2023 - 24
ANNUAL REPORT

A. K. CAPITAL FINANCE LIMITED

BUILDING BONDS

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Vinod Kumar Kathuria
Chairman and Independent Director (DIN: 06662559)

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

Ms. Aditi Mittal
Executive Director (DIN: 00698397)

Ms. Bindu Darshan Shah
Independent Director (DIN: 07131459)

Mr. Deepak Maheshwari
Independent Director (DIN: 00750047)

KEY MANAGEMENT PERSONNEL

Mr. Mahesh Bhootra
Chief Financial Officer

Ms. Shikha Sharma
Company Secretary & Compliance Officer
(ACS No: 52558)

CHIEF COMPLIANCE OFFICER

Mr. Mitesh Hasmukh Sheth

STATUTORY AUDITORS

M/s. S. Bhandari & Co. LLP, Chartered Accountants
Firm's Registration Number: (000560C/ C400334)

SECRETARIAL AUDITORS

Ragini Chokshi & Co., Company Secretaries
Certificate of Practice-11161

DEBENTURE TRUSTEE AND SECURITY TRUSTEE

Catalyst Trusteeship Limited
Unit No.-901, 9th Floor, Tower-B, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel (W), Mumbai – 400 013, Maharashtra, India
Contact Person: Ms. Priti Shetty
Tel: +91 022-49220555;
Fax: +91 22 49220505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Website: https://www.catalysttrustee.com

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private 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 AND FINANCIAL INSTITUTION

Small Industries Development Bank of India (SIDBI)
AU Small Finance Bank Limited
Bank of India
Bank of Maharashtra
CSB Bank Limited
HDFC Bank Limited
IndusInd Bank
South Indian Bank Limited
The Federal Bank Limited
The Karur Vysya Bank Limited
Ujjivan Small Finance Bank
Bandhan Bank
Dhanlaxmi Bank
TATA Capital Finance Limited
Bajaj Finance Limited
ESAF Small Finance Bank
Jana Small Finance Bank
Suryoday Small Finance Bank
Capital Small Finance Bank

REGISTERED OFFICE

601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400 098
Website: www.akgroup.co.in | Tel: + 91-22-66349300/ 67546500| Fax: + 91-22-66100594

BRANCH OFFICE

204-206, 2nd Floor, Plot No. D-1, Salcon Rasvilas, Saket District Centre, Saket, New Delhi - 110017, India
Website: www.akgroup.co.in | Tel: + 91-11-47340685 | Fax: +91-11- 43615288

CORPORATE IDENTIFICATION NUMBER

U51900MH2006PLC214277

DIRECTORS' REPORT

To the Members of

A. K. Capital Finance Limited

The Directors of your Company are pleased to present the Eighteenth Annual Report of the Company along with the Audited Standalone & Consolidated Financial Statements for the Financial Year ended March 31, 2024.

1. STATE OF THE COMPANY'S AFFAIRS:

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

The Company is registered with Reserve Bank of India (**"RBI"**) as Systemically Important Non-Deposit Accepting (**"ND-SI"**) Middle Layer Non-Banking Financial Company and categorised as Investment and Credit Company (**"NBFC-ICC"**). The Company is engaged in the business of investment and lending activities. The Company primarily operates in a hybrid business model, under which the revenue streams comprises of a regular and stable interest income from its loan book, fees income and treasury income from its investment & treasury book. The lending book of the Company comprises term loans and instruments including non-convertible debentures, market-linