial Officer;

c) Company Secretary; and

f) 'Policy' means Nomination and Remuneration Policy of the Company.

g) 'Senior Management' means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

4) EFFECTIVE DATE

This policy shall be effective from the Financial Year 2014-2015.

5) APPLICABILITY OF THE POLICY

This Policy is applicable to:

a) Directors viz. Executive, Non-executive and Independent

b) Key Managerial Personnel

c) Senior Management Personnel

6) NOMINATION AND REMUNERATION COMMITTEE OF THE COMPANY:

a) The Nomination and Remuneration Committee ("the Committee") of the Board shall comprise of at least three Directors, all of whom shall be Non-Executive Directors and at least half shall be Independent. The Chairperson of the Committee shall be an Independent Director.

b) The Committee shall identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down.

c) The Committee shall recommend to the Board the appointment and removal of the Directors and Senior Managers of the Company and shall carry out evaluation of every Director's performance.

d) The Committee shall formulate the criteria for determining the qualifications, positive attributes and independence of a director.

e) The Chairperson of the Committee or in his absence any other member of the Committee as authorized by him in this behalf shall attend the General Meetings of the Company.

f) The Committee shall monitor the implementation of this policy and shall timely review this policy and recommend amendment in the policy to the Board of Directors as and when required.

7) VOTING

a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

8) APPOINTMENT AND QUALIFICATION CRITERIA FOR DIRECTOR, KMP AND SENIOR MANAGEMENT:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee shall have the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

c) Appointment of Independent Directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder

d) The Company shall not appoint or continue employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

9) REMOVAL

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

10) RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

11) EVALUATION OF EVERY DIRECTOR'S PERFORMANCE

a) The Nomination and Remuneration Committee shall carry out evaluation of performance of every Director at regular interval (yearly).

b) The performance evaluation of the Directors of the Company shall be done by the Nomination and Remuneration Committee wherein the Director being evaluated shall not participate.

12) TERM / TENURE

I. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

II. Independent Director:

a. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

b. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly

13) SEPARATE MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company shall hold a separate meeting atleast once in year without the attendance of Non-Independent Directors of the Board and Members of Management. All the Independent Directors of the Company shall strive to be present at the meeting.

The meeting shall review the performance of the Non-Independent Directors and the Board as a whole and the Chairperson of the Company taking into account the views of the Executive and Non-Executive Directors.

The meeting shall also assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the board to effectively and reasonably perform their duties.

14) PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

I. General:

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Managing Director/s of the Company and submit a report to the Board of Directors of the Company. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
3. In case of Managing Directors, Whole Time Directors and Managers, Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for

indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

II. Guidelines for Remuneration to Managerial Person, KMP and Senior Management:

1. Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., medical expenses, etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. Provisions for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

III. Guidelines for Remuneration to Non-Executive / Independent Director:

1. Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Limit of Remuneration /Commission:

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

15) AMENDMENT IN POLICY:

The Company shall reserve the rights to make amended to the Policy from time to time as it deems fit in accordance with the applicable laws, rules and regulations for the time being in force.

Annexure 5

CORPORATE SOCIAL RESPONSIBLITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies] (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
   a) The CSR Policy of the Company outlines the activities that can be undertaken by the Company for CSR, Composition of CSR Committee, role CSR Committee, Implementation of CSR Policy.
   b) The CSR Policy is hosted on the Company's website viz.,
   http://www.akgroup.co.in/docs/Corporate%20Social%20Responsibility%20Policy20170823192543664212 7.pdf
2. The Composition of the CSR Committee. – We have a Board Committee (CSR Committee) that provides oversight of CSR Policy execution to ensure that the CSR objectives of the Company are met. Our CSR Committee comprises of:
   a) Mr. Atul Kumar Mittal (DIN: 00698377) – Managing Director
   b) Mr. Abhinav Kumar Mittal (DIN:00698436) – Director
   c) Mr. Rajiv Kumar Bakshi (DIN: 00264007) – Independent Director
3. Average net profit of the company for last three financial years: ₹ 360,388,714/-
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 7,207,774/-
5. Details of CSR spent during the financial year.
   (a) Total amount to be spent for the financial year: ₹ 7,207,774/-
   (b) Amount unspent: ₹ 7,207,774/-
   (c) Manner in which the amount spent during the financial year is detailed below: **During the year under review, the Company did not find any suitable Project for CSR contribution. Hence, due to paucity of time for evaluation of right project/ programme, the Company could not spend the above mentioned amount.**

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: **During the year under review, the Company did not find any suitable Project for CSR contribution. Hence, due to paucity of time for evaluation of right project/ programme, the Company could not spend the above mentioned amount.**
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of A.K. Capital Finance Private Limited

Atul Kumar Mittal
Managing Director
(DIN: 00698377)

Rajiv Kumar Bakshi
Independent Director
(DIN: 00264007)

Date: August 11, 2018
Place: Mumbai

Annexure 6

Management Discussion and Analysis Report

Overview:

The Management Discussion and Analysis Report (MDA) is an integral part of the Company's Annual Report to the Shareholders, in which the management provides an overview of the previous year's operations and how the Company performed financially. The purpose of the MDA is to provide a narrative explanation, through the eyes of the management, of how the Company has performed in the past, its financial condition, and its future prospects. MDA represents the thoughts and opinions of the management and provides a forecast of future operations. It also contains the discussions on forthcoming year by outlining future goals and approaches to new projects which may involve risks and uncertainties, including but not limited to the risk inherent to the Company's growth strategy, change in regulatory norms, economic conditions and other incidental and business factors. Actual results could differ materially from those expressed or implied.

Macroeconomic Overview

Indian Economy went through a series of changes in the past year. From the rolling out of Goods and Services Tax, abolishment of FIPB, amendments to Insolvency and Bankruptcy Code, Recapitalisation of Public Sector Banks, OPEC decision to curb the supply affecting the oil prices to upgradation of India's rating by Moody's and India moving up 30 ranks to 100 in the World Bank's Doing Business Report, the macro-economic scenario has been turbulent.

FY2018 began in an uncertain environment with the economy coming to terms with the impact of demonetisation of ₹ 500 and ₹ 1,000 banknotes and the initial hurdles associated with the implementation of the Goods and Services Tax. Real GDP growth for FY 2018 stood at 6.7%, driven by services sector, construction and pick up in the manufacturing sector. Though the growth in Q4 was at a record 7.7%, on the annual basis, the growth has slowed down for the second consecutive year from 8.2% in FY16 and 7.1% in FY17. Gross fixed capital formation (GFCF) as a component of GDP is stagnant at 28.5% for the last 3 years since FY16 indicating pick up in investment has not yet materialized.

On the external front, current account deficit (CAD) widened in the latest quarter to 1.9% of the GDP. Higher trade deficit (USD 44.1 billion) was attributed to larger increase in merchandise imports relative to exports, specifically due to higher oil imports. Fiscal Deficit slipped to 3.5% of GDP from the initial target of 3.3% but does not fundamentally alter India's overall fiscal strength. Implementation of GST will formalize the unorganized sector leading to an increase in formal jobs and better competitiveness. The uniformity of tax structure will bring efficient tax administration and improvement in government finances. Government has mobilised ₹ 7.41 lakh crore from the Goods and Services Tax (GST) during 2017-18 with the average monthly collection being ₹ 89,885 crore during the Aug-Mar period. Rising inflation has increased RBI's concern regarding the possibility of it remaining above the medium-term target of 4% in FY2019 leading to monetary tightening by the RBI.

Industry Structure and Developments:

Non-Banking Finance Companies (NBFCs) are a crucial component in the Indian financial system. They bridge the gap in the financial services sector, catering to the needs of the unbanked, particularly to the MSMEs.

NBFCs possess an edge over their banking counterparts because of their varied product lines, lower cost of products and services, wide reach, their ability to evolve according to the customer's needs at a faster pace and ground-level understanding of their customers' profile. The opportunity for NBFCs lie in the fact that credit demands will deepen and so NBFCs would be required to fill in the gaps where banks would not venture into. Also, with a mounting pile of bad loans and alleged frauds in several banks, NBFCs could be in for a longer run of limited competition.

The fundamentals for NBFCs such as net profit ratio, return on assets and size of the balance sheets have been better than those for banks. Many NBFCs have varied their modes of funding and ventured into debentures and bonds aside from traditional bank finance and have also resorted to securitisation transactions that have seen several willing investors.

The effects of demonetisation, which, in the last fiscal, dented the balance sheets of many NBFCs, mostly micro-finance institutions, are fading and asset quality is regaining its earlier lustre, by focusing on collections rather than on growing asset base. NBFCs had earlier made their mark in the retail space. However, with the requirement for banks to focus on asset quality, NBFCs would get a greater share in the corporate lending pie. A report by CRISIL stated that NBFCs share in corporate lending would increase to 19% by 2020.

Outlook of the Company:

The Outlook of the Company for the year ahead is to drive profitable growth across all business segments and stabilize its asset quality across its wholesale offering and investment in debt instrument. Business team will keenly focus on key customer relationships. This team will look to grow its Supply Structured Finance, LAP, real estate funding and investment in debt market as it has sustainable advantages there. The Company, as a whole, will focus on balanced measured growth, asset quality, cross selling opportunities, digital and analytics.

Opportunities and Threats:

a) Opportunities

India's growth prospects coupled with a likely favorable interest rate scenario presents the company with an exciting opportunity to grow our various verticals in the medium to long term with significant amount of capital for savings as well as credit flowing to banks currently, the potential for channelizing savings to other modes like bonds, equity and others capital market segments are significant. Further with the mature NBFC sector, policy liberalization, much awaited structural reforms and forward-looking regulatory changes, the NBFC as a sector is expected to grow further.

b) Threats

The investment cycle is going through a prolonged downturn and corporate cash flows are under strain resulting in subdued credit growth and worsening asset quality of commercial banks. The latest earnings figures and the debt overhang of the corporate points towards lower appetite for more leverage in the balance sheet in the short term. Delay in taking action from Government to start and carry on the reforms may continue to affect the financial services sector.

Segment–wise or product-wise performance:

A.K. Capital Finance Private Limited ("herein after referred as AKCFPL") operates mainly in a two business i.e. i) Trading and Investment in Securities and ii) lending of funds to corporates and individuals within India. The revenues from these segments in the FY 2017-18 were ₹ 10,182.65 Lakhs and ₹ 4,167.57 Lakhs respectively.

Key Risks & Concerns

AKCFPL deals in multiple asset classes and all client segments across the financial markets and is thus exposed to various risks that can be broadly classified as credit risk, market risk and operational risk.

a) Credit Risk:

The credit risk framework of AKCFPL ensures prior and periodic comprehensive assessment of every client and collateral. Credit risk monitoring mechanism ensures that exposure to clients is diversified. Careful selection of collateral is the key for a client limit. Effective credit risk management has enabled us to steer through environmental stress conditions without any major impact.

b) Market Risk:

In order to monitor market risk, a comprehensive framework of reports and limits has been put in place that track positions, value at risk and duration of assets. Limits at various levels are defined to capture early warning signals. The risk framework makes certain that the risks are monitored and necessary timely action is taken for every single instance of violation, in case they occur.

Additionally, the asset liability mismatch and margin utilizations are regularly assessed. Liquidity requirements are closely monitored and necessary care is taken to maintain sufficient liquidity cushion for maturing liabilities and for any unforeseen requirements. We also pro-actively modify our liabilities profile in sync with the changing assets profile to ensure that we do not carry any material asset liability mismatch.

c) Operational Risk:

Operational risk arises from the failure of systems, people and processes through which we operate. Operational risk covers several sub-categories of risks such as fraud risk, legal risk, reputational risk, environmental risk and physical risk among others. Operational risk framework of AKCFPL is designed to balance and check operational risk at key manifestation points. In addition to defining new processes, we have initiated an ongoing review of all critical processes to proactively identify weak controls and strengthen the same. All of the above will also help us in ensuring our compliance with Companies Act 2013 requirement of "adequate internal financial controls system and operating effectiveness of such controls". We continue to have a comprehensive Business Continuity Plan that is periodically tested.

Internal Control Systems

AKCFPL has robust internal audit and control systems across the Group. They are responsible for independently evaluating the adequacy of internal controls and provide assurance those operations and business units adhere to internal policies, processes and procedures as well as regulatory and legal requirements. Internal Audit and Control team defines and reviews scope, coordinates and conducts risk-based Internal Audits with quarterly frequency across AKCFPL through external audit firms as well as an in-house team. Certain operational activities are also subject to concurrent audit. Existing audit procedures are reviewed periodically to enhance effectiveness, usefulness and timeliness. The Internal Control Procedures include proper authorization and adherence to authorization matrix, segregation of roles and responsibilities, third party confirmations, physical verification, checks and balances and preventive checks on Compliance Risk and overseeing of periodical financials etc. The internal audit follows Generally Accepted Audit Practices, Internal Audit Standards and Analytical procedures. It entails risk assessment and detailed verification of processes, adequacy of maintenance of accounting records, documentations and supporting, authorizations, review of internal controls, compliance with management policies and laid down procedures, compliance with applicable accounting standards etc. and to verify adherence with applicable statutes, rules, regulation, byelaws and circulars of the relevant statutory and regulatory authorities. It includes consideration of Laws and Regulations in an audit of Financial Statements, system audit, control over assets of the Company, review of related party transactions and reporting them to the Audit Committee, among other things. AKCFPL has institutionalized a strong compliance culture across the Group recognizing that transparency and trust amongst all its stakeholders can be achieved only through this. We have a centralized Compliance Department that ensures compliance with all the applicable laws. It also provides advice on general regulatory matters including formulating policies on the Prevention of Insider Trading with the help and guidance of the Board of Directors.

Discussion on financial performance with respect to operational performance.

During FY 2017-18, the Company has grown further on the strong foundations laid over the past two years. The revenues for the FY 2017-18 were ₹ 19,153.03 lakh, a growth of 24.68% was seen as compared to ₹ 15,361.58 lakh during FY 2016-17. The profit after tax for the FY 2017-18 was ₹ 4,040.80 Lakh as compared to ₹ 3,109.00 lakh during FY 2016-17.

HUMAN RESOURCES

At AKCFPL, we believe that the employees are the drivers of growth, efficiency, productivity and success. Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in maintaining the dignity of all its employees, irrespective of their gender or seniority. The Company had 53 employees at the end of the Financial Year 2017-18. The Company believes in focusing on employee training and development, rigorous leadership engagement, enhanced communication and participative decision making.

For and on behalf of the Board of Directors
of A.K. Capital Finance Private Limited

A. K. Mittal
Managing Director
(DIN: 00698377)

Rajiv Kumar Bakshi
Independent Director
(DIN: 00264007)

Date: August 11, 2018
Place: Mumbai

Annexure 7

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

<table>
<tr><th>Sr. No.</th><th>Requirements</th><th colspan="2">Disclosure</th></tr>
<tr><td rowspan="4">1</td><td rowspan="4">The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial year</td><td>Name of the Director</td><td>Ratio</td></tr>
<tr><td>Mr. Atul Kumar Mittal</td><td>26.17%</td></tr>
<tr><td>Mr. Abhinav Kumar Mittal</td><td>9.61%</td></tr>
<tr><td>Mrs. Sneh Lata Mittal</td><td>0.80%</td></tr>
<tr><td rowspan="9">2</td><td rowspan="9">The percentage increase in remuneration of each director, Chief Financial Officer and the Company Secretary in the Financial year</td><td>Directors:</td><td></td></tr>
<tr><td>Mr. Atul Kumar Mittal</td><td>104.16%</td></tr>
<tr><td>Mr. Abhinav Kumar Mittal</td><td>-</td></tr>
<tr><td>Mrs. Sneh Lata Mittal</td><td>-</td></tr>
<tr><td>Key Managerial Personnel:</td><td></td></tr>
<tr><td>Ms. Meeta Sanghvi – Company Secretary *</td><td>N.A.</td></tr>
<tr><td>Mr. Govind Lalwani – Company Secretary*</td><td>N.A.</td></tr>
<tr><td>Mr. Mahesh Bhootra – Chief Financial Officer
*Remuneration Paid to Ms. Meeta Sanghvi and Mr. Govind Lalwani is not comparable with previous year figures.</td><td>N.A.</td></tr>
<tr><td>3</td><td>The percentage increase in the median remuneration of employees in the Financial year</td><td colspan="2">During FY 2017-18, the percentage increase in the median remuneration of employees as compared to previous year was approximately 10.65%.</td></tr>
<tr><td>4</td><td>The number of permanent employees on the rolls of Company</td><td colspan="2">There were 61 employees as on March 31, 2018</td></tr>
<tr><td>5</td><td>Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.</td><td colspan="2">Average increase in salary of employees other than managerial personnel is 21.77%.

Remuneration Paid to Ms. Meeta Sanghvi and Mr. Govind Lalwani is not comparable with previous year figures.

No other KMP's are in receipt of increased remuneration as compared to the previous financial year.</td></tr>
<tr><td>6</td><td>Affirmation that the remuneration is as per the remuneration policy of the company</td><td colspan="2">It is hereby affirmed that the remuneration is paid as per the Remuneration Policy for the Directors, Key Managerial Personnel and employees.</td></tr>
</table>

For and on behalf of the Board of Directors
of A.K. Capital Finance Private Limited

A. K. Mittal
Managing Director
(DIN: 00698377)

Rajiv Kumar Bakshi
Independent Director
(DIN: 00264007)

Date: August 11, 2018
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
A. K. CAPITAL FINANCE PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of A. K. Capital Finance Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act
   (f) 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 B"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and,

iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W-100010

(Madhukar Khandekar)
PARTNER

Membership No.: 13912
Place: Mumbai
Dated: May 25, 2018

ANNEXURE – 'A' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner on yearly basis. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventory of shares and securities has been held in the dematerialized form. The shares and securities held in the dematerialized form have been verified with the demat account statements at reasonable intervals, during the year. No discrepancies were noticed on such verification.

(iii) The Company has granted secured loans to three bodies corporate covered in the register maintained under Section 189 of the Act.

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to the bodies corporate listed in the register maintained under Section 189 of the Act, the borrowers have been regular in payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to the bodies corporate listed in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the director is interested to which the provisions of section 185 of the Companies Act, 2013 apply and the provisions of section 186 are not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.

(vii) (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income tax, service tax, goods and service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the 31 March, 2018 for a period of more than six months from the date they became payable. As informed, statutory dues in the nature of employee state insurance, sales tax, duty of customs, duty of excise and value added tax are not applicable to the Company.

b) According to information and explanations given to us, there are no dues on account of income tax, service tax, goods and service tax which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks, financial institutions, government or debentures holders.

(ix) Based on information and explanations given to us, the term loans have been applied for the purposes for which they were raised. The Company has not raised any money by way of initial public offer or further public offer.

(x) According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers and employees has been , noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of Compulsorily convertible preference shares during the year. The Company has been complied with the requirement of Section 42 of the Act and the amount raised has been used for the purpose for which the fund was raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act 1934, and the registration certificate has been obtained.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 121750W/W-100010

(Madhukar Khandekar)
PARTNER
Membership No.: 13912
Place: Mumbai
Dated: May 25, 2018

ANNEXURE – 'B' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of 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 internal financial controls over financial reporting of A. K. Capital Finance Private Limited ("the Company") as of 31 March 2018 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 ('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.

Auditors' 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, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls,. Those Standards and the Guidance Note require 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 31 March 2018, 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 SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 121750W/W-100010

(Madhukar Khandekar)
PARTNER
Membership No.: 13912
Place: Mumbai
Dated: May 25, 2018

AUDITORS' ADDITIONAL REPORT

The Board of Directors
A. K. Capital Finance Private Limited
30-39, Free Press House,
3rd Floor, Free Press Journal Marg,
215, Nariman Point,
Mumbai – 400 021

We report that the statutory audit of **A. K. Capital Finance Private Limited** was conducted by us in pursuance of the provisions of the Companies Act, 2013 and we have annexed hereto a copy of our Audit Report dated 25 May, 2018 along with a copy of each of the audited statement of profit and loss and the cash flow statement of the Company for the year ended on March 31, 2018 and balance sheet as at March 31, 2018 along with the documents declared by the relevant Act to be part of, or annexed to, the statement of profit and loss and the balance sheet.

In addition to the said Report, as required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ('The Directions'), issued by the Reserve Bank of India ('RBI') vide notification No. DNBS /2016-17/48 dated September 29, 2016 pursuant to the powers conferred in terms of Sub-Section (1A) of Section 45MA of the Reserve Bank of India Act, 1934, on the basis of the books of account and other relevant records examined by us and according to the information and explanations given to us, we report on Paragraphs 3 and 4 of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 as under:

1. Para 3(A)

I. The Company is engaged in the business of Non-Banking Financial Company as defined under clause (ii) of Section 45-IC of the Reserve Bank of India Act, 1934. The Company has obtained a Certificate of Registration numbered N-13.01991 from Mumbai R.O. of the Reserve Bank of India (RBI) dated May 24, 2011 for registration as a "Non-Banking Financial Company (not accepting public deposits)" in lieu of the earlier certificate no. N-05.06698 dated July 12, 2007 issued by Kolkata R.O. of the RBI.

II. On the basis of the financial statements for the year ended March 31, 2018 audited by us and as per Paragraph 5 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, we hereby report that the Company is entitled to continue to hold such Certificate of Registration in terms of its asset pattern as on March 31, 2018.

III. Based on the net owned fund requirement as laid down in Paragraph 5 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, we hereby report that the Company is meeting the required net owned fund requirement.

2. Para 3(B)

As indicated in Clause 1 above, since the Company has Certificate of Registration as "Non-Banking Financial Company Not Accepting Public Deposits", the matters referred to in Para 3(B) of the Directions are not applicable to the Company.

3. Para 3(C.)

I. The Board of Directors has passed a resolution in the meeting of Board of Directors held on April 01, 2017 for the non-acceptance of any public deposits.

II. The Company has not accepted any Public Deposit during the year.

III. The Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 in the preparation of financial statements for the year ended March 31, 2018.

IV. The Company being a Systemically Important Non- Deposit taking NBFC as defined in Paragraph 3 (xxx) of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(a) The Capital adequacy ratio as disclosed in the return submitted to the RBI in form NBS-7 has been correctly arrived at and such ratio is in compliance with the minimum capital to risk asset ratio ('CRAR') prescribed by RBI. and

(b) Presently there is no requirement of furnishing the annual statement of capital funds, risk assets/exposures and risk assets ratio (NBS 7) to RBI. The Company has furnished to the RBI, the statement of capital funds, risk assets/ exposures and risk asset ratio (NBS-7) within the stipulated period.

V. Based on the criteria set forth by the RBI in Paragraph 3(xix) of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 for classification of NBFC's as NBFC-MFI's, the Company is not classified as a Micro Finance Institution with reference to the business carried on by it during the year ended March 31, 2018.

4. Para 3(D)

Since as per RBI, the Company is required to hold Certificate of Registration, the matters referred to in Para 3(D) of the Directions are not applicable to the Company.

This report is issued pursuant to our obligations under Non-banking Financial Companies Auditors' report (Reserve Bank) Directions, 2016 to submit a report on additional matters as stated in the Directions to the RBI and may not be suitable for any other purpose. Accordingly, our report should not be quoted or referred to in any other document made available to any other person or persons without our prior written consent.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No: 121750W / W-100010

(Madhukar Khandekar)
PARTNER
Membership No.: 13912
Place: Mumbai
Dated: May 25, 2018

BALANCE SHEET AS AT MARCH 31, 2018

		Note No.	As at 31.03.2018 ₹	As at 31.03.2017 ₹
I	**EQUITY AND LIABILITES**			
1	**Shareholders' funds**			
	(a) Share capital	2	882,937,500	232,937,500
	(b) Reserves and surplus	3	4,188,497,555	3,827,884,535
			5,071,435,055	**4,060,822,035**
2	**Non-current liabilities**			
	(a) Long-term borrowings	4	5,408,593,970	3,748,271,728
	(b) Long-term provisions	5	23,881,328	6,188,298
	(c) Other non-current liabilities	6	1,240,508	-
	(d) Deferred tax liabilities (net)	7	-	6,175,463
			5,433,715,806	**3,760,635,489**
3	**Current liabilities**			
	(a) Short-term borrowings	8	10,788,774,560	11,971,946,301
	(b) Trade payables	9	5,188,560	6,828,224
	(c) Other current liabilities	10	558,586,755	715,662,680
	(d) Short-term provisions	11	21,589,406	9,354,153
			11,374,139,281	**12,703,791,358**
	TOTAL		**21,879,290,142**	**20,525,248,882**
II	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets	12		
	(i) Property, plant and equiptment		300,864,110	118,878,246
	(ii) Intangible assets		888,593	495,101
	(b) Non-current investments	13	4,373,178,479	1,563,537,250
	(c) Long-term loans and advances	14	5,188,275,663	914,546,191
	(d) Deferred tax assets (net)	7	3,224,272	-
			9,866,431,117	**2,597,456,788**
2	**Current assets**			
	(a) Current investments	15	1,917,064,790	5,903,868,113
	(b) Stock of securities	16	5,049,515,838	9,155,829,788
	(c) Trade receivables	17	126,517,196	161,269,833
	(d) Cash and cash equivalents	18	14,152,228	48,508,109
	(e) Short-term loans and advances	19	2,138,990,083	1,733,693,786
	(f) Other current assets	20	2,766,618,890	924,622,465
			12,012,859,025	**17,927,792,094**
	TOTAL		**21,879,290,142**	**20,525,248,882**
	Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration Number : 121750W/W-100010

For and on behalf of the Board of Directors

Madhukar Khandekar	A. K. Mittal	Raghubinder Rai	Mahesh Bhootra	Govind Lalwani
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
Membership No. 13912	DIN: 00698377	DIN : 00264007		ACS : A38806
Place : Mumbai	Place : Mumbai			
Date : May 25, 2018	Date : May 25, 2018			

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED AT 31 MARCH 2018

		Note No.	Current Year ₹ 2017-2018	Previous Year ₹ 2016-2017
I	Revenue from operations	21	1,912,061,953	1,536,158,058
II	Other income	22	3,241,186	-
III	**Total revenue (I+II)**		**1,915,303,139**	**1,536,158,058**
IV	**EXPENSES**			
	Employee benefits expenses	23	143,809,986	100,959,757
	Finance costs	24	1,047,671,622	830,594,663
	Depreciation / amortisation expenses	12	7,444,216	5,074,960
	Other expenses	25	84,285,896	97,270,618
	Contingent provision against standard assets		27,410,888	3,637,233
	Total expenses		**1,310,622,608**	**1,037,537,231**
V	**Profit before tax (III-IV)**		**604,680,531**	**498,620,827**
VI	**Tax expenses:**			
	- Current tax		210,000,000	190,700,000
	- Deferred tax expense / (benefit)		(5,278,494)	1,612,846
	- Deferred tax expense / (benefit) relating to earlier years		(4,121,241)	-
	- Tax adjustments relating to earlier years		-	(4,592,023)
			200,600,265	**187,720,823**
	Profit after tax (V-VI)		**404,080,266**	**310,900,004**
	Basic earnings per share	37	15.48	14.16
	Diluted earnings per share	37	15.48	14.16
	Nominal value of equity shares		10.00	10.00
	Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration Number : 121750W/W-100010

For and on behalf of the Board of Directors

Madhukar Khandekar
Partner
Membership No. 13912

Place : Mumbai
Date : May 25, 2018

A. K. Mittal
Managing Director
DIN: 00698377

Raghubinder Rai
Director
DIN : 00264007

Mahesh Bhootra
Chief Financial Officer

Govind Lalwani
Company Secretary
ACS : A38806

Place : Mumbai
Date : May 25, 2018

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2018

	Current Year ₹	Previous Year ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	604,680,531	498,620,827
Adjustments for		
Depreciation	7,444,216	5,074,960
Interest expenses	1,032,944,320	820,725,381
Dividend income on investments	-	(1,470,275)
Profit on sale of fixed assets	(650,054)	-
Bad debts	11,500	386,200
Interest received on investments	(527,032,898)	(526,052,336)
Profit / (loss) on sale of investments	13,223,644	(77,376,635)
Contingent provisions against standard assets	27,410,888	3,637,233
Operating profit before working capital adjustments	**1,158,032,147**	**723,545,355**
Adjustments for		
(Increase)/decrease in trade and other receivables	(6,536,961,097)	(665,386,805)
(Purchase) / sale of stock of securities	2,234,924,170	(4,938,985,430)
Increase/(Decrease) in trade and other payables	10,698,468	2,511,286
Cash used in operations	**(3,133,306,312)**	**(4,878,315,594)**
Direct taxes paid	(226,579,062)	(211,392,113)
Net cash used in operating activities	**(3,359,885,374)**	**(5,089,707,707)**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(204,123,518)	(39,323,889)
Sale of fixed assets	14,950,000	-
(Purchase) / sale of investments (net)	3,035,328,230	819,490,748
Interest received on investments	594,004,811	538,860,047
Dividend income on investments	-	1,470,275
Net cash generated from investing activities	**3,440,159,523**	**1,320,497,181**
C CASH FLOW FROM FINANCING ACTIVITIES		
Issue of equity share capital	-	13,437,500
Issue of preference share capital	650,000,000	-
Securities premium received	-	201,562,500
Dividend paid on preference shares (including dividend distribution tax)	(43,467,246)	-
Proceeds from long-term borrowings	2,370,000,000	3,100,000,000
Repayment of long-term borrowings	(1,002,617,331)	(297,184,224)
Proceeds from / (repayment) of short-term borrowings (net)	(1,183,171,741)	1,581,033,968
Interest paid	(905,373,712)	(804,651,422)
Net cash generated from / (used in) financing activities	**(114,630,030)**	**3,794,198,322**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(34,355,881)	24,987,796
Cash and cash equivalents at the beginning of the year	48,508,109	23,520,313
Cash and cash equivalents at the end of the year	**14,152,228**	**48,508,109**
Cash and cash equivalents at the end of the year comprise of:		
Cash on hand	1,608,564	1,537,514
Balances with banks in current accounts	12,543,664	46,970,595
	14,152,228	**48,508,109**

Note: The above cash flow statement has been prepared under 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statement' notified by Central Government of India.

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration Number : 121750W/W-100010

For and on behalf of the Board of Directors

Madhukar Khandekar
Partner
Membership No. 13912

A. K. Mittal
Managing Director
DIN: 00698377

Raghubinder Rai
Director
DIN : 00264007

Mahesh Bhootra
Chief Financial Officer

Govind Lalwani
Company Secretary
ACS : A38806

Place : Mumbai
Date : May 25, 2018

Place : Mumbai
Date : May 25, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 1.

Significant accounting policies:

a. Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with accounting principles generally accepted in India in compliance with the provisions of the Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India are also considered, wherever applicable.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of the Accounting Standard (AS) 3 Cash Flow Statements. The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve Bank of India for Systemically Important Non-deposit taking Non-Banking Finance Companies (NBFC-ND-SI).

b. Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in India requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

c. Fixed assets and depreciation / amortisation:

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

Depreciation on property, plant and equipment is provided on the basis of useful life of property, plant and equipment as specified by Schedule II to the Companies Act, 2013.

Leasehold improvements are amortised over the lease period.

Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The capitalised cost includes license fees and cost of implementation / system integration services.

Software being amortised on a straight line basis over its estimated useful life or maximum 5 years, whichever is lower

d. Investments:

i) Non-current investments are valued at cost. Provision is made for diminution in the values when the decline is other than temporary.

ii) Current investments are valued at lower of cost or market / break up value determined on an individual investment basis.

e. Stock of securities

Stock of securities is valued at lower of cost (arrived on the basis of First In First Out (FIFO) method) or net realisable value. Bonds are valued at cost as their market value is not available. The cost of securities is inclusive of transaction charges, brokerage and service tax, goods and service tax etc.

f. Revenue recognition:

Profit from stock of securities is recognised on the date of sale of securities.

Revenue from service charges, fees and commission is recognised when the contract has been completed.

Investment income is recognised on the date of sale of securities.

Interest income is recognised on accrual basis.

Rent income is recognised on accrual basis.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

g. Transaction in foreign currencies:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the balance sheet date are translated at the rates of exchange prevailing at the date of the balance sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.

h. Retirement benefits:

i. Defined contribution plans

The Company contributes to employees' provident fund (a defined contribution plan) towards post employment benefit, which is administered by respective government authorities and the Company has no further obligation beyond making its contribution.

ii. Defined benefit plans

The Company has a defined benefit plan namely gratuity for all its employees. The liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation by an independent actuary at the period end, which is calculated using projected unit credit method.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

iii. Employee leave entitlement

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided as at the year end and charged to the statement of profit and loss.

i. Borrowing costs:

Borrowing costs attributable to the acquisition and construction of qualifying assets upto the date of such acquisition or construction are capitalised as part of the cost of respective assets. Other borrowing costs are charged to statement of profit and loss in the period in which they are incurred.

j. Accounting for taxes on income:

i) Provision for income tax is made on the basis of the estimated taxable income for the accounting year in accordance with the Income-tax Act, 1961.

ii) The deferred tax for timing differences between the book profits and tax profits for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a virtual / reasonable certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

k. Lease:

i) As a Lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on straight-line basis over the lease term.

ii) As a Lessor:

Assets subject to operating lease are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

l. Impairment of assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

m. Provisions and contingent liabilities:

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The General Provision @ 0.40% (as at 31 March 2017 – 0.35%) on Standard Assets is made as per RBI notification issued as on 1st September 2016 as updated 23rd February 2018.

n. Earnings per share

The basic earnings per share ("EPS") is computed by dividing the net profit/(loss) after tax for the period available for the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the period available for equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o. Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short term highly liquid investments with an original maturity of three months or less.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 2		
SHARE CAPITAL		
Authorised		
30,000,000 (previous year 30,000,000) Equity shares of ₹ 10 each	300,000,000	300,000,000
6,500,000 (previous year Nil) Preference shares of ₹ 100 each	650,000,000	-
	950,000,000	**300,000,000**
Issued, subscribed and paid up		
23,293,750 (previous year 23,293,750) Equity shares of ₹ 10 each fully paid up	232,937,500	232,937,500
6,500,000 (previous year Nil) Compulsorily Convertible Preference shares of ₹100 each fully paid up	650,000,000	-
	882,937,500	**232,937,500**

a) Reconciliation of the shares outstanding at the beginning and at the year end

I Equity shares	As at 31.03.2018		As at 31.03.2017	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Shares outstanding at the beginning of the year	23,293,750	232,937,500	21,950,000	219,500,000
Add : Shares issued during the year	-	-	1,343,750	13,437,500
Shares outstanding at the end of the year	**23,293,750**	**232,937,500**	**23,293,750**	**232,937,500**

II Non Cumulative Compulsory Convertible Preference Shares	As at 31.03.2018		As at 31.03.2017	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Shares outstanding at the beginning of the year	-	-	-	-
Add: Shares issued during the year	6,500,000	650,000,000	-	-
Shares outstanding at the end of the year	**6,500,000**	**650,000,000**	-	-

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share.

During the previous year, the Company had issued 1,343,750 equity shares of face value of ₹10 per share to its holding company, A. K. Capital Services Limited which would rank pari passu with the existing equity share capital.

In the event of the liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Terms / rights attached to Non Cumulative Compulsory Convertible Preference Shares

During the current year, the Company has issued 6,500,000 Compulsory Convertible Preference Shares (CCPS) of ₹ 100 each fully paid-up. The Company has only one class of CCPS fully participating with equity having par value of ₹10 per share.

Each CCPS shall carry a dividend of 12% per annum exclusive of any applicable taxes, up to the date of their conversion into equity shares of the Company,subject to the approval of the Board of Directors and Shareholders of the Company. The dividend on CCPS shall be on Non-Cumulative basis.CCPS shall be converted in the ratio of 2: 1 i.e. 2 CCPS of face value of ₹ 100 each shall be convertible into 1 Equity Share of face value of ₹ 10 each and Security Premium of ₹190 each. The CCPS holders may convert in full/ (part) at any time after three months from the date of issue but before the expiry of eighty four months from the date of issue of the CCPS. If the CCPS are not converted within 84 months from the date of issue, then the CCPS shall be automatically converted into equity shares.

d) Shares held by the holding company	As at 31.03.2018 ₹	As at 31.03.2017 ₹
22,997,490 (Previous year 22,997,490) Equity shares of ₹10 per share	229,974,900	229,974,900
2,500,000 (Previous year Nil) Preference shares of ₹ 100 per share	250,000,000	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

e) Details of shareholders holding more than 5% shares in the Company

I Equity shares	As at 31.03.2018		As at 31.03.2017	
Name of shareholder	**Number**	**% of Holding**	**Number**	**% of Holding**
A. K. Capital Services Limited	22,997,490	98.73	22,997,490	98.73

II Compulsorily Convertible Preference Shares	As at 31.03.2018		As at 31.03.2017	
Name of shareholder	**Number**	**% of Holding**	**Number**	**% of Holding**
A. K. Mittal	3,000,000	46.16%	-	-
A. K. Capital Services Limited	2,500,000	38.46%	-	-
A. K. Services Private Limited	1,000,000	15.38%	-	-

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 3		
RESERVES AND SURPLUS		
Special reserve*		
Opening balance	222,992,531	159,992,531
Add: Current year transfer	81,000,000	63,000,000
Closing balance (A)	**303,992,531**	**222,992,531**
Securities premium account		
Opening balance	2,732,187,500	2,530,625,000
Add: Additions during the year	-	201,562,500
Closing balance (B)	**2,732,187,500**	**2,732,187,500**
Surplus		
Opening balance	872,704,504	624,804,500
Add: Net profit for the current year	404,080,266	310,900,004
Less: Dividend paid on CCPS	36,115,068	-
Less: Dividend distribution tax paid	7,352,178	-
Less: Transfer to special reserve	81,000,000	63,000,000
Closing balance (C)	**1,152,317,524**	**872,704,504**
Total (A + B + C)	**4,188,497,555**	**3,827,884,535**

*Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-banking Finance Company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purpose specified by the RBI.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 4		
LONG TERM BORROWINGS		
Secured		
Term Loans		
From Banks*	724,390,305	1,325,000,000
From non-banking financial company (NBFC)**	58,866,475	63,236,766
Vehicle Loans		
From Banks***	5,337,190	10,034,962
Redeemable Non-Convertible Debentures ****	4,620,000,000	2,350,000,000
(Refer note no.27)	**5,408,593,970**	**3,748,271,728**

* Loan from banks are repayable in 8 to 16 quarterly installments along with interest from the date of loan. The loans are secured by Pari- passu first charge by way of hypothecation/assignment of assets financed including current and future receivables of the Company, in favour of the security trustee.

** Housing loan from NBFC is repayable in 180 equated monthly installments along with interest from the date of loan. The loans are secured by mortgage of premises at Delhi, purchased there against.

*** Vehicle loans from bank is repayable in 36 to 60 equated monthly installments along with interest from the date of loan. The loans are secured by hypothecation of motor vehicle purchased there against.

**** Secured by a first charge over the identified "business assets" i.e. investments/receivables of the Company and a Pari-passu charge over the immovable properties of the Company situated at Chennai and Pune.

NOTE - 5		
LONG TERM PROVISIONS		
Provision for employee benefits		
Gratuity (unfunded)	3,226,725	3,002,195
Others		
Contingent Provisions against standard assets	20,654,603	3,186,103
	23,881,328	**6,188,298**
NOTE - 6		
OTHER NON-CURRENT LIABILITIES		
Security deposits towards leased assets	1,240,508	-
	1,240,508	-
NOTE - 7		
DEFERRED TAX (ASSETS) / LIABILITIES (NET)		
Deferred tax liabilities:		
Timing difference arising on account of :		
Depreciation	11,273,490	7,239,852
	11,273,490	7,239,852
Less: Deferred tax assets:		
Timing difference arising on account of :		
Expenses disallowed under section 35D	1,488,614	-
Contingent Provisions against standard assets	11,449,762	-
Expenses allowable on payment basis (gratuity)	1,559,386	1,064,389
	14,497,762	**1,064,389**
Net deferred tax (asset) / liability	**(3,224,272)**	**6,175,463**

(Deferred tax assets has not been created on long term capital loss because there is no virtual / reasonable certainty.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 8		
SHORT TERM BORROWINGS		
Secured		
Loans repayable on demand		
From banks	7,219,786,824	4,969,635,968
Working capital demand loan*		
from Others		
The Clearing Corporation of India Limited**	1,130,000,000	4,195,000,000
From non-banking financial company (NBFC)***	1,750,000,000	-
Repo Account (Refer note no. 29(c)) ****	-	1,828,600,600
Unsecured		
Commercial Paper	688,987,736	978,709,733
	10,788,774,560	**11,971,946,301**

* (a) Working capital demand loan is secured against pledge/lien on government securities and other debt securities and corporate guarantee of the holding company, A. K. Capital Services Limited and demand promissory note. The above loan is repayable on demand.

* (b) Loan against receivables is secured by first pari passu charge by way of hypothecation/ assignment of assets financed including current and future receivables of the company, in favour of the security trustee.

**Loan from The Clearing Corporation of India Limited is secured against lien on government securities and cash deposit.

***Loan from non banking finance company is secured by hypothecation on first pari passu charge over the "business assets", in favour of the security trustee.

**** Secured against corporate debt securities under repo transaction.

NOTE - 9		
TRADE PAYABLES		
Total outstanding dues of micro, small & medium enterprises (Refer note 38)	-	-
Total outstanding dues of creditors other than micro, small & medium enterprises	5,188,560	6,828,224
	5,188,560	**6,828,224**
NOTE - 10		
OTHER CURRENT LIABILITIES		
Current maturities of Long term debt - from Banks (Refer note no. 4)	389,093,471	682,078,803
Current maturities of Long term debt - from NBFC (Refer note no. 4)	4,747,776	4,702,017
Interest accrued and due on borrowings	4,524,518	6,574,495
Interest accrued and but not due on borrowings	142,630,732	13,297,336
Security deposits towards leased assets	1,350,624	-
Employees dues	7,218,084	6,109,085
Statutory dues	8,871,599	2,850,689
Sundry creditors for capital goods	95,900	48,445
Other payable	54,051	1,810
	558,586,755	**715,662,680**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 11		
SHORT TERM PROVISIONS		
Provision for employee benefits	2,128,309	73,364
Gratuity (unfunded)	796,464	558,544
Leave encashment	**2,924,773**	**631,908**
Others		
Contingent Provisions against standard assets	18,664,633	8,722,245
	18,664,633	**8,722,245**
	21,589,406	**9,354,153**

NOTE - 12
FIXED ASSETS

(Amount in ₹)

	Property, plant and equipment							Intangible assets
Particulars	**Computers**	**Office Equipments**	**Furniture & Fixtures**	**Building**	**Building under Lease**	**Vehicles**	**Total**	**Software**
Cost								
As at 01/04/2016	2,211,748	954,755	2,158,419	77,040,100	-	9,617,320	91,982,342	3,133,754
Additions	266,951	374,683	2,637,105	18,897,500	-	16,800,297	38,976,536	347,353
Deductions / adjustments	-	-	-	-	-	-	-	-
As at 31/03/2017	**2,478,699**	**1,329,438**	**4,795,524**	**95,937,600**	**-**	**26,417,617**	**130,958,878**	**3,481,107**
Depreciation/Amortisation								
As at 01/04/2016	969,748	356,696	244,458	2,585,178	-	3,163,547	7,319,627	2,672,051
Charge for the year	397,045	227,506	329,964	1,291,714	-	2,514,776	4,761,005	313,955
Deductions / adjustments	-	-	-	-	-	-	-	-
Upto 31/03/2017	**1,366,793**	**584,202**	**574,422**	**3,876,892**	**-**	**5,678,323**	**12,080,632**	**2,986,006**
Net block								
As at 31/03/2017	**1,111,906**	**745,236**	**4,221,102**	**92,060,708**	**-**	**20,739,294**	**118,878,246**	**495,101**
Cost								
As at 01/04/2017	2,478,699	1,329,438	4,795,524	95,937,600	-	26,417,617	130,958,878	3,481,107
Additions	1,248,125	492,881	672,831	86,560,800	107,000,000	7,338,536	203,313,173	810,345
Deductions / adjustments	-	-	-	-	-	15,918,500	15,918,500	-
As at 31/03/2018	**3,726,824**	**1,822,319**	**5,468,355**	**182,498,400**	**107,000,000**	**17,837,653**	**318,353,551**	**4,291,452**
Depreciation/Amortisation								
As at 01/04/2017	1,366,793	584,202	574,422	3,876,892	-	5,678,323	12,080,632	2,986,006
Charge for the year	547,116	286,471	484,171	2,680,918	644,931	2,383,756	7,027,363	416,853
Deductions / adjustments	-	-	-	-	-	1,618,554	1,618,554	-
Upto 31/03/2018	**1,913,909**	**870,673**	**1,058,593**	**6,557,810**	**644,931**	**6,443,525**	**17,489,441**	**3,402,859**
Net block								
As at 31/03/2018	**1,812,915**	**951,646**	**4,409,762**	**175,940,590**	**106,355,069**	**11,394,128**	**300,864,110**	**888,593**

Notes:

1) Vehicles include vehicles hypothecated against loan taken having gross block of ₹8,220,333 (as at 31.3.2017 ₹18,247,489),accumulated deprecation of ₹ 8,06,308 (as at 31.3.2017 ₹1,729,321) and net block of ₹ 7,414,025 (as at 31.3.2017 ₹16,518,167).

2) Building include premises hypothecated against loan taken having gross block of ₹ 77,040,100 (as at 31.3.2017 ₹ 77,040,100), accumulated deprecation of ₹ 5,153,074 (as at 31.3.2017 ₹ 3,869,126) and net block of ₹71,887,026 (as at 31.3.2017 ₹73,170,974).

3) Building include premises mortgaged against non convertible debenture taken having gross block of ₹ 19,947,500 (as at 31.3.2017 ₹Nil), accumulated deprecation of ₹ 336,917 (as at 31.3.2017 ₹Nil) and net block of ₹19,610,583 (as at 31.3.2017 ₹Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 13
NON CURRENT INVESTMENTS

	Face Value	As at 31.03.2018		As at 31.03.2017	
	₹	Number	₹	Number	₹
Unquoted - Wholly owned subsidiary - Fully paid up					
Equity Shares of Family Home Finance Private Limited	10	11,010,000	110,100,000	-	-
Total (A)			**110,100,000**		**-**
Unquoted - others- Fully paid up					
Equity Shares of Neesa Leisure Limited	10	221,000	56,487,600	250,000	63,900,000
Total (B)			**56,487,600**		**63,900,000**
Quoted - others- Fully paid up					
Equity Shares of Union Bank Of India	10	950,210	132,639,736	-	-
Total (C)			**132,639,736**		**-**
Quoted- Non Convertible Debentures - Fully paid up					
11.45% Ashiana Housing Ltd. 2020	100,000	700	70,056,000	-	-
12.80% Asirvad Microfinance Ltd. 2018	100,000	318	31,965,360	-	-
12.80% Asirvad Microfinance Ltd. 2019 (INE516Q08109)	100,000	23	2,300,000	-	-
12.80% Asirvad Microfinance Ltd. 2019 (INE516Q08117)	100,000	288	29,640,960	-	-
11.00% Aspire Housing Finance Corporation Ltd. 2021 (INE658R08024)	1,000,000	-	-	300	300,000,000
11.00% Aspire Housing Finance Corporation Ltd. 2021 (INE658R08032)	1,000,000	-	-	200	200,020,000
11.60% Belstar Investment & Finance Pvt Ltd 2020 (Paid up value ₹ 90,000)	100,000	5,000	450,000,000	-	-
10.75% Electronica Finance Ltd. 2020 (Paid up value ₹ 90,000)	100,000	1,000	90,000,000	-	-
0.00% Ess Kay Fincorp Limited 2021	1,000,000	150	150,000,000	-	-
11.50% Esskay Fincorp Private Ltd 2018 (Paid up value ₹ 50,000)	100,000	1,500	75,015,000	-	-
12.50% Esskay Fincorp Private Ltd 2018 (Paid up value ₹ 50,000)	100,000	1,500	75,015,000	-	-
10.75% Fincare Small Finance Bank Limited 2018 (INE519Q08061)	100,000	250	25,000,000	-	-
10.75% Fincare Small Finance Bank Limited 2018 (INE519Q08079)	100,000	250	25,000,000	-	-
10.75% Fincare Small Finance Bank Limited 2018 (INE519Q08087)	100,000	250	25,000,000	-	-
10.75% Fincare Small Finance Bank Limited 2019 (INE519Q08095)	100,000	250	25,000,000	-	-
10.75% Fincare Small Finance Bank Limited 2019 (INE519Q08103)	100,000	250	25,000,000	-	-
10.75% Fincare Small Finance Bank Limited 2019 (INE519Q08111)	100,000	250	25,000,000	-	-
10.75% Fincare Small Finance Bank Limited 2019 (INE519Q08129)	100,000	250	25,000,000	-	-
12.60% Fincare Small Finance Bank Limited 2022	100,000	2,500	250,000,000	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07069)	100,000	250	25,193,575	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07077)	100,000	250	25,246,625	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07085)	100,000	250	25,299,975	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07093)	100,000	250	25,351,950	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07168)	100,000	150	15,129,510	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07176)	100,000	150	15,161,685	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07184)	100,000	150	15,193,035	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07192)	100,000	150	15,223,575	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07101)	100,000	250	25,401,475	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07119)	100,000	250	25,448,225	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07127)	100,000	250	25,494,725	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07135)	100,000	250	25,540,025	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07200)	100,000	150	15,252,390	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07218)	100,000	150	15,281,310	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07226)	100,000	150	15,308,910	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07234)	100,000	150	15,335,820	-	-
11.45% Five-Star Business Finance Limited 2021 (INE128S07143)	100,000	500	51,167,200	-	-
11.45% Five-Star Business Finance Limited 2021 (INE128S07242)	100,000	300	30,722,550	-	-
10.55% Future Consumer Limited 2018	100,000	750	75,000,000	750	75,000,000
11.00% Future Consumer Limited 2018	100,000	750	75,000,000	750	75,000,000
9.95% Future Consumer Limited 2019 (INE220J07097)	100,000	1,050	105,000,000	-	-
9.95% Future Consumer Limited 2019 (INE220J07105)	100,000	1,050	105,000,000	-	-
9.95% Future Consumer Limited 2020	100,000	940	94,000,000	-	-
11.50% Indiabulls Real Estate Ltd 2020	1,000,000	335	338,265,389	-	-
15.60% Karvy Financial Services Limited 2020	1,000,000	171	170,572,500	-	-
10.90% S.R.G. Housing Finance Ltd 2022 (Paid up value ₹91,379.39)	100,000	2,500	228,448,464	-	-
16.90% Satin Creditcare Network Limited 2020	1,000,000	112	112,000,000	-	-
9.95% Shubham Housing Development Finance Company Ltd 2021	100,000	2,500	250,000,000	-	-
12.00% Sobha Ltd 2018 (INE671H07186)	100,000	10	987,500	-	-
12.00% Sobha Ltd 2018 (INE671H07210)	100,000	143	14,302,960	-	-
11.75% Sunteck Realty Limited 2019	100,000	1,000	100,012,200	-	-
12.70% Suryoday Small Finance Bank Limited 2022	100,000	2,500	249,617,250	2,500	249,617,250
11.45% Vistaar Financial Services Private Limited 2018	1,000,000	200	200,000,000	200	200,000,000
11.45% Vistaar Financial Services Private Limited 2020	1,000,000	150	150,000,000	150	150,000,000
Total (D)			**4,073,951,143**		**1,499,637,250**
Total (A+B+C+D)			**4,373,178,479**		**1,563,537,250**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 13 CONTD.	Face Value ₹	As at 31.03.2018 Number	As at 31.03.2018 ₹	As at 31.03.2017 Number	As at 31.03.2017 ₹
Aggregate amount of quoted investments					
Non Convertible Debentures			4,073,951,143		1,499,637,250
Equity			132,639,736		-
Aggregate market value of quoted investments					
Non Convertible Debentures			4,073,951,143		1,499,637,250
Equity			89,414,761		-
Aggregate amount of unquoted investments					
Equity			166,587,600		63,900,000

* Non convertible Debentures are valued at cost as the market value is not available
** Refer note 26
*** Refer note 29(A)

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 14		
LONG-TERM LOANS AND ADVANCES		
Security deposits		
Unsecured, considered good	228,960	228,960
Loan to related parties		
Secured, considered good	-	100,000,000
Loan to other parties *		
Secured, considered good	5,077,142,870	810,315,075
Unsecured, considered good	86,507,923	-
Advance Income Tax	20,277,429	3,985,556
(Net of Provision ₹ 484,865,964; Previous Year ₹ 274,578,775)		
Capital advances	418,960	-
Prepaid expense	3,699,521	16,600
	5,188,275,663	**914,546,191**

* Refer note 29(D)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 15 CURRENT INVESTMENTS	Face Value ₹	As at 31.03.2018 Number	 ₹	As at 31.03.2017 Number	 ₹
SECURITIES					
Govt Papers -					
6.62% Government of India Loan 2051	100	-	-	15,000,000	1,355,700,000
6.79% Government of India Loan 2029	100	-	-	9,000,000	870,330,000
6.97% Government of India Loan 2026	100	-	-	3,000,000	306,084,900
7.35% Government of India Loan 2024	100	9,500,000	979,408,000	-	-
7.50% Government of India Loan 2034	100	-	-	2,000,000	195,200,000
7.59% Government of India Loan 2026	100	3,000,000	318,428,400	4,500,000	477,642,600
7.59% Government of India Loan 2029	100	-	-	3,500,000	355,485,200
7.61% Government of India Loan 2030	100	-	-	2,500,000	261,427,100
7.88% Government of India Loan 2030	100	-	-	10,000,000	1,036,200,000
8.12% Government of India Loan 2020	100	-	-	2,500,000	261,307,063
8.27% Government of India Loan 2020	100	-	-	7,500,000	784,491,250
TOTAL (A)			**1,297,836,400**		**5,903,868,113**
Quoted- Non Convertible Debentures - Fully paid up					
9.75% UP Power Corporation Limited 2025	1,000,000	50	50,082,450	-	-
9.75% UP Power Corporation Limited 2026	1,000,000	207	207,341,343	-	-
9.75% UP Power Corporation Limited 2027	1,000,000	58	58,095,642	-	-
TOTAL (B)			**315,519,435**		**-**
Unquoted - Pass Through Certificate					
Units of Magma Securitization Trust – LVI		450	303,708,955	-	-
TOTAL (C)			**303,708,955**		**-**
TOTAL (A+B+C)			**1,917,064,790**		**5,903,868,113**
Aggregate amount of quoted investments					
Governments Securities			1,297,836,400		5,903,868,113
Non Convertible Debentures*			315,519,435		-
Aggregate amount of unquoted investments					
Pass Through Certificate*			303,708,955		-
Aggregate market value of quoted investments					
Governments Securities*			1,297,836,400		5,903,868,113
Non Convertible Debentures*			315,519,435		-
Aggregate market value of unquoted investments					
Pass Through Certificate*			303,708,955		-

* Government Securities, Other Bonds - PSU and Pass Through Certificate are valued at cost as the market value is not available.

** Refer note 29(A) & (B)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 16 STOCK OF SECURITIES	Face Value ₹	As at 31.03.2018 Number	 ₹	As at 31.03.2017 Number	 ₹
Commercial Paper					
0.00% Innoven Capital India Private Limited 2017	500,000	-	-	500	244,513,500
TOTAL			-		244,513,500
Bonds & Debentures					
Govt Papers -					
7.59% Karnataka State Development Loan 2027	100	-	-	2,500,000	250,175,000
7.68% Madhya Pradesh Uday State Development Loan 2023	100	-	-	110,000	11,000,000
7.92% Madhya Pradesh Uday State Development Loan 2024	100	-	-	110,000	11,000,000
8.03% Madhya Pradesh Uday State Development Loan 2025	100	-	-	110,000	11,000,000
7.69% Madhya Pradesh Uday State Development Loan 2026	100	-	-	110,000	11,000,000
7.91% Madhya Pradesh Uday State Development Loan 2027	100	-	-	110,000	11,000,000
8.25% Madhya Pradesh Uday State Development Loan 2028	100	-	-	110,000	11,000,000
8.05% Madhya Pradesh Uday State Development Loan 2029	100	-	-	110,000	11,000,000
8.02% Madhya Pradesh Uday State Development Loan 2030	100	-	-	110,000	11,000,000
8.06% Madhya Pradesh Uday State Development Loan 2031	100	-	-	110,000	11,000,000
7.93% Madhya Pradesh Uday State Development Loan 2032	100	-	-	110,000	11,000,000
7.62% Tamilnadu State Development Loan 2027	100	-	-	2,500,000	250,175,000
TOTAL			-		**610,350,000**
Public Sector Banks					
11.15% Allahabad Bank - Perpetual	1,000,000	-	-	318	318,036,000
11.50% Bank Of India - Perpetual	1,000,000	-	-	490	521,667,720
11.60% Bank of Maharashtra - Perpetual	1,000,000	-	-	287	287,008,700
9.23% Corporation Bank - Perpetual	1,000,000	398	398,059,700	-	-
10.75% IDBI Bank Limited - Perpetual	1,000,000	-	-	70	67,313,990
10.95% IDBI Bank Limited - Perpetual	1,000,000	-	-	190	189,515,000
10.00% Indian Overseas Bank - Perpetual	1,000,000	15	14,550,000	-	-
10.90% Punjab And Sind Bank - Perpetual	1,000,000	1	980,000	-	-
9.21% Punjab National Bank - Perpetual	1,000,000	-	-	400	400,000,000
8.15% State Bank Of India - Perpetual	1,000,000	4	3,904,896	-	-
11.25% Syndicate Bank - Perpetual	1,000,000	-	-	180	184,678,800
9.50% Union Bank Of India - Perpetual	1,000,000	-	-	82	85,040,068
11.00% United Bank Of India - Perpetual	1,000,000	356	355,911,100	-	-
12.00% United Bank Of India - Perpetual	1,000,000	243	243,192,149	425	425,000,000
9.54% Vijaya Bank - Perpetual	1,000,000	100	100,103,600	-	-
TOTAL			**1,116,701,445**		**2,478,260,278**
Public Financial Institution - PSU					
7.34% Housing & Urban Development Corporation Ltd. 2023	1,000	176	182,992	-	-
7.19% Housing & Urban Development Corporation Ltd. 2025	1,000,000	-	-	20	21,010,000
7.02% Housing & Urban Development Corporation Ltd. 2026	1,000	-	-	50,000	51,981,200
7.27% Housing & Urban Development Corporation Ltd. 2026	1,000	150	155,588	-	-
7.51% Housing & Urban Development Corporation Ltd. 2028	1,000	300	325,107	-	-
8.51% Housing & Urban Development Corporation Ltd. 2028	1,000	150	174,702	750	873,966
7.39% Housing & Urban Development Corporation Ltd. 2031	1,000	-	-	3,504	3,817,832
7.39% Housing & Urban Development Corporation Ltd. 2031	1,000	-	-	3,012	3,282,845
7.19% India Infrastructure Finance Company Limited 2023	1,000	500	519,238	-	-
8.26% India Infrastructure Finance Company Limited 2023	1,000	349	374,140	700	751,480
8.41% India Infrastructure Finance Company Limited 2024	1,000	3,200	3,513,079	-	-
7.36% India Infrastructure Finance Company Limited 2028	1,000	748	799,230	-	-
8.63% India Infrastructure Finance Company Limited 2028	1,000	450	519,727	-	-
10.60% Indian Railway Finance Corporation Limited 2018	1,000,000	250	253,353,500	-	-
8.00% Indian Railway Finance Corporation Limited 2022	1,000	3,060	3,241,704	-	-
7.18% Indian Railway Finance Corporation Limited 2023	1,000	400	414,054	-	-
7.15% Indian Railway Finance Corporation Limited 2025	1,000,000	-	-	30	31,567,890
8.10% Indian Railway Finance Corporation Limited 2027	1,000	2,084	2,335,257	-	-
7.34% Indian Railway Finance Corporation Limited 2028	1,000	200	214,821	-	-
8.40% Indian Railway Finance Corporation Limited 2029	1,000	-	-	5,350	6,212,887
7.35% Indian Railway Finance Corporation Limited 2031	1,000	-	-	2,351	2,553,971
7.17% Indian Renewable Energy Development Agency Ltd. 2025	1,000,000	-	-	20	20,904,400
7.22% Indian Renewable Energy Development Agency Ltd. 2027	1,000,000	-	-	150	150,065,400
7.49% Indian Renewable Energy Development Agency Ltd. 2031	1,000	-	-	6,812	7,442,403

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 16
STOCK OF SECURITIES CONTD.

	Face Value	As at 31.03.2018		As at 31.03.2017	
	₹	Number	₹	Number	₹
0.00% National Bank For Agriculture & Rural Development 2018	20,000	-	-	150	2,788,310
0.00% National Bank For Agriculture & Rural Development 2019	20,000	300	5,586,802	-	-
7.35% National Bank For Agriculture & Rural Development 2031	1,000	20,100	22,038,512	-	-
7.69% National Bank For Agriculture & Rural Development 2032	1,000,000	-	-	250	250,000,000
8.35% National Insurance Company Limited 2027	1,000,000	-	-	176	176,000,000
8.20% Power Finance Corporation Limited 2022	1,000	150	159,708	-	-
6.88% Power Finance Corporation Limited 2023	1,000	500	510,593	-	-
7.19% Power Finance Corporation Limited 2023	1,000	1,580	1,629,546	-	-
7.75% Power Finance Corporation Limited 2026	100,000	60	6,326,795	-	-
8.30% Power Finance Corporation Limited 2027	1,000	50	56,718	-	-
7.36% Power Finance Corporation Limited 2028	1,000	2,600	2,798,164	-	-
8.54% Power Finance Corporation Limited 2028	1,000	-	-	15,000	17,513,126
9.02% Rural Electrification Corporation Limited 2019	1,000,000	-	-	20	20,626,000
7.22% Rural Electrification Corporation Limited 2022	1,000	650	672,183	-	-
6.88% Rural Electrification Corporation Limited 2023	1,000	500	510,615	-	-
8.09% Rural Electrification Corporation Limited 2028	1,000	50	50,813,050	-	-
8.46% Rural Electrification Corporation Limited 2028	1,000,000	10	11,451,304	100	117,024,800
TOTAL			**368,677,129**		**884,416,510**
Other Bonds - PSU					
8.30% National Highways Authority Of India 2027	1,000	500	568,305	-	-
7.35% National Highways Authority Of India 2031	1,000	2,000	2,161,406	104,996	114,856,803
7.39% National Highways Authority Of India 2031	1,000	-	-	3,469	3,780,499
8.92% NHPC Limited 2033	1,000	275	336,236	-	-
8.75% North Eastern Electric Power Corporation Limited 2028	1,000,000	20	20,000,000	-	-
8.48% NTPC Limited 2028	1,000	-	-	2,807	3,272,120
TOTAL			**23,065,947**		**121,909,422**
Other Bonds - Non PSU					
0.00% Andhra Pradesh Expressway Limited 2024	1,000,000	-	-	150	258,061,350
11.00% Ashiana Housing Limited 2018	100,000	-	-	1,000	100,000,000
11.45% Ashiana Housing Limited 2020	100,000	-	-	700	70,056,000
12.25% Asirvad Microfinance Limited 2018	100,000	-	-	85	8,500,000
12.80% Asirvad Microfinance Limited 2018	100,000	-	-	318	31,965,360
12.25% Asirvad Microfinance Limited 2019	100,000	-	-	260	26,000,000
12.80% Asirvad Microfinance Limited 2019 (INE516Q08109)	100,000	-	-	53	5,300,000
12.80% Asirvad Microfinance Limited 2019 (INE516Q08117)	100,000	-	-	328	32,970,560
11.75% Capital Small Finance Bank 2031	100,000	-	-	532	53,185,000
12.95% Cholamandalam Investment & Finance Co. Ltd.-Perpetual	500,000	4	2,175,278	-	-
8.75% Cholamandalam Ms General Insurance Co. Ltd. 2027	1,000,000	2	2,030,000	-	-
9.85% DCB Bank Limited 2026	100,000	-	-	3,759	375,829,629
10.00% Dewan Housing Finance Corporation Limited 2017	100,000	-	-	43	4,874,395
11.15% Dewan Housing Finance Corporation Limited 2018	1,000,000	35	36,071,000	35	36,071,000
10.70% Dewan Housing Finance Corporation Limited 2021	1,000,000	-	-	7	7,196,700
11.20% Dewan Housing Finance Corporation Limited 2022	1,000,000	49	53,076,800	49	53,076,800
9.25% Dewan Housing Finance Corporation Limited 2023	1,000	-	-	3,000	2,999,400
10.75% Dewan Housing Finance Corporation Limited 2026	1,000,000	-	-	18	18,000,036
8.93% Dewan Housing Finance Corporation Limited 2026	1,000	355	362,894	-	-
11.90% Dhanlaxmi Bank Limited 2018	1,000,000	1	985,000	-	-
9.40% DHFL Vysya Housing Finance Limited 2026	1,000,000	-	-	86	86,017,200
11.25% Fullerton India Credit Company Limited 2018	1,000,000	4	4,104,800	54	55,414,800
10.55% Future Consumer Limited 2019	100,000	95	9,500,000	750	75,000,000
11.00% Future Consumer Limited 2019	100,000	-	-	750	75,000,000
10.55% Future Consumer Limited 2020	100,000	100	9,965,000	940	94,000,000
11.00% Future Consumer Limited 2020	100,000	-	-	130	13,000,000
9.50% Future Enterprises Limited 2021	1,000,000	-	-	9	9,000,000
9.80% Future Enterprises Limited 2023 (INE623B07412)	1,000,000	-	-	7	7,000,000
9.80% Future Enterprises Limited 2023 (INE623B07453)	1,000,000	-	-	10	9,984,250
8.00% Housing Development Finance Corporation Limited 2018	1,000,000	75	749,223,750	-	-
9.15% ICICI Bank Limited - Perpetual	1,000,000	750	750,000,000	-	-
8.35% Indiabulls Housing Finance Limited 2024	100,000	3,500	344,478,050	-	-
8.85% Indiabulls Housing Finance Limited 2026	1,000	100,000	102,000,000	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 16
STOCK OF SECURITIES CONTD.

	Face Value	As at 31.03.2018		As at 31.03.2017	
	₹	Number	₹	Number	₹
9.15% Indiabulls Housing Finance Limited 2026	1,000	50,000	50,173,950	196,205	196,887,597
10.50% Indiabulls Real Estate Limited 2018	1,000,000	350	351,347,500	-	-
11.80% Indiabulls Real Estate Limited 2018	1,000,000	17	17,001,600	18	18,001,600
11.50% Indiabulls Real Estate Limited 2020	1,000,000	-	-	350	353,411,600
10.00% Indiabulls Real Estate Limited 2022	1,000,000	-	-	25	25,102,500
10.05% Indostar Capital Finance Private Limited 2021	10,000,000	-	-	30	308,492,700
9.50% Indusind Bank Limited 2022	1,000,000	-	-	500	496,990,000
11.00% J K Cement Limited 2023	1,000,000	50	50,685,000	-	-
0.00% Janalakshmi Small Finance Bank Limited 2019	1,000,000	500	617,525,000	-	-
8.75% Muthoot Finance Limited 2019	1,000	-	-	36,189	35,842,707
8.50% Muthoot Finance Limited 2020	1,000	100	97,782	-	-
9.00% Muthoot Finance Limited 2020	1,000	-	-	250,629	252,549,468
9.00% Muthoot Finance Limited 2022	1,000	-	-	48,626	48,694,271
12.37% Peninsula Land Limited 2018	100,000	-	-	111	11,102,220
9.55% Piramal Finance Limited 2027	1,000,000	33	33,000,000	-	-
9.15% Reliance Home Finance Limited 2027	1,000	-	-	22,000	21,540,613
8.40% Reliance Jio Infocomm Limited 2018	1,000,000	250	250,333,250	-	-
9.85% Shriram Transport Finance Company Limited 2021	1,000,000	-	-	19	19,330,600
10.70% Sintex Industries Limited 2021	1,000,000	-	-	250	252,714,250
11.00% Sobha Limited 2017	100,000	-	-	1,450	145,000,000
12.00% Sobha Limited 2017 (INE671H07202)	100,000	-	-	260	26,009,200
12.00% Sobha Limited 2017 (INE671H07228)	100,000	-	-	500	50,415,000
12.00% Sobha Limited 2018 (INE671H07186)	100,000	-	-	10	987,500
12.00% Sobha Limited 2018 (INE671H07210)	100,000	-	-	163	16,303,360
11.25% Sobha Limited 2018 (INE671H07244)	100,000	-	-	924	92,400,000
11.25% Sobha Limited 2018 (INE671H07285)	100,000	-	-	1,143	114,322,860
11.25% Sobha Limited 2018 (INE671H07293)	100,000	-	-	200	20,008,000
11.40% Sobha Limited 2020 (INE671H07277)	100,000	-	-	500	50,095,000
9.75% Srei Equipment Finance Limited 2022	1,000	-	-	100,500	100,752,456
11.75% Sunteck Reality Limited 2018	100,000	-	-	415	41,508,300
11.75% Sunteck Reality Limited 2019	100,000	-	-	1,000	100,012,200
11.50% Tata Steel Limited - Perpetual	1,000,000	-	-	1	1,057,727
11.80% Tata Steel Limited - Perpetual	1,000,000	3	3,176,988	-	-
10.70% The Lakshmi Vilas Bank Limited 2024	500,000	179	90,853,053	-	-
11.40% The Tata Power Company Limited - Perpetual	1,000,000	1	1,051,594	-	-
10.75% The Tata Power Company Limited 2072	1,000,000	1	1,005,000	2	2,081,838
9.50% Yes Bank Limited 2021	1,000,000	3	2,930,261	500	497,648,000
Reliance Mutual Fund R Shares Long Term Gilt Etf GILT	10	477,909	7,917,767	544,830	8,616,031
TOTAL			**3,541,071,317**		**4,816,380,078**
GRAND TOTAL			**5,049,515,838**		**9,155,829,788**

* Refer note 29(A), (C) & (E)

NOTE - 17
TRADE RECEIVABLES

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	126,517,196	161,269,833
	126,517,196	**161,269,833**

NOTE - 18
CASH AND CASH EQUIVALENTS

Cash on hand	1,608,564	1,537,514
Balance with banks in current accounts	12,543,664	46,970,595
	14,152,228	**48,508,109**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 19		
SHORT TERM LOANS AND ADVANCES		
Loan to related parties		
Secured, considered good	150,000,000	50,000,000
Loan to other parties		
Secured, considered good	1,949,457,500	1,596,695,762
Unsecured, considered good	-	50,000,000
Deposits		
- with Directors	10,000,000	10,000,000
- with Related parties	15,000,000	15,000,000
- with Others	5,816,000	6,840,000
Balances with the government authorities	3,728,632	379,335
Other advances	62,190	60,926
Prepaid expense	4,925,761	4,717,763
	2,138,990,083	**1,733,693,786**
NOTE - 20		
OTHER CURRENT ASSETS		
Secured, considered good		
- Current maturities of long term loans and advances to other parties *	2,286,854,139	712,051,026
- Current maturities of long term loans and advances to related parties *	103,000,000	-
- Interest accrued and due on loans to related party	-	2,689,348
- Interest accrued and due on loans to others	-	6,456,107
- Interest accrued but not due on loans to related party	5,546,761	-
- Interest accrued but not due on loans to others	8,942,412	74,177,746
Unsecured, considered good		
- Current maturities of long term loans and advances to other parties	161,904,772	-
- Interest accrued and but not due on loans to others	452,597	-
- Advance recoverable in cash or kind or for value to be received	76,602,866	2,325,125
Interest accrued but not due on Non-Current Investments	92,567,909	29,203,766
Interest accrued but not due on Current Investments	30,747,434	97,719,347
	2,766,618,890	**924,622,465**

* Refer note 29(D)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	Current Year ₹ 2017 - 2018	Previous Year ₹ 2016 - 2017
NOTE - 21 REVENUE FROM OPERATIONS		
Interest Income		
- From loans	708,925,658	377,487,312
- From investments	527,032,898	526,052,336
- From stock of securities	468,911,887	359,302,911
	1,704,870,443	**1,262,842,559**
Other operating income (Refer note no. 26)	**220,415,154**	**194,468,589**
Other Financial Services - Investment Income		
- Profit / (loss) on sale of Investments (net)*	(13,223,644)	77,376,635
- Dividend income from non-current investments	-	1,470,275
	(13,223,644)	**78,846,910**
TOTAL	**1,912,061,953**	**1,536,158,058**
* Current year figures have been shown for better comparative presentation with previous year figures.		
NOTE - 22 OTHER INCOME		
Profit on sale of fixed assets	650,054	-
Rent income	2,591,132	-
	3,241,186	**-**
NOTE -23 EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	141,006,476	98,827,792
Employers contribution to provident fund	1,930,677	1,108,793
Staff welfare expenses	872,833	1,023,172
	143,809,986	**100,959,757**
NOTE -24 FINANCE COSTS		
Interest expenses	1,032,657,131	817,871,308
Interest on income tax	287,189	2,854,073
Other borrowing costs	14,727,302	9,869,282
	1,047,671,622	**830,594,663**
NOTE -25 OTHER EXPENSES		
Rent	12,892,470	17,320,100
Rates and taxes	12,258,805	2,481,912
Traveling expenses	6,600,330	5,608,630
Auditor's remuneration		
- for audit fees	280,000	276,482
- for other services	48,983	25,247
Repair and maintenance		
- Others	2,279,539	1,510,033
Incentive expenses	22,008,259	34,902,502
CSR expenditure (Refer Note 39)	-	10,000,000
Professional fees	11,463,925	5,176,098
Bad debts	11,500	386,200
Business promotion expenses	3,118,043	3,341,141
Miscellaneous expenses	13,324,042	16,242,273
	84,285,896	**97,270,618**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE -26
OTHER OPERATING INCOME

	Current Year ₹ 2017 - 2018	Previous Year ₹ 2016 - 2017
(a) Syndication and other fees	**47,389,625**	**140,405,684**
(b) Profit from stock of securities		
Sale of securities	121,688,093,057	100,141,534,427
Add: Closing stock of securities	5,049,515,838	9,155,829,788
Add: Transfer to non-current investments	1,871,389,780	950,010,000
Less: Opening stock of securities	9,155,829,788	4,986,460,694
Less: Transfer from non-current investments	-	180,393,664
Less: Purchase of securities	119,280,143,358	105,026,456,952
Profit from stock of securities	**173,025,529**	**54,062,905**
Other operating Income (a+b)	**220,415,154**	**194,468,589**

NOTE - 27
DETAILS OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES AS ON 31 MARCH 2018

Name of Security	Number	Amount (₹)	Allotment Date	Redemption Date
9.50% Non Convertible Debentures-Series E-I	500	50,000,000	23-Jun-17	23-Jun-27
9.70% Non Convertible Debentures-Series B-II	500	50,000,000	07-Mar-17	07-Mar-27
9.40% Non Convertible Debentures-Series H	5,200	520,000,000	06-Dec-17	06-Dec-24
9.00% Non Convertible Debentures-Series E-II	6,500	650,000,000	10-Aug-17	10-Aug-24
9.70% Non Convertible Debentures-Series B-VII	1,500	150,000,000	21-Mar-17	21-Mar-24
9.60% Non Convertible Debentures-Series B-VI	500	50,000,000	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures-Series B-III	2,600	260,000,000	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures-Series B-I	2,500	250,000,000	07-Mar-17	07-Mar-24
8.80% Non Convertible Debentures-Series G	500	50,000,000	09-Nov-17	09-Nov-22
9.02% Non Convertible Debentures-Series F	10,000	1,000,000,000	07-Jul-17	07-Jul-22
9.55% Non Convertible Debentures-Series C	10,000	1,000,000,000	24-Mar-17	14-Apr-22
9.60% Non Convertible Debentures-Series A-III	300	30,000,000	20-Mar-17	20-Mar-22
9.50% Non Convertible Debentures-Series B-V	200	20,000,000	20-Mar-17	20-Mar-22
9.60% Non Convertible Debentures-Series A-II	400	40,000,000	09-Mar-17	09-Mar-22
9.60% Non Convertible Debentures-Series A-I	3,000	300,000,000	07-Mar-17	07-Mar-22
9.40% Non Convertible Debentures-Series B-IV	2,000	200,000,000	09-Mar-17	09-Sep-21

1. Face Value of all the Non-Convertible Debentures is ₹ 100,000.
2. Non Convertilbe Debentures Series A, Series B, Series E, Series G and Series H are redeemable at a call option in the range of 24 Months to 48 Months

NOTE - 28
BORROWING FACILITIES

The Company has outstanding borrowing facilities from below mentioned banks and financial institutions:

Sr. No.	Name of bank / financial institutions:
1)	Bank of India
2)	The South Indian Bank Limited
3)	Bank of Maharashtra
4)	The Karur Vysya Bank Limited
5)	The Federal Bank Limited
6)	Vijaya Bank
7)	Yes Bank Limited
8)	ICICI Bank Limited
9)	Union Bank of India
10)	Punjab National Bank
11)	IFCI Limited
12)	Bajaj Finance Limited
13)	HDFC Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 29

THE DETAILS OF SECURITIES PLEDGED / LIEN / LENT ARE AS UNDER :

A - With Banks Name of securities	As at 31.03.2018		As at 31.03.2017	
	Number	₹	Number	₹
11.15% Allahabad Bank - Perpetual	-	-	60	60,006,792
11.45% Ashiana Housing Limited 2020	200	20,016,000	700	70,056,000
12.25% Asirvad Microfinance Limited 2018	-	-	65	6,500,000
12.80% Asirvad Microfinance Limited 2018	318	31,965,360	318	31,965,360
12.25% Asirvad Microfinance Limited 2019	-	-	255	25,500,000
12.80% Asirvad Microfinance Limited 2019 (INE516Q08109)	23	2,300,000	-	-
12.80% Asirvad Microfinance Limited 2019 (INE516Q08117)	288	29,640,960	328	32,970,560
11.50% Bank Of India - Perpetual	-	-	490	521,667,720
11.60% Belstar Investment And Finance Pvt Ltd 2020	5,000	450,000,000	-	-
11.75% Capital Small Finance Bank 2031	-	-	530	52,985,056
9.23% Corporation Bank - Perpetual	135	135,020,250	-	-
9.85% DCB Bank Limited 2026	-	-	3,700	369,930,734
11.15% Dewan Housing Finance Corporation Limited 2018	-	-	35	36,071,000
10.70% Dewan Housing Finance Corporation Limited 2021	-	-	7	7,196,700
11.20% Dewan Housing Finance Corporation Limited 2022	-	-	49	53,076,800
9.25% Dewan Housing Finance Corporation Limited 2023	-	-	3,000	2,999,400
10.75% Dewan Housing Finance Corporation Limited 2026	-	-	18	18,000,036
9.40% DHFL Vysya Housing Finance Limited 2026	-	-	86	86,017,200
10.75% Electronica Finance Limited 2020	1,000	90,000,000	-	-
10.75% Fincare Small Finance Bank Limitedd 2018 (INE519Q08061)	250	25,000,000	-	-
10.75% Fincare Small Finance Bank Limitedd 2018 (INE519Q08079)	250	25,000,000	-	-
10.75% Fincare Small Finance Bank Limitedd 2018 (INE519Q08087)	250	25,000,000	-	-
10.75% Fincare Small Finance Bank Limitedd 2019 (INE519Q08095)	250	25,000,000	-	-
10.75% Fincare Small Finance Bank Limitedd 2019 (INE519Q08103)	250	25,000,000	-	-
10.75% Fincare Small Finance Bank Limitedd 2019 (INE519Q08111)	250	25,000,000	-	-
10.75% Fincare Small Finance Bank Limitedd 2019 (INE519Q08129)	250	25,000,000	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07069)	250	25,193,575	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07077)	250	25,246,625	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07085)	250	25,299,975	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07093)	250	25,351,950	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07168)	150	15,129,510	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07176)	150	15,161,685	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07184)	150	15,193,035	-	-
11.45% Five-Star Business Finance Limited 2019 (INE128S07192)	150	15,223,575	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07101)	250	25,401,475	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07119)	250	25,448,225	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07127)	250	25,494,725	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07135)	250	25,540,025	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07200)	150	15,252,390	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07218)	150	15,281,310	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07226)	150	15,308,910	-	-
11.45% Five-Star Business Finance Limited 2020 (INE128S07234)	150	15,335,820	-	-
11.45% Five-Star Business Finance Limited 2021 (INE128S07143)	500	51,167,200	-	-
11.45% Five-Star Business Finance Limited 2021 (INE128S07242)	300	30,722,550	-	-
11.25% Fullerton India Credit Company Limited 2018	-	-	4	4,104,800
10.55% Future Consumer Limited 2018	-	-	750	75,000,000
11.00% Future Consumer Limited 2018	-	-	750	75,000,000
10.55% Future Consumer Limited 2019	95	9,500,000	750	75,000,000
11.00% Future Consumer Limited 2019	-	-	750	75,000,000
9.95% Future Consumer Limited 2019 (INE220J07097)	1,050	105,000,000	-	-
9.95% Future Consumer Limited 2019 (INE220J07105)	1,050	105,000,000	-	-
10.55% Future Consumer Limited 2020	-	-	900	90,000,000
11.00% Future Consumer Limited 2020	-	-	120	12,000,000
9.95% Future Consumer Limited 2020	940	94,000,000	-	-
9.80% Future Enterprises Limited 2023 (INE623B07412)	-	-	7	7,000,000
6.97% Government of India Loan 2026	-	-	1,000,000	102,028,300
6.79% Government of India Loan 2029	-	-	5,000,000	483,516,667
7.59% Government of India Loan 2029	-	-	3,500,000	355,485,200
7.88% Government of India Loan 2030	-	-	5,000,000	518,100,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 29

THE DETAILS OF SECURITIES PLEDGED / LIEN / LENT ARE AS UNDER :

A - With Banks Name of securities	As at 31.03.2018 Number	 ₹	As at 31.03.2017 Number	 ₹
7.02% Housing And Urban Development Corporation Limited 2026	-	-	50,000	51,981,200
8.00% Housing Development Finance Corporation Limited 2018	75	749,223,750	-	-
9.15% ICICI Bank Limited - Perpetual	750	750,000,000	-	-
10.75% IDBI Bank Limited - Perpetual	-	-	60	57,697,706
9.15% Indiabulls Housing Finance Limited 2026	-	-	194,205	194,880,639
10.50% Indiabulls Real Estate Limited 2018	200	200,770,000	-	-
10.00% Indian Overseas Bank - Perpetual	15	14,550,000	-	-
10.60% Indian Railway Finance Corporation Limited 2018	150	152,012,100	-	-
7.15% Indian Railway Finance Corporation Limited 2025	-	-	30	31,567,890
10.05% Indostar Capital Finance Private Limited 2021	-	-	30	308,492,700
11.00% J K Cement Limited 2023	20	20,274,000	-	-
0.00% Janalakshmi Small Finance Bank Limited 2019	500	617,525,000	-	-
7.59% Karnataka State Development Loan 2027	-	-	2,500,000	250,175,000
15.60% Karvy Financial Services Limited 2020	170	169,575,000	-	-
7.68% Madhya Pradesh Uday State Development Loan 2023	-	-	110,000	11,000,000
7.92% Madhya Pradesh Uday State Development Loan 2024	-	-	110,000	11,000,000
8.03% Madhya Pradesh Uday State Development Loan 2025	-	-	110,000	11,000,000
7.69% Madhya Pradesh Uday State Development Loan 2026	-	-	110,000	11,000,000
7.91% Madhya Pradesh Uday State Development Loan 2027	-	-	110,000	11,000,000
8.25% Madhya Pradesh Uday State Development Loan 2028	-	-	110,000	11,000,000
8.05% Madhya Pradesh Uday State Development Loan 2029	-	-	110,000	11,000,000
8.02% Madhya Pradesh Uday State Development Loan 2030	-	-	110,000	11,000,000
8.06% Madhya Pradesh Uday State Development Loan 2031	-	-	110,000	11,000,000
7.93% Madhya Pradesh Uday State Development Loan 2032	-	-	110,000	11,000,000
8.75% Muthoot Finance Limited 2019	-	-	36,189	35,842,707
9.00% Muthoot Finance Limited 2020	-	-	629	633,820
9.00% Muthoot Finance Limited 2022	-	-	48,626	48,694,271
7.35% National Bank For Agriculture And Rural Development 2031	20,000	21,928,868	-	-
7.69% National Bank For Agriculture And Rural Development 2032	-	-	250	250,000,000
7.35% National Highways Authority Of India 2031	-	-	100,000	109,391,599
8.75% North Eastern Electric Power Corporation Limited 2028	20	20,000,000	-	-
12.37% Peninsula Land Limited 2018	-	-	110	11,002,200
9.55% Piramal Finance Limited 2027	33	33,000,000	-	-
8.40% Reliance Jio Infocomm Limited 2018	250	250,333,250	-	-
9.02% Rural Electrification Corporation Limited 2019	-	-	20	20,626,000
8.09% Rural Electrification Corporation Limited 2028	30	30,487,830	-	-
8.46% Rural Electrification Corporation Limited 2028	-	-	100	117,024,800
9.85% Shriram Transport Finance Company Limited 2021	-	-	19	19,330,600
10.70% Sintex Industries Limited 2021	-	-	250	252,714,250
11.00% Sobha Limited 2017	-	-	1,450	145,000,000
12.00% Sobha Limited 2017 (INE671H07202)	-	-	260	26,009,200
12.00% Sobha Limited 2017 (INE671H07228)	-	-	500	50,415,000
12.00% Sobha Limited 2018 (INE671H07210)	143	14,302,960	153	15,303,154
11.25% Sobha Limited 2018 (INE671H07244)	-	-	924	92,400,000
11.25% Sobha Limited 2018 (INE671H07285)	-	-	1,093	109,321,860
11.25% Sobha Limited 2018 (INE671H07293)	-	-	200	20,008,000
9.75% Srei Equipment Finance Limited 2022	-	-	500	501,256
11.75% Sunteck Reality Limited 2018	-	-	215	21,504,300
11.75% Sunteck Reality Limited 2019	-	-	1,000	100,012,200
12.70% Suryoday Small Finance Bank Limited 2022	2,100	209,678,490	-	-
7.62% Tamilnadu State Development Loan 2027	-	-	2,500,000	250,175,000
10.70% The Lakshmi Vilas Bank Limited 2024	170	86,285,022	-	-
9.50% Union Bank Of India - Perpetual	-	-	80	82,965,920
12.00% United Bank Of India - Perpetual	-	-	175	175,000,000
9.75% UP Power Corporation Limited 2025	50	50,082,450	-	-
9.75% UP Power Corporation Limited 2026	207	207,341,343	-	-
9.75% UP Power Corporation Limited 2027	58	58,095,642	-	-
11.45% Vistaar Financial Services Private Limited 2018	200	200,000,000	200	200,000,000
11.45% Vistaar Financial Services Private Limited 2020	150	150,000,000	150	150,000,000
Total (A)		**5,659,660,835**		**6,555,849,597**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 29

THE DETAILS OF SECURITIES PLEDGED / LIEN / LENT ARE AS UNDER :

	As at 31.03.2018		As at 31.03.2017	
B - With Clearing Corporation of India Ltd. **Name of Securities**	**Number**	**₹**	**Number**	**₹**
8.12% Government of India Loan 2020	-	-	2,500,000	261,307,063
8.27% Government of India Loan 2020	-	-	7,500,000	784,491,250
7.35% Government of India Loan 2024	9,500,000	979,408,000	-	-
6.97% Government of India Loan 2026	-	-	2,000,000	204,056,600
7.59% Government of India Loan 2026	3,000,000	318,428,400	4,500,000	477,642,600
6.79% Government of India Loan 2029	-	-	4,000,000	386,813,333
7.61% Government of India Loan 2030	-	-	2,500,000	261,427,100
7.88% Government of India Loan 2030	-	-	5,000,000	518,100,000
7.50% Government of India Loan 2034	-	-	2,000,000	195,200,000
6.62% Government of India Loan 2051	-	-	15,000,000	1,355,700,000
Total (B)		**1,297,836,400**		**4,444,737,946**
C- For Repo **Name of Securities**				
11.25% Fullerton India Credit Company Limited 2018	-	-	50	51,310,000
7.22% Indian Renewable Energy Development Agency Limited 2027	-	-	150	150,065,400
9.50% Indusind Bank Limited 2022	-	-	500	496,990,000
9.00% Muthoot Finance Limited 2020	-	-	250,000	251,915,648
8.35% National Insurance Company Limited 2027	-	-	150	150,000,000
9.21% Punjab National Bank - Perpetual	-	-	400	400,000,000
9.50% Yes Bank Limited 2021	-	-	500	497,648,000
Total (C)		**-**		**1,997,929,048**
D - With Banks **Name of Securities**				
1.25% Tanglin Development Limited 2020	-	-	2,000	211,130,400
Total (D)		**-**		**211,130,400**
E - With Debenture Trustee **Name of Securities**				
8.35% Indiabulls Housing Finance Limited 2024	1,950	191,923,485	-	-
Total (E)		**191,923,485**		**-**
Total (A+B+C+D+E)		**7,149,420,720**		**13,420,777,391**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 30
CONTRIBUTION TO PROVIDENT FUND

Retirement benefits in the form of Provident fund are defined contribution scheme and the contributions are charged to the statement of profit and loss of the current year when the contribution to the respective fund is due. There are no other obligations other than the contribution payable to the respective fund.

NOTE - 31
CONTRIBUTION TO GRATUITY FUND (UNFUNDED)

The following table sets out the unfunded status of the gratuity plan and the amount recognised in the financial statements at the year end.

	Current Year ₹	Previous Year ₹
Change in present value of obligation		
Present value of obligation as at beginning of the year	3,075,559	2,012,617
Interest cost	232,205	161,009
Current service cost	953,654	1,090,001
Past service cost	396,418	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	697,198	(188,068)
Present value of obligation as at year end	**5,355,034**	**3,075,559**
Amount recognised in the balance sheet		
Present value of obligation, as at year end	5,355,034	3,075,559
Fair value of plan assets as at year end	-	-
Liabilities recognised in the balance sheet	**5,355,034**	**3,075,559**
Expense recognised during the year		
Current service cost	953,654	1,090,001
Past service cost	396,418	-
Interest cost	232,205	161,009
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be recognised	697,198	(188,068)
Net periodic cost (included in salaries and wages)	**2,279,475**	**1,062,942**
Assumptions used in accounting for the gratuity plan	**% p.a.**	**% p.a.**
Mortality rate	**IALM (2006-08)**	**IALM (2006-08)**
Discount rate	7.74%	7.55%
Salary escalation rate	5.00%	5.00%
Expected rate of return on plan assets	0.00%	0.00%

NOTE - 32
SEGMENT REPORTING

The Company operates in a single business and geographical segment i.e. "Investment and Financing Activity" within India. Accordingly, no separate disclosures for primary business and secondary geographical segment are required.

NOTE - 33

Non Current Investments (Note 13) include ₹ 56,487,600 being amount invested in unquoted equity shares of a company (other than group company) in earlier years. The investee company is under going through severe financial difficulties and accordingly, petition for winding up is admitted by the Hon'ble High Court. However, having regard to the fact that the outcome of the said matter is still pending before High Court, management feels that diminution in the value of such long term unquoted investments in shares is of temporary in nature in accordance with Accounting Standard - 13 "Accounting for Investments" and there is no need to provide for any impairment loss of such investment at this point of time.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 34
RELATED PARTY DISCLOSURES

i) Related party relationships:

Holding company
A. K. Capital Services Limited

Subsidiary company
Family Home Finance Private Limited (w.e.f 29 June 2017)

Fellow subsidiary
A. K. Stockmart Private Limited
A. K. Capital Corporation Limited
A. K. Wealth Management Private Limited

Key management personnel
A. K. Mittal (Managing Director)
Abhinav Kumar Mittal (Director)
Sneh Lata Mittal (Director)

Relative of a Key management personnel
Anshu
Aditi Mittal

Enterprise in which key management personal is having significant influence
M Square Automobile Private Limited
Family Home Consultancy Services Private Limited (Formerly known as Second Leasing Private Limited)
A. K. Services Private Limited
A. K. Capital Markets Limited

Enterprise in which relative of key management personal is having significant influence
Goodwill Capital Services Private Limited

Notes:

a) The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS) - 18 'Related Party Disclosures' and the same have been relied upon by the auditors.

b) The relationship as mentioned above pertains to those related parties with whom transactions have taken place during the current year and the previous year, except where control exist, in which case the relationship has been mentioned irrespective of the transaction with the related parties.

ii) Details of transactions with related parties are given as under:	Current Year ₹	Previous Year ₹
A) Transaction with related parties:		
Brokerage paid		
A. K. Stockmart Private Limited	6,496,333	7,298,397
Demat charges paid		
A. K. Stockmart Private Limited	24,611	147,284
Directors remuneration		
A. K. Mittal	19,600,000	9,600,000
Abhinav Kumar Mittal	7,200,000	7,200,000
Sneh Lata Mittal	600,000	600,000
Rent Paid		
A. K. Mittal	3,600,000	3,800,000
Aditi Mittal	2,400,000	2,000,000
Anshu	1,800,000	1,800,000
Abhinav Kumar Mittal	-	200,000
Purchase of Car		
M Square Automobile Private Limited	7,338,536	15,892,500

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ii) Details of transactions with related parties are given as under:	Current Year ₹	Previous Year ₹
A) Transaction with related parties:		
Interest Income on Loan given		
A. K. Services Private Limited	813,699	548,219
Family Home Consultancy Services Private Limited	-	3,057,534
M Square Automobile Private Limited	7,814,797	8,919,452
Goodwill Capital Services Private Limited	12,334,352	16,028,710
Investment in Subsidiary Company		
Family Home Finance Private Limited	110,100,000	-
Loan Given		
Family Home Consultancy Services Private Limited	-	100,000,000
A. K. Services Private Limited	100,000,000	-
M Square Automobile Private Limited	223,500,000	230,000,000
Goodwill Capital Services Private Limited	3,000,000	300,000,000
Repayment of Loan given		
A. K. Services Private Limited	100,000,000	227,500,000
Family Home Consultancy Services Private Limited	-	100,000,000
M Square Automobile Private Limited	123,500,000	180,000,000
Goodwill Capital Services Private Limited	-	505,000,000
Deposit given		
Aditi Mittal	-	10,000,000
Deposit repaid		
Abhinav Kumar Mittal	-	10,000,000
Application received towards Non Convertible Debentures		
A. K. Capital Services Limited	251,787,500	180,000,000
(including ₹1,787,500 accrued interest, Previous year ₹ Nil)		
A. K. Stockmart Private Limited	50,357,500	-
(including ₹ 357,500 accrued interest, Previous year ₹ Nil)		
A. K. Services Private Limited	-	100,000,000
Non Convertible Debentures issued to		
A. K. Capital Services Limited	250,000,000	180,000,000
A. K. Stockmart Private Limited	50,000,000	-
A. K. Services Private Limited	-	100,000,000
Interest Expenses on Non Convertible Debentures		
A. K. Capital Services Limited	865,479	870,444
A. K. Services Private Limited	-	34,849
A. K. Capital Corporation Private Limited	865,479	-
A. K. Wealth Management Private Limited	1,586,712	-
A. K. Stockmart Private Limited	432,740	394,521
Purchase of Securities (excluding accrued interest)		
A. K. Capital Corporation Limited	-	20,008,000
A. K. Stockmart Private Limited	97,035,780	5,001,000
A. K. Services Private Limited	650,817,122	248,075,490
A. K. Wealth Management Private Limited	-	1,000,300
Goodwill Capital Services Private Limited	253,050,000	82,078,800

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ii) Details of transactions with related parties are given as under:	Current Year ₹	Previous Year ₹
A) Transactions with related parties:		
Sale of Securities (excluding accrued interest)		
A. K. Stockmart Private Limited	142,963,548	55,000,000
A. K. Services Private Limited	257,754,138	43,956,400
A. K. Mittal	19,780,000	-
Abhinav Kumar Mittal	980,000	-
Aditi Mittal	4,000,000	-
A. K. Capital Markets Limited	6,940,000	-
A. K. Wealth Management Private Limited	23,497,000	-
Family Home Consultancy Services Private Limited	7,940,000	-
Issue of Equity Share capital including share premium		
A. K. Capital Services Limited	-	215,000,000
Issue of Non Cumulative Compulsory Convertible Preference Shares		
A. K. Mittal	300,000,000	-
Aditi Mittal	250,000,000	-
A. K. Capital Markets Limited	100,000,000	-
B) Balances of related parties:		
Rent deposit given outstanding as at year end		
A. K. Mittal	10,000,000	10,000,000
Anshu	5,000,000	5,000,000
Aditi Mittal	10,000,000	10,000,000
Balances Payable		
A. K. Stockmart Private Limited	14,259	94,597
Outsanding Balance of Loan Given		
M Square Automobile Private Limited	150,000,000	50,000,000
Goodwill Capital Services Private Limited	103,000,000	100,000,000
Investment in Subsidiary Company		
Family Home Finance Private Limited	110,100,000	-
Non Convertible Debentures held		
A. K. Capital Services Limited	15,000,000	164,000,000
A. K. Services Private Limited	-	5,300,000
A. K. Wealth Management Private Limited	27,500,000	-
A. K. Capital Corporation Private Limited	15,000,000	-
A. K. Stockmart Private Limited	7,500,000	60,000,000
Interest Accrued on Non Convertible Debentures held		
A. K. Capital Services Limited	865,479	870,444
A. K. Services Private Limited	-	34,849
A. K. Capital Corporation Private Limited	865,479	-
A. K. Wealth Management Private Limited	1,586,712	-
A. K. Stockmart Private Limited	432,740	394,521
Interest Accrued and due on Loan Given (net of TDS)		
Goodwill Capital Services Private Limited	-	2,689,348
Interest Accrued but not due on Loan Given (net of TDS)		
Goodwill Capital Services Private Limited	5,546,761	-
C) Guarantee		
Corporate Guarantee given by Holding Company to bank for working capital demand loan taken by the Company	2,750,000,000	1,750,000,000

Note - Transaction amount is excluding taxes wherever applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 35

The following table sets out the disclosure as required by the notification no. DNBS. 200 /CGM(PK)-2008 dated 1 August 2008 and DNBR. PD. 008/03.10.119/2016-17 dated 1 September 2016 issued by RBI.

(I)	Capital		
	Items	**Current Year**	**Previous Year**
(i)	CRAR (%)	25.97	34.24
(ii)	CRAR - Tier I capital (%)	25.77	34.14
(iii)	CRAR - Tier II capital (%)	0.20	0.10
(iv)	Amount of subordinated debt raised as Tier-II capital	-	-
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-

(₹ In Crores)

(II)	Investment		
	Items	**Current Year**	**Previous Year**
1.	**Value of Investments**		
(i)	Gross Value of Investments		
	- In India	629.02	746.74
	- Outside India	-	-
(ii)	Provisions for Depreciation		
	- In India	-	-
	- Outside India	-	-
(iii)	Net Value of Investments		
	- In India	629.02	746.74
	- Outside India	-	-

2. Movement of provisions held towards depreciation on investments **(₹ In Crores)**

	Items	**Current Year ₹**	**Previous Year ₹**
(i)	Opening balance	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

iii) Derivatives

The Company did not have any transactions in Derivatives.

iv) Disclosures relating to Securitisation

The Company did not have any transactions relating to Securitisation.

v) Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

(₹ In Crores)

	1 day to 30/31 days (one month)	**Over 1 month to 2 months**	**Over 2 months upto 3 months**	**Over 3 months to 6 months**	**Over 6 months to 1 year**	**Over 1 year to 3 years**	**Over 3 yrs to 5 years**	**Over 5 years**	**Total**
Deposits	-	-	-	-	3.08	-	0.02	-	**3.10**
Advances	65.18	17.26	31.37	153.60	199.20	503.72	9.69	2.96	**982.98**
Investments	133.84	32.25	31.41	2.40	4.14	407.39	-	29.93	**641.36**
Stock of Securities	153.38	182.11	182.11	-	-	-	-	-	**517.60**
Borrowings	292.32	200.03	275.67	126.83	275.12	165.39	334.96	3.52	**1,673.84**
Foreign Currency assets	-	-	-	-	-	-	-	-	**-**
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	**-**

Note:

Advances includes loans and advances in the nature of loans and excludes advances recoverable in cash or kind or for value to be received, advance payment of taxes and deposits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ In Crores)

vi) Exposures	Current Year ₹	Previous Year ₹
A. Exposures to real estate sector		
a) Direct exposure		
(i) **Residential mortgages -** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
(ii) **Commercial Real Estate -** Lending secured by mortgages on commercial real estate's (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	289.45	106.21
(iii) **Investments in Mortgage Backed Securities (MBS) and securitiesed exposures -**		
a. Residential	-	-
b. Commercial real estate	-	-
Total Exposure to Real Estate Sector	**289.45**	**106.21**
b) indirect exposure		
Funded and Non Funded Exposures through Housing Finance Companies (HFCs)	156.70	-
Total Exposure to Real Estate Sector	**446.15**	**106.21**
c) Direct Investment		
(i) Commercial Real Estate -	-	-
(ii) **Investments in Mortgage Backed Securities (MBS) and securitised exposures**		
a. Residential	-	-
b. Commercial real estate	89.20	123.47
Total Exposure to Real Estate Sector	**89.20**	**123.47**
d) Indirect Investment		
(Ifunded and Non Funded Exposures through Housing Finance Companies (HFCs)	181.47	100.76
Total Investment Exposure to Real Estate Sector	**270.67**	**224.23**
*Investments Exposure means Investment in Mortgaged Backed Securities and other securitized exposures		
B. Exposures to Capital Market		
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	29.92	6.39
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	0.10
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
Vi loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii bridge loans to companies against expected equity flows / issues;	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	**29.92**	**6.49**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

C. Details of financing of parent company products

The Company did not have any financing of parent company's products.

D. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

Single Borrower Limit (SGL) / Group Borrower Limit (GBL) has not been exceeded the prudential exposure limits during the year by the Company.

E. Unsecured Advances

During the year, the Company has advanced ₹ 24,84,12,695 as unsecured advances.

vii) Miscellaneous

A. Registration obtained from other financial sector regulators

There is no other registration obtained from any other financials sector regulators.

B. Disclosure of Penalties imposed by RBI and other regulators

There is no penalty imposed by RBI and other regulators.

C. Related Party Transactions

i) All material transactions with related parties are disclosed in Note 34 of the Financial Statements.

ii) The Company have the policy on dealing with Related party Transactions and it is disclosed on group website www.akgroup.co.in

D. Rating assigned by credit rating agencies and migration of rating during the year

During the current year, the credit rating agencies have assigned the following credit ratings to the Company:

1 Long Term Bank Facilities - CARE A+ (SO) [Single A Plus (Structured Obligations)]
2 Long Term Bank Facilities - CARE A+ (Single A Plus)
3 Commercial Paper - CARE A1+ (A One Plus)
4 Non-Convertible Debentures - BWR AA+ (SO)
5 Non-Convertible Debentures - BWR AA (SO)
6 Long Term Bank Facilities - BWR AA-
7 Non-Convertible Debentures - SMERA AA (SO)

During the year, there are no migration of above mentioned ratings.

E. Remuneration of Directors

During the year, sitting fees has been paid to a non-executive director amounting to ₹ 80,000.

F. Net Profit or Loss for the year, prior period items and changes in accounting policies

There are no prior period items and change in accounting policies except as reported in the Financial Statements.

G. Revenue Recognition

There are no such circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

H. Accounting Standard 21 - Consolidated Financial Statements (CFS)

The Company has a subsidiary company - Family Home Finance Private Limited which was incorporated on 29 June 2017. The consolidated financial statemetns are seperately presented.

(viii) Additional Disclosures **(₹ in Crores)**

A. Provisions and Contingencies

	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year ₹	Previous Year ₹
	(i) Provisions for depreciation on Investment	-	-
	(ii) Provision towards NPA	-	-
	(iii) Provision made towards Income tax (Including Deferred tax and Earlier period tax adjustments)	20.06	18.77
	(iv) Other Provision and Contingencies (Employee Benefits)	0.34	0.18
	(v) Provision for Standard Assets	2.74	0.36

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

B. Draw Down from Revenues

There have been no drawdown from Reserves.

C.	Concentration of Deposits, Advances, Exposures and NPAs	₹ in Crores
a.	**Concentration of Deposits (for deposit taking NBFCs)** Total Deposits of twenty largest depositors Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	 Not Applicable Not Applicable
b.	**Concentration of Advances** Total Advances to twenty largest borrowers Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	 735.81 74.97%
c.	**Concentration of Exposures** Total Exposure to twenty largest borrowers / customers (Including interest accrued and due) Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	 736.45 74.97%
d.	**Concentration of NPAs** Total Exposure to top four NPA accounts	 -
e.	**Sector-wise NPAs**	
	Sector	**% of NPAs to total advance in that sector**
	Agriculture & allied activities	-
	MSME	-
	Corporate borrowers	-
	Services	-
	Unsecured personal loans	-
	Auto Loans	-
	Other personal Loans	-

D. Movements of NPAs

During the year, there are no NPA accounts in the Company.

E. Overseas Assets

During the year, there are no overseas assets in the Company.

F. Off-Balance Sheet SPVs sponsored

During the year, there are no off-balance sheet SPVs sponsored by the Company.

G. Disclosure of Complaints

During the year, there are no Customer Complaints received from any Customers by the Company.

NOTE - 36
LEASES

I Where the Company is lessee:

The future minimum lease payments as per the lease agreements are as follows:	As at 31.03.2018 ₹	As at 31.03.2017 ₹
Not later than one year	2,187,000	-
Later than one year and not later than five years	-	-

The amount of minimum lease payments with respect to the above lease recognised in the statement of profit and loss for the year is ₹12,892,470 (previous year ₹ 17,320,100).

Above disclosure is for leases entered after 1 April 2001, as per Accounting Standard (AS) - 19 'Leases' as notified by Central Govermnet of India.

II Where the Company is lessor:

The future minimum lease payments receivable as per the lease agreements are as follows:	As at 31.03.2018 ₹	As at 31.03.2017 ₹
Not later than one year	4,882,326	-
Later than one year and not later than five years	4,906,224	-

The amount of minimum lease payments with respect to the above lease recognised in the statement of profit and loss for the year is ₹ 2,591,132 (previous year ₹ Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 37 EARNINGS PER SHARE	Current Year ₹	Previous Year ₹
Net profit after tax available for equity share holders before preference dividend (₹)	404,080,266	310,900,004
Less : Preference dividend (including dividend distribution tax) (₹)	43,467,246	-
Net profit after tax available for equity share holders for basic earning per share (₹)	360,613,020	310,900,004
Add : Preference dividend (including dividend distribution tax) (₹)	43,467,246	-
Net profit after tax available for equity share holders for diluted earning per share (₹)	404,080,266	310,900,004
Weighted average number of equity shares outstanding during the year for basic earnings per share (No.)	23,293,750	21,953,682
Increase in weighted average number of equity shares on dilution of non cumulative compulsory convertible preference shares (No.)	1,647,260	-
Weighted average number of equity shares outstanding during the year for diluted earnings per share (No.)	24,941,010	21,953,682
Basic earnings per share (₹)	15.48	14.16
Diluted earnings per share (₹)*	15.48	14.16
Nominal value of share (₹)	10.00	10.00

* Since diluted earnings per share is increased when taking the convertible preference shares into account (from ₹15.48 per share to ₹16.20 per share) the convertible preference shares are anti-dilutive and are ignored in the calculation of diluted earnings per share. Therefore, diluted earnings per share is ₹15.48 per share.

NOTE - 38

The Company has not received any intimation from its suppliers regarding their registration under the 'Micro, Small and Medium Enterprises Development Act, 2006'. Hence, no disclosure has been made.

NOTE - 39

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education, promoting gender equality, empowering women and ensuring environmental sustainability.

Particluars			Amount ₹
Gross amount required to be spent by the Company during the financial 2017-2018			7,207,774
Amount Spent During the Year	**In Cash ₹**	**Yet to be Paid in Cash ₹**	**Total ₹**
(i) Construction/acquisition of any asset	-	-	-
(ii) Donation to recognised Educational entity	-	-	-
Excess in CSR Expenditure			**(7,207,774)**

NOTE - 40

The disclosure required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is given in Annexure 'A'.

NOTE - 41

In the opinion of management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably stated.

NOTE - 42

Previous year's figure have been regrouped or rearranged, wherever considered necessary, to conform with the current period's presentation.

Signatures to 1 to 42

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration Number : 121750W/W-100010

Madhukar Khandekar
Partner
Membership No. 13912

Place : Mumbai
Date : May 25, 2018

For and on behalf of the Board of Directors

A. K. Mittal
Managing Director
DIN: 00698377

Raghubinder Rai
Director
DIN : 00264007

Mahesh Bhootra
Chief Financial Officer

Govind Lalwani
Company Secretary
ACS : A38806

Place : Mumbai
Date : May 25, 2018

ANNEXURE "A"

SCHEDULE TO THE BALANCE SHEET OF A NON DEPOSIT TAKING NON BANKING FINANCIAL COMPANY AS ON MARCH 31, 2018

Disclosure in terms of Paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

	Particulars		(Amount ₹ In lakhs)	
	Liabilities side			
1	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid**		**Amount outstanding**	**Amount Overdue**
	a	Debentures		
		Secured	47,568.10	NIL
		Unsecured	NIL	NIL
		(Other than falling within the meaning of public deposit*)		
	b	Deferred credits	NIL	NIL
	c	Term Loans	11,862.93	NIL
	d	Inter - corporate loans and borrowings	NIL	NIL
	e	Commercial paper	6,889.88	NIL
	f	Working capital demand loan from bank	72,225.46	NIL
	g	Line of credit from NBFC	17,539.08	NIL
	h	Clearing Corporation of India limited	11,300.20	NIL
	I	Repo Account	NIL	NIL
	* Refer note no.1 below			

2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**		**Amount outstanding**	**Amount Overdue**
	a	In the form of Unsecured debentures	NIL	NIL
	b	Debentures where there is a shortfall in the value of security	NIL	NIL
	c	Other public deposits	NIL	NIL

	Assest Side		**(Amount ₹ in lakhs)**
3	**Break up of loans and advances including bills receivables other than those included in (4) below**		**Amount outstanding**
		Secured	95,664.54
		Unsecured	2,484.13
		(includes those in nature of loans and excludes advances recoverable in cash or kind or for value to be received, advance payment of income tax and deposits)	
4	**Break up of leased assets and stock on hire and hypothecation loans counting towards AFC activities**		**Amount outstanding**
	a	Lease assets including lease rentals under sundry debtors	
		Financial lease	Not applicable
		Operating lease	NIL
	b	Stock on the hire including hire charges under sundry debtors	
		Assets on hire	Not applicable
		Repossessed assets	NIL
	c	Other loans counting towards EL/HP activities	
		Loans where assets have been repossessed	Not applicable
		Loans other than above	Not applicable

SCHEDULE TO THE BALANCE SHEET OF A NON DEPOSIT TAKING NON BANKING FINANCIAL COMPANY AS ON MARCH 31, 2018

Disclosure in terms of Paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

5	Break up of investments	Amount outstanding
	Current Investments	
a	**Quoted**	
	Shares	NIL
	Equity	NIL
	Preference	NIL
	Debentures and bonds	3,155.19
	Units of mutual funds	NIL
	Government securities	12,978.37
	Others	NIL
b	**Unquoted**	
	Shares	
	Equity	NIL
	Preference	NIL
	Debentures and bonds	NIL
	Units of mutual funds	NIL
	Government securities	NIL
	Others	3,037.09
	Long term investments	
A	**Quoted**	
	Shares	NIL
	Equity	1,326.40
	Preference	NIL
	Debentures and bonds	40,739.50
	Units of mutual funds	NIL
	Government securities	NIL
	Others	NIL
b	**Unquoted**	
	Shares	NIL
	Equity	1,665.88
	Preference	NIL
	Debentures and bonds	NIL
	Units of mutual funds	NIL
	Government securities	NIL
	Others	NIL

SCHEDULE TO THE BALANCE SHEET OF A NON DEPOSIT TAKING NON BANKING FINANCIAL COMPANY AS ON MARCH 31, 2018

Disclosure in terms of Paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

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Borrowers group wise classification of financed as in (2) above:		Amount outstanding as at 31.03.2018		
Category		Amount Net of Provisions		
1	**Related parties**	**Secured**	**Unsecured**	**Total**
a	Subsidiaries	NIL	NIL	NIL
b	Companies in the same group	NIL	NIL	NIL
c	Other related parties	2,530.00	NIL	2,530.00
2	**Other than related parties**	93,134.54	2,484.13	95,618.67
	Total	**95,664.54**	**2,484.13**	**98,148.67**
Refer note no. 2 below				

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Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		Amount outstanding	
Category		Market value/ break up of fair value or NAV	Book value (net of provision)
1	**Related parties**		
a	Subsidiaries	1,101.00	1,101.00
b	Companies in the same group	NIL	NIL
c	Other related parties	NIL	NIL
2	**Other than related parties**	**61,369.18**	**61,801.43**
	Total	**62,470.18**	**62,902.43**

* As per Accounting Standard notified by Central Government of India (Refer note no. 3 below)

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Other information		
Sr. No.	**Particular**	**As at 31.03 2018**
		₹
1	Gross non- performing assests	
a	Related parties	NIL
b	Other than related parties	NIL
2	Net non-performing assets	
a	Related parties	NIL
b	other than related parties	NIL
3	Assests acquired in satisfaction of Debts	NIL

Notes:

As defined in point xix of paragraph 3 of Chapter 2 of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

All Accounting Standards notified by Central Government of India and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments (except Debentures and Government Securities are valued at cost as the market value is not available) and break up/ fair value/ NAV in respect of unquoted investments has been disclosed irrespective of whether they are classified as long term or current in (5) above.

Unquoted debentures has been treated as term loans or types of credit facilities depending upon the tenure of such debentures for the purpose of income recognition and asset classification.

INDEPENDENT AUDITOR'S REPORT

To,

The Members of

A. K. CAPITAL FINANCE PRIVATE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of A. K. Capital Finance Private Limited (hereinafter referred to as "the Holding Company") and its subsidiary, (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated 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").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of 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.

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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 consolidated 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, 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 March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

a) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of ₹ 111,898,748 and net assets of ₹ 111,468,316 as at March 31, 2018, total revenues of ₹ 4,601,298 and net cash inflows amounting to ₹111,399,445 for the year then ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

b) Our opinion on the consolidated financial statements, and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary, as noted in the 'other matter' paragraph, 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 purposes of our audit of the aforesaid consolidated 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 so far as it appears from our examination of those books and the reports of the other auditors;

(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 purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:

i. There were no pending litigations which would impact the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. There is no amount required to be transferred to the Investor Education and Protection Fund by Group.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W-100010

(Madhukar Khandekar)
PARTNER
Membership No.: 13912
Place: Mumbai
Date: May 25, 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1(f) under the heading 'Report on Other Legal and Regulatory Requirements' of 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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of A. K. Capital Finance Private Limited ("the Holding Company") and its subsidiary company which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 ('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 respective companies 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.

Auditors' 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, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the respective 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 Holding Company and its subsidiary company, which is incorporated in India, have, 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 31 March 2018, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it related to its subsidiary company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W-100010

(Madhukar Khandekar)
PARTNER

Membership No.: 13912
Place: Mumbai;
Dated: May 25, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

		Note No.	As at 31.03.2018 ₹
I	**EQUITY AND LIABILITES**		
1	**Shareholders' funds**		
	(a) Share capital	2	882,937,500
	(b) Reserves and surplus	3	4,189,865,871
			5,072,803,371
2	**Minority interest**		-
3	**Non-current liabilities**		
	(a) Long-term borrowings	4	5,408,593,970
	(b) Long-term provisions	5	23,881,328
	(c) Other Non Current Liabilities	6	1,240,508
			5,433,715,806
3	**Current liabilities**		
	(a) Short-term borrowings	7	10,788,774,560
	(b) Trade payables	8	5,225,219
	(c) Other current liabilities	9	558,650,020
	(d) Short-term provisions	10	21,919,914
			11,374,569,713
	TOTAL		**21,881,088,890**
II	**ASSETS**		
1	**Non-current assets**		
	(a) **Fixed Assets**	11	
	(i) Property, plant and equipment		300,864,110
	(ii) Intangible assets		888,593
	(b) Non current investments	12	4,263,078,479
	(c) Long-term loans and advances	13	5,188,281,663
	(d) Deferred tax assets (net)	14	3,509,150
			9,756,621,995
2	**Current Assets**		
	(a) Current Investments	15	1,917,064,790
	(b) Stock of securities	16	5,049,515,838
	(c) Trade receivables	17	126,517,196
	(d) Cash and cash equivalents	18	125,551,673
	(s) Short-term loans and advances	19	2,138,992,083
	(f) Other current assets	20	2,766,825,315
			12,124,466,895
			21,881,088,890

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration Number : 121750W/W-100010

For and on behalf of the Board of Directors

Madhukar Khandekar
Partner
Membership No. 13912

A. K. Mittal
Managing Director
DIN: 00698377

Raghubinder Rai
Director
DIN : 00264007

Mahesh Bhootra
Chief Financial Officer

Govind Lalwani
Company Secretary
ACS : A38806

Place : Mumbai
Date : May 25, 2018

Place : Mumbai
Date : May 25, 2018

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED AT 31 MARCH 2018

		Note No.	Current Year ₹ 2017-2018
I	Revenue from operations	21	1,912,061,953
II	Other income	22	7,842,484
III	**Total revenue (I+II)**		**1,919,904,437**
IV	**EXPENSES**		
	Employee benefits expenses	23	145,089,930
	Finance costs	24	1,047,671,622
	Depreciation / amortisation expenses	11	7,444,216
	Other expenses	25	85,753,812
	Contingent provision against standard assets		27,410,888
	Total expenses		**1,313,370,468**
V	**Profit before tax (III-IV)**		**606,533,969**
VI	**Tax expenses:**		
	- Current tax		210,770,000
	- Deferred tax expense / (benefit)		(5,563,372)
	- Deferred tax expenses / (benefit) relating to earlier years		(4,121,241)
			201,085,387
VII	**Profit after tax but before minority interest (V-VI)**		**405,448,582**
VIII	**Share of minority interest**		-
IX	**Profit for the year (VII+VIII)**		**405,448,582**
	Basic earnings per share	34	15.54
	Diluted earnings per share	34	15.54
	Nominal value of equity shares		10.00
	Significant accounting policies	**1**	

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration Number : 121750W/W-100010

For and on behalf of the Board of Directors

Madhukar Khandekar	A. K. Mittal	Raghubinder Rai	Mahesh Bhootra	Govind Lalwani
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
Membership No. 13912	DIN: 00698377	DIN : 00264007		ACS : A38806
Place : Mumbai	Place : Mumbai			
Date : May 25, 2018	Date : May 25, 2018			

CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2018

	Current Year ₹
A CASH FLOW FROM OPERATING ACTIVITIES	
Net profit before tax	**606,533,969**
Adjustments for	
Depreciation	7,444,216
Interest expenses	1,032,944,320
Profit on sale of fixed assets	(650,054)
Bad debts	11,500
Interest received on investments	(527,032,898)
Interest received on fixed deposit	(4,601,298)
Profit / (loss) on sale of investments	13,223,644
Contingent Provisions against standard assets	27,410,888
Operating profit before working capital adjustments	**1,155,284,287**
Adjustments for	
(Increase)/decrease in trade and other receivables	(6,536,969,097)
(Purchase) / sale of stock of securities	2,234,924,170
Increase/(Decrease) in trade and other payables	10,798,392
Cash generated from operations	**(3,135,962,248)**
Direct taxes paid	(227,018,554)
Net cash used in operating activities	**(3,362,980,802)**
B CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(204,123,518)
Sale of fixed assets	14,950,000
(Purchase) / sale of investments (net)	3,145,428,230
Interest received on investments	594,004,811
Interest received on fixed deposit	4,394,873
Net cash generated from investing activities	**3,554,654,396**
C CASH FLOW FROM FINANCING ACTIVITIES	
Issue of preference share capital	650,000,000
Dividend paid on preference shares (including dividend distribution tax)	(43,467,246)
Proceeds from long-term borrowings	2,370,000,000
Repayment of long-term borrowings	(1,002,617,331)
Proceeds from / (repayment) of short-term borrowings (net)	(1,183,171,741)
Interest paid	(905,373,712)
Net cash generated from / (used in) financing activities	**(114,630,030)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**77,043,564**
Cash and cash equivalents at the beginning of the year	48,508,109
Cash and cash equivalents at the end of the year	**125,551,673**
Cash and cash equivalents at the end of the year comprise of:	
Cash on hand	1,608,564
Balances with banks in current accounts	16,943,109
Balances with banks in fixed deposit	107,000,000
	125,551,673

Note: The above cash flow statement has been prepared under 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statement' notified by Central Government of India.

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration Number : 121750W/W-100010

For and on behalf of the Board of Directors

Madhukar Khandekar	A. K. Mittal	Raghubinder Rai	Mahesh Bhootra	Govind Lalwani
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
Membership No. 13912	DIN: 00698377	DIN : 00264007		ACS : A38806
Place : Mumbai	Place : Mumbai			
Date : May 25, 2018	Date : May 25, 2018			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 1
Significant accounting policies:

a. Basis of preparation of financial statements:

The consolidated financial statements are prepared under the historical cost convention on an accrual basis and in accordance with accounting principles generally accepted in India in compliance with the provisions of the Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India are also considered, wherever applicable.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of the Accounting Standard (AS) 3 Cash Flow Statements. The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

The Holding Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve Bank of India for Systemically Important Non-deposit taking Non-Banking Finance Companies (NBFC-ND-SI).

The consolidated financial statements comply with the Accounting Standard (AS)-21 'Consolidated Financial Statements' notified under the Companies (Accounting Standards) Rules 2014. The consolidated financial statements are presented in Indian rupees.

b. Principles of consolidation:

a) The consolidated financial statements include the financial statements of A.K. Capital Finance Private Limited, the parent company (hereinafter referred to as the 'Holding Company') and its subsidiary. (collectively referred to as the 'Group').

The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the parent company and the subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post acquisition increase in the relevant reserves of the subsidiary.

ii) Transactions relating to statement of profit and loss of the acquired subsidiary have been included in the consolidated statement of profit and loss from the effective date of acquisition.

b) The excess of the cost of acquisition of investment in the subsidiary over the acquired portion of equity in the subsidiary is recognised in the financial statements as 'goodwill'. The excess of acquired portion of equity in subsidiary over the cost of acquisition of investments in the subsidiary is recognised in the financial statements as 'capital reserve'.

c) Minority interest in the net assets of consolidated subsidiary consists of:

- the amount of equity attributable to minorities at the date on which investment in subsidiary is made; and
- the minorities' share of movements in equity since the date the parent and subsidiary relationship came into existence.

d) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

e) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible.

c. Use of estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in India requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

d. Fixed assets and depreciation / amortisation:

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

Depreciation on property, plant and equipment is provided on the basis of useful life of property, plant and equipment specified by Schedule II to the Companies Act, 2013.

Leasehold improvements are amortised over the lease period.

Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The capitalised cost includes license fees and cost of implementation / system integration services.

Software being amortised on a straight line basis over its estimated useful life or maximum 5 years, whichever is lower

e. Investments:

i) Non- current investments are valued at cost. Provision is made for diminution in the values when the decline is other than temporary.

ii) Current investments are valued at lower of cost or market / break up value determined on an individual investment basis.

f. Stock of securities

Stock of securities is valued at lower of cost (arrived on the basis of First In First Out (FIFO) method) or net realisable value. Bonds are valued at cost as their market value is not available. The cost of securities are inclusive of transaction charges, brokerage and service tax, goods and service tax etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

g. Revenue recognition:

Profit on stock of securities income is recognised on the date of sale of securities.
Revenue from service charges, fees and commission is recognised when the contract has been completed.
Investment income is recognised on the date of sale of securities.
Interest income is recognised on accrual basis.
Rent income is recognised on accrual basis.
Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

h. Transaction in foreign currencies:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the balance sheet date are translated at the rates of exchange prevailing at the date of the balance sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.

i. Retirement benefits:

i. Defined contribution plans

The Group contributes to employees' provident fund (a defined contribution plan) towards post employment benefit, which is administered by respective government authorities and the Group has no further obligation beyond making its contribution.

ii. Defined benefit plans

The Holding Company has a defined benefit plan namely gratuity for all its employees. The liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

iii. Employee leave entitlement

The employees of the Group are entitled to leave as per the leave policy of the Group. The liability in respect of unutilized leave balances is provided as at the year end and charged to the statement of profit and loss.

j. Borrowing costs:

Borrowing costs attributable to the acquisition and construction of qualifying assets upto the date of such acquisition or construction are capitalised as part of the cost of respective assets. Other borrowing costs are charged to statement of profit and loss in the period in which they are incurred.

k. Accounting for taxes on income:

i) Provision for income tax is made on the basis of the estimated taxable income for the accounting year in accordance with the Income-tax Act, 1961.

ii) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a virtual / reasonable certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

l. Lease:

i) As a Lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on straight-line basis over the lease term.

ii) As a Lessor:

Assets subject to operating lease are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

m. Impairment of assets:

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

n. Provisions and contingent liabilities:

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

In case of Holding Company the General Provision @ 0.40% (as at 31 March 2017 – 0.35%) on Standard Assets is made as per RBI notification issued as on 1st September 2016 as updated on 28th February 2018**.**

o. Earnings per share

The basic earnings per share ("EPS") is computed by dividing the net profit/(loss) after tax for the year available for the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year available for equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p. Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposits with original maturity period of twelve months or less and short term highly liquid investments with an original maturity of three months or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹
NOTE - 2	
SHARE CAPITAL	
Authorised	
30,000,000 Equity shares of ₹ 10 each	300,000,000
6,500,000 Preference shares of ₹ 100 each	650,000,000
	950,000,000
Issued, subscribed and paid up	
2,32,93,750 Equity shares of ₹ 10 each fully paid up	232,937,500
6,500,000 Compulsorily Convertible Preference shares of ₹ 100 each fully paid up	650,000,000
	882,937,500

a) Reconciliation of the shares outstanding at the beginning and at the year end

I Equity shares	**As at 31.03.2018**	
	Number of shares	**Amount in ₹**
Shares outstanding at the beginning of the year	23,293,750	232,937,500
Add : Shares issued during the year	-	-
Shares outstanding at the end of the year	**23,293,750**	**232,937,500**

II Non Cumulative Compulsory Convertible Preference Shares	**As at 31.03.2018**	
	Number of shares	**Amount in ₹**
Shares outstanding at the beginning of the year	-	-
Add: Shares issued during the year	6,500,000	650,000,000
Shares outstanding at the end of the year	6,500,000	650,000,000

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share.

In the event of the liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Terms / rights attached to Non Cumulative Compulsory Convertible Preference Shares

During the current year, the Company had issued 6,500,000 Compulsory Convertible Preference Shares (CCPS) of ₹ 100 each fully paid-up. The Company had only one class of CCPS fully participating with equity having par value of ₹10 per share.

Each CCPS shall carry a dividend of 12% per annum exclusive of any applicable taxes, up to the date of their conversion into equity shares of the Company,subject to the approval of the Board of Directors and Shareholders of the Company. The dividend on CCPS shall be on Non-Cumulative basis.CCPS shall be converted in the ratio of 2: 1 i.e. 2 CCPS of face value of ₹ 100 each shall be convertible into 1 Equity Share of face value of ₹ 10 each and Security Premium of ₹190 each. The CCPS holders may convert in full/ (part) at any time after three months from the date of issue but before the expiry of eighty four months from the date of issue of the CCPS. If the CCPS are not converted within 84 months from the date of issue, then the CCPS shall be automatically converted into equity shares.

d) Shares held by the holding company	**As at 31.03.2018 ₹**
22,997,490 Equity shares of ₹10 per share	229,974,900
2,500,000 Preference shares of ₹ 100 per share	250,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

e) Details of shareholders holding more than 5% shares in the Company

I Equity shares	As at 31.03.2018	
Name of shareholder	**Number**	**% of Holding**
A. K. Capital Services Limited	22,997,490	98.73

II Compulsorily Convertible Preference Shares	As at 31.03.2018	
Name of shareholder	**Number**	**% of Holding**
A. K. Mittal	3,000,000	46.16%
A. K. Capital Services Limited	2,500,000	38.46%
A. K. Services Private Limited	1,000,000	15.38%

	As at 31.03.2018 ₹
NOTE - 3	
RESERVES AND SURPLUS	
Special reserve*	
Opening balance	222,992,531
Add: Current year transfer	81,000,000
Closing balance (A)	303,992,531
Securities premium account	
Opening balance	2,732,187,500
Add: Additions during the year	-
Closing balance (B)	2,732,187,500
Surplus	
Opening balance	872,704,504
Add: Net profit for the current year	405,448,582
Less: Dividend paid on CCPS	36,115,068
Less: Dividend distribution tax paid	7,352,178
Less: Transfer to special reserve	81,000,000
Closing balance (C)	**1,153,685,840**
Total (A + B + C)	**4,189,865,871**

*Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-banking Finance Company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purpose specified by the RBI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 4
LONG TERM BORROWINGS

	As at 31.03.2018 ₹
Secured	
Term Loans	
From Banks*	724,390,305
From non-banking financial company (NBFC)**	58,866,475
Vehicle Loans	
From Banks***	5,337,190
Redeemable Non-Convertible Debentures ****	4,620,000,000
(Refer note no.27)	**5,408,593,970**

* Loan against receivables from bank is repayable in 8 to 16 quarterly installments along with interest from the date of loan. The loans are secured by Pari- passu first charge by way of hypothecation/assignment of assets financed including current and future receivables of the Company, in favour of the security trustee.

** Housing loan from NBFC is repayable in 180 equated monthly installments along with interest from the date of loan. The loans are secured by mortgage of premises at Delhi, purchased there against.

*** Vehicle loans from bank is repayable in 36 to 60 equated monthly installments along with interest from the date of loan. The loans are secured by hypothecation of motor vehicle purchased there against.

**** Secured by a first charge over the identified "business assets" i.e. investments/receivables of the Company and a pari-passu charge over the immovable properties of the Company, situated at Chennai and Pune.

NOTE - 5
LONG TERM PROVISIONS

Provision for employee benefits	
Gratuity (unfunded)	3,226,725
Others	
Contingent Provisions against standard assets	20,654,603
	23,881,328

NOTE - 6
OTHER NON-CURRENT LIABILITIES

Security deposits towards leased assets	1,240,508
	1,240,508

NOTE - 7
SHORT TERM BORROWINGS

Secured	
Loans repayable on demand	
from banks	
Working capital demand loan*	7,219,786,824
from Others	
The Clearing Corporation of India Limited**	1,130,000,000
From non-banking financial company (NBFC)***	1,750,000,000
Unsecured	
Commercial Paper	688,987,736
	10,788,774,560

* (a) Working capital demand loan is secured against pledge/lien on government securities and other debt securities, corporate guarantee of the holding company, A. K. Capital Services Limited and demand promissory note. The above loan is repayable on demand.

* (b) Loan against receivables is secured by Pari- passu first charge by way of hypothecation/ assignment of assets financed including current and future receivables of the company, in favour of the security trustee.

**Loan from The Clearing Corporation of India Limited is secured against lien on government securities and cash deposit.

***Loan from non banking finance company is secured by hypothecation on first pari passu charge over the "business assets", in favour of the security trustee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 8
TRADE PAYABLES

	As at 31.03.2018 ₹
Total outstanding dues of micro, small & medium enterprises (Refer note 35)	-
Total outstanding dues of creditors other than micro, small & medium enterprises	5,225,219
	5,225,219

NOTE - 9
OTHER CURRENT LIABILITIES

Current maturities of Long term debt - from Banks (Refer note no. 4)	389,093,471
Current maturities of Long term debt - from NBFC (Refer note no. 4)	4,747,776
Interest accrued and due on borrowings	4,524,518
Interest accrued and but not due on borrowings	142,630,732
Security deposits towards leased assets	1,350,624
Employees dues	7,275,534
Statutory dues	8,875,774
Sundry creditors for capital goods	95,900
Other payable	55,691
	558,650,020

NOTE - 10
SHORT TERM PROVISIONS

Provision for employee benefits	
Gratuity (unfunded)	2,128,309
Leave encashment	796,464
	2,924,773
Others	
Contingent Provisions against standard assets	18,664,633
Provision for taxation (Net of Advance Tax ₹ 439,492)	330,508
	18,995,141
	21,919,914

NOTE - 11
FIXED ASSETS

Amount in ₹

	Property, plant and equipment							Intangible assets
Particulars	**Computers**	**Office Equipments**	**Furniture & Fixtures**	**Building**	**Office Building under Lease**	**Vehicles**	**Total**	**Software**
Cost								
As at 01/04/2017	2,478,699	1,329,438	4,795,524	95,937,600	-	26,417,617	130,958,878	3,481,107
Additions	1,248,125	492,881	672,831	86,560,800	107,000,000	7,338,536	203,313,173	810,345
Deductions / adjustments	-	-	-	-	-	15,918,500	15,918,500	-
As at 31/03/2018	**3,726,824**	**1,822,319**	**5,468,355**	**182,498,400**	**107,000,000**	**17,837,653**	**318,353,551**	**4,291,452**
Depreciation								
As at 01/04/2017	1,366,793	584,202	574,422	3,876,892	-	5,678,323	12,080,632	2,986,006
Charge for the year	547,116	286,471	484,171	2,680,918	644,931	2,383,756	7,027,363	416,853
Deductions / adjustments	-	-	-	-	-	1,618,554	1,618,554	-
Upto 31/03/2018	**1,913,909**	**870,673**	**1,058,593**	**6,557,810**	**644,931**	**6,443,525**	**17,489,441**	**3,402,859**
Net block								
As at 31/03/2018	**1,812,915**	**951,646**	**4,409,762**	**175,940,590**	**106,355,069**	**11,394,128**	**300,864,110**	**888,593**

Notes:

- Vehicles include vehicles hypothecated against loan taken having gross block of ₹8,220,333 ,accumulated deprecation of ₹8,06,308 and net block of ₹7,414,025.
- Building include premises hypothecated against loan taken having gross block of ₹ 77,040,100 , accumulated deprecation of ₹5,153,074 and net block of ₹71,887,026.
- Building include premises mortgaged against non convertible debenture taken having gross block of ₹19,947,500 , accumulated deprecation of ₹336,917 and net block of ₹19,610,583.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹
NOTE - 12	
NON CURRENT INVESTMENTS	
Equity shares	132,639,736
- Quoted	56,487,600
- Unquoted	4,073,951,143
Non convertible debentures*	**4,263,078,479**
*Non convertible debentures pledged with banks is ₹ 2,253,231,330.	
Also refer note no. 26.	
NOTE - 13	
LONG-TERM LOANS AND ADVANCES	
Security deposits	
Unsecured, considered good	228,960
Loan to other parties	
Secured, considered good	5,077,142,870
Unsecured, considered good	86,507,923
"Advance Income Tax(Net of Provision ₹ 484,865,964)"	20,277,429
Capital advances	418,960
Prepaid expense	3,705,521
	5,188,281,663
NOTE - 14	
DEFERRED TAX ASSETS / (LIABILITIES) (NET)	
Deferred tax assets:	
Timing difference arising on account of :	
Expenses disallowed under section 35D	1,773,492
Contingent Provisions against standard assets	11,449,762
Expenses allowable on payment basis (gratuity)	1,559,386
	14,782,640
Less: Deferred tax liabilities:	
Timing difference arising on account of :	
Depreciation	11,273,490
	11,273,490
Net deferred tax asset / (liability)	**3,509,150**
(Deferred tax assets has not been created on long term capital loss because there is no virtual / reasonable certainty.)	
NOTE - 15	
CURRENT INVESTMENTS	
Government securities*	1,297,836,400
Non convertible debentures*	315,519,435
Pass Through Certificates	303,708,955
	1,917,064,790
"*Non convertible debentures / government securities pledged with banks ₹315,519,435 and ₹1,297,836,400 with The Clearing Corporation of India Limited."	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹
NOTE - 16	
STOCK OF SECURITIES	
Non convertible debentures*	5,049,515,838
	5,049,515,838
Non convertible debentures pledged with banks / debenture trustee is ₹ 3,282,833,555	
Also refer note no. 26	
NOTE - 17	
TRADE RECEIVABLES	
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-
Others	126,517,196
	126,517,196
NOTE - 18	
CASH AND CASH EQUIVALENTS	
Cash on hand	
Balance with banks in current accounts	1,608,564
Other Bank Balances	16,943,109
- Fixed deposit with less than 12 months maturity	
- Fixed deposit with more than 12 months maturity	105,000,000
	2,000,000
	125,551,673
NOTE - 19	
SHORT TERM LOANS AND ADVANCES	
Loan to related parties	
Secured, considered good	150,000,000
Loan to other parties	
Secured, considered good	1,949,457,500
Deposits	
- with Directors	10,000,000
- with Related parties	15,000,000
- with Others	5,816,000
Balances with the government authorities	3,728,632
Other advances	62,190
Prepaid expense	4,927,761
	2,138,992,083
NOTE - 20	
OTHER CURRENT ASSETS	
Secured, considered good	
- Current maturities of long term loans and advances to other parties	2,286,854,139
- Current maturities of long term loans and advances to related parties	103,000,000
- Interest accrued but not due on loans to related party	5,546,761
- Interest accrued and but not due on loans to others	8,942,412
Unsecured, considered good	
- Current maturities of long term loans and advances to other parties	161,904,772
- Interest accrued and but not due on loans to others	452,597
- Advance recoverable in cash or kind or for value to be received	76,602,866
Interest accrued but not due on Non-Current Investments	92,567,909
Interest accrued but not due on Current Investments	30,747,434
Interest accrued but not due on Fixed Deposit	206,425
	2,766,825,315

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	Current Year ₹ 2017-2018
NOTE - 21	
REVENUE FROM OPERATIONS	
Interest	
- From loans	708,925,658
- From investment	527,032,898
- From stock of securities	468,911,887
	1,704,870,443
Other operating income (Refer note no. 26)	**220,415,154**
Other Financial Services - Investment Income	
- Profit / (loss) on sale of Investments (net)*	(13,223,644)
	(13,223,644)
TOTAL	**1,912,061,953**
* Figures have been shown in-line with presentation of standalone financial statements	
NOTE - 22	
OTHER INCOME	
Profit on sale of fixed assets	650,054
Interest received on fixed deposit	4,601,298
Rent Income	2,591,132
	7,842,484
NOTE - 23	
EMPLOYEE BENEFITS EXPENSES	
Salaries and wages	142,269,645
Employers contribution to provident fund	1,947,452
Staff welfare expenses	872,833
	145,089,930
NOTE - 24	
FINANCE COSTS	
Interest expenses	1,032,657,131
Interest on income tax	287,189
Other borrowing costs	14,727,302
	1,047,671,622
NOTE - 25	
OTHER EXPENSES	
Rent	12,892,470
Rates and taxes	13,654,336
Traveling expenses	6,625,189
Auditor's remuneration	
for audit fees	291,800
for other services	59,603
Repair and maintenance	
- Others	2,279,539
Incentive expenses	22,008,259
CSR expenditure (Refer Note 37)	-
Professional fees	11,472,775
Bad debts	11,500
Business promotion expenses	3,118,043
Miscellaneous expenses	13,340,298
	85,753,812

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 26
OTHER OPERATING INCOME

	Current Year ₹
(a) Syndication and other fees	**47,389,625**
(b) Profit from stock of securities	
Sale of securities	121,688,093,057
Add: Closing stock of securities	5,049,515,838
Add: Transfer to Non Current Investments	1,871,389,780
Less: Opening stock of securities	9,155,829,788
Less: Purchase of securities	119,280,143,358
Profit from stock of securities	**173,025,529**
Other operating Income (a+b)	**220,415,154**

NOTE - 27
DETAILS OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES AS ON 31 MARCH 2018

Name of Security	Number	Amount ₹	Allotment Date	Redemption Date
9.50% Non Convertible Debentures-Series E-I	500	50,000,000	23-Jun-17	23-Jun-27
9.70% Non Convertible Debentures-Series B-II	500	50,000,000	07-Mar-17	07-Mar-27
9.40% Non Convertible Debentures-Series H	5,200	520,000,000	06-Dec-17	06-Dec-24
9.00% Non Convertible Debentures-Series E-II	6,500	650,000,000	10-Aug-17	10-Aug-24
9.70% Non Convertible Debentures-Series B-VII	1,500	150,000,000	21-Mar-17	21-Mar-24
9.60% Non Convertible Debentures-Series B-VI	500	50,000,000	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures-Series B-III	2,600	260,000,000	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures-Series B-I	2,500	250,000,000	07-Mar-17	07-Mar-24
8.80% Non Convertible Debentures-Series G	500	50,000,000	09-Nov-17	09-Nov-22
9.02% Non Convertible Debentures-Series F	10,000	1,000,000,000	07-Jul-17	07-Jul-22
9.55% Non Convertible Debentures-Series C	10,000	1,000,000,000	24-Mar-17	14-Apr-22
9.60% Non Convertible Debentures-Series A-III	300	30,000,000	20-Mar-17	20-Mar-22
9.50% Non Convertible Debentures-Series B-V	200	20,000,000	20-Mar-17	20-Mar-22
9.60% Non Convertible Debentures-Series A-II	400	40,000,000	09-Mar-17	09-Mar-22
9.60% Non Convertible Debentures-Series A-I	3,000	300,000,000	07-Mar-17	07-Mar-22
9.40% Non Convertible Debentures-Series B-IV	2,000	200,000,000	09-Mar-17	09-Sep-21

1. Face Value of all the Non-Convertible Debentures is ₹ 100,000.
2. Non Convertilbe Debentures Series A, Series B, Series E, Series G and Series H are redeemable at a call option in the range of 24 Months to 48 Months

NOTE - 28
BORROWING FACILITIES

The Company has outstanding borrowing facilities from below mentioned banks and financial institutions:

Sr. No.	Name of bank / financial institutions:
1)	Bank of India
2)	The South Indian Bank Limited
3)	Bank of Maharashtra
4)	The Karur Vysya Bank Limited
5)	The Federal Bank Limited
6)	Vijaya Bank
7)	Yes Bank Limited
8)	ICICI Bank Limited
9)	Union Bank of India
10)	Punjab National Bank
11)	IFCI Limited
12)	Bajaj Finance Limited
13)	HDFC Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 29
CONTRIBUTION TO PROVIDENT FUND

Retirement benefits in the form of Provident fund are defined contribution scheme and the contributions are charged to the statement of profit and loss of the current year when the contribution to the respective fund is due. There are no other obligations other than the contribution payable to the respective fund.

NOTE - 30
CONTRIBUTION TO GRATUITY FUND (UNFUNDED)

The following table sets out the unfunded status of the gratuity plan and the amount recognised in the financial statements at the year end.

	Current Year ₹
Change in present value of obligation	
Present value of obligation as at beginning of the year	3,075,559
Interest cost	232,205
Current service cost	953,654
Past service cost	396,418
Benefits paid	-
Actuarial (gain)/loss on obligation	697,198
Present value of obligation as at year end	**5,355,034**
Amount recognised in the balance sheet	
Present value of obligation, as at year end	5,355,034
Fair value of plan assets as at year end	-
Liabilities recognised in the balance sheet	**5,355,034**
Expense recognised during the year	
Current service cost	953,654
Past service cost	396,418
Interest cost	232,205
Expected return on plan assets	-
Net actuarial (gain)/loss to be recognised	697,198
Net periodic cost (included in salaries and wages)	**2,279,475**
Assumptions used in accounting for the gratuity plan	**% p.a.**
Mortality rate	**IALM (2006-08)**
Discount rate	7.74%
Salary escalation rate	5.00%
Expected rate of return on plan assets	0.00%

NOTE - 31
SEGMENT REPORTING

The Group operates in a single business and geographical segment i.e. "Investment and Financing Activity" within India. Accordingly, no separate disclosures for primary business and secondary geographical segment are required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 32
RELATED PARTY DISCLOSURES

i) Related party relationships:

Holding company
A. K. Capital Services Limited

Fellow subsidiary
A. K. Stockmart Private Limited
A. K. Capital Corporation Limited
A. K. Wealth Management Private Limited

Key management personnel
A. K. Mittal (Managing Director)
Abhinav Kumar Mittal (Director)
Sneh Lata Mittal (Director)
Annu Garg (Director)

Relative of a Key management personnel
Anshu
Aditi Mittal

Enterprise in which key management personal is having significant influence
M Square Automobile Private Limited
Family Home Consultancy Services Private Limited (Formerly known as Second Leasing Private Limited)
A. K. Services Private Limited
A. K. Capital Markets Limited

Enterprise in which relative of key management personal is having significant influence
Goodwill Capital Services Private Limited

Notes:

a) The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS) - 18 'Related Party Disclosures' and the same have been relied upon by the auditors.

b) The relationship as mentioned above pertains to those related parties with whom transactions have taken place during the current year and the previous year, except where control exist, in which case the relationship has been mentioned irrespective of the transaction with the related parties.

ii) Details of transactions with related parties are given as under:	**Current Year ₹**
A) Transaction with related parties:	
Brokerage paid	
A. K. Stockmart Private Limited	6,496,333
Demat charges paid	
A. K. Stockmart Private Limited	24,611
Directors remuneration	
A. K. Mittal	19,600,000
Abhinav Kumar Mittal	7,200,000
Sneh Lata Mittal	600,000
Annu Garg	116,400
Rent Paid	
A. K. Mittal	3,600,000
Aditi Mittal	2,400,000
Anshu	1,800,000
Purchase of Car	
M Square Automobile Private Limited	7,338,536

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(A) Transaction with related parties:	Current Year ₹
Interest Income on Loan given	
A. K. Services Private Limited	813,699
M Square Automobile Private Limited	7,814,797
Goodwill Capital Services Private Limited	12,334,352
Loan Given during the year	
A. K. Services Private Limited	100,000,000
M Square Automobile Private Limited	223,500,000
Goodwill Capital Services Private Limited	3,000,000
Repayment of Loan given	
A. K. Services Private Limited	100,000,000
M Square Automobile Private Limited	123,500,000
Application received towards Non Convertible Debentures	
A. K. Capital Services Limited (including ₹ 1,787,500 accrued interest, Previous year ₹ Nil)	251,787,500
A. K. Stockmart Private Limited (including ₹ 357,500 accrued interest, Previous year ₹ Nil)	50,357,500
Non Convertible Debentures issued to	
A. K. Capital Services Limited	250,000,000
A. K. Stockmart Private Limited	50,000,000
Interest Expenses on Non Convertible Debentures	
A. K. Capital Services Limited	865,479
A. K. Capital Corporation Private Limited	865,479
A. K. Wealth Management Private Limited	1,586,712
A. K. Stockmart Private Limited	432,740
Purchase of Securities (excluding accrued interest)	
A. K. Stockmart Private Limited	97,035,780
A. K. Services Private Limited	650,817,122
Goodwill Capital Services Private Limited	253,050,000
Sale of Securities (excluding accrued interest)	
A. K. Stockmart Private Limited	142,963,548
A. K. Services Private Limited	257,754,138
A. K. Mittal	19,780,000
Abhinav Kumar Mittal	980,000
Aditi Mittal	4,000,000
A. K. Capital Markets Limited	6,940,000
A. K. Wealth Management Private Limited	23,497,000
Family Home Consultancy Services Private Limited	7,940,000
Issue of Non Cumulative Compulsory Convertible Preference Shares	
A. K. Mittal	300,000,000
Aditi Mittal	250,000,000
A. K. Capital Markets Limited	100,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	Current Year ₹
B) Balances of related parties:	
Rent deposit given outstanding as at year end	
A. K. Mittal	10,000,000
Anshu	5,000,000
Aditi Mittal	10,000,000
Balances Payable	
A. K. Stockmart Private Limited	14,259
Outsanding Balance of Loan Given	
M Square Automobile Private Limited	150,000,000
Goodwill Capital Services Private Limited	103,000,000
Non Convertible Debentures held	
A. K. Capital Services Limited	15,000,000
A. K. Wealth Management Private Limited	27,500,000
A. K. Capital Corporation Private Limited	15,000,000
A. K. Stockmart Private Limited	7,500,000
Interest Accrued on Non Convertible Debentures held	
A. K. Capital Services Limited	865,479
A. K. Capital Corporation Private Limited	865,479
A. K. Wealth Management Private Limited	1,586,712
A. K. Stockmart Private Limited	432,740
Interest Accrued but not due on Loan Given (net of TDS)	
Goodwill Capital Services Private Limited	5,546,761
C) Guarantee	
Corporate Guarantee given by Holding Company to bank for working capital demand loan taken by the Company	2,750,000,000

Note - Transaction amount is excluding taxes wherever applicable.

NOTE - 33
LEASES

	As at 31.03.2018 ₹
I Where the Group is lessee:	
The future minimum lease payments as per the lease agreements are as follows:	
Not later than one year	2,187,000
Later than one year and not later than five years	-

The amount of minimum lease payments with respect to the above lease recognised in the statement of profit and loss for the year is ₹ 12,892,470

Above disclosure is for leases entered after 1 April 2001, as per Accounting Standard (AS) - 19 'Leases' as notified by Central Govermnet of India.

	As at 31.03.2018 ₹
II Where the Group is lessor:	
The future minimum lease payments receivable as per the lease agreements are as follows:	
Not later than one year	4,882,326
Later than one year and not later than five years	4,906,224

The amount of minimum lease payments with respect to the above lease recognised in the statement of profit and loss for the year is ₹ 2,591,132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 34 EARNINGS PER SHARE	Current Year ₹
Net profit after tax available for equity share holders before preference dividend (₹)	405,448,582
Less : Preference dividend (including dividend distribution tax) (₹)	43,467,246
Net profit after tax available for equity share holders for basic earning per share (₹)	361,981,336
Add : Preference dividend (including dividend distribution tax) (₹)	43,467,246
Net profit after tax available for equity share holders for diluted earning per share (₹)	405,448,582
Weighted average number of equity shares outstanding during the year for basic earnings per share (No.)	23,293,750
Increase in weighted average number of equity shares on dilution of non cumulative compulsory convertible preference shares (No.)	1,647,260
Weighted average number of equity shares outstanding during the year for diluted earnings per share (No.)	24,941,010
Basic earnings per share (₹)	15.54
Diluted earnings per share (₹)*	15.54
Nominal value of share (₹)	10.00

* Since diluted earnings per share is increased when taking the convertible preference shares into account (from ₹ 15.54 per share to ₹16.26 per share) the convertible preference shares are anti-dilutive and are ignored in the calculation of diluted earnings per share. Therefore, diluted earnings per share is ₹15.54 per share.

NOTE - 35

The Group has not received any intimation from its suppliers regarding their registration under the 'Micro, Small and Medium Enterprises Development Act, 2006'. Hence, no disclosure has been made.

NOTE - 36

THE SUBSIDIARY COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Name of the Subsidiaries	Family Home Finance Private Limited
Country of incorporation	India
Extent of holding (%)	100%
Reporting currency	Indian Rupees
Effective date of becoming subsidiary	June 29, 2017

NOTE - 37

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Holding Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education, promoting gender equality, empowering women and ensuring environmental sustainability.

Particluars			**Amount ₹**
Gross amount required to be spent by the Holding Company during the FY 2017-18.			7,207,774
Amount Spent During the Year	**In Cash ₹**	**Yet to be Paid in Cash ₹**	**Total ₹**
(i) Construction/acquisition of any asset	-	-	-
(ii) Donation to recognised Educational entity	-	-	-
Excess / (Shortfall) in CSR Expenditure			**(7,207,774)**

NOTE - 38 - A

Additional information as required under Schedule III to the Companies act 2013, of enterprises consolidated as Subsidiary Company:
Name of the subsidiary : Family Home Finance Private Limited

Particulars	Amount in ₹
Net assets	111,468,316
As a percentage of consolidated net assets (%)	2.20%
Share in profit or loss	1,368,316
As a percentage of consolidated profit or loss (%)	0.34%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 38 - B

Salient Features of Financial Statements of Subsidiary Companies as per Companies Act, 2013 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 :

Part "A" : Subsidiaries

Name of the subsidiary : Family Home Finance Private Limited

Particulars	Amount in ₹
Reporting Currency	Indian Rupees
Share Capital	110,100,000
Reserves & Surplus	1,368,316
Total Assets	111,898,748
Total Liabilities	430,432
Investments	-
Turnover/Total Income	4,601,298
Profit before taxation	1,853,438
Provision for taxation	485,122
Profit after taxation	1,368,316
Proposed dividend	-
% of Shareholding	100%

1. Name of subsidiaries which are yet to commence operations : Family Home Finance Private Limited

2. Names of subsidiaries which have been liquidated or sold during the year : None

* The Company has been incorporated on 29 June 2017 as a non deposit taking housing finance company. The company has applied for the license from National Housing Bank during the year. However, as on 31 March 2018 the company has not received the license from National Housing Bank to carry out housing finance activities. Subsequent to balance sheet date, the company was granted certificate of registration from National Housing Bank on 09 April 2018.

Part "B": Associates and Joint Ventures

The Group doesn't have any Associates and Joint ventures

NOTE - 39

Non Current Investments (Note 13) include ₹56,487,600 being amount invested in unquoted equity shares of a company (other than group company) in earlier years. The investee company is under going through severe financial difficulties and accordingly, petition for winding up is admitted by the Hon'ble High Court. However, having regard to the fact that the outcome of the said matter is still pending before High Court, management feels that diminution in the value of such long term unquoted investments in shares is of temporary in nature in accordance with Accounting Standard - 13 "Accounting for Investments" and there is no need to provide for any impairment loss of such investment at this point of time.

NOTE - 40

In the opinion of management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably stated.

NOTE - 41

The Company is presenting first time consolidated financial statements, so comparative figures for the previous year have not been presented. Further, in the preparation of the cash flow statement for the current year, audited accounts of the previous year have been considered.

Signatures to 1 to 41

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration Number : 121750W/W-100010

Madhukar Khandekar
Partner
Membership No. 13912

Place : Mumbai
Date : May 25, 2018

For and on behalf of the Board of Directors

A. K. Mittal	Raghubinder Rai	Mahesh Bhootra	Govind Lalwani
Managing Director	Director	Chief Financial Officer	Company Secretary
DIN: 00698377	DIN : 00264007		ACS : A38806

Place : Mumbai
Date : May 25, 2018

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a.k.®
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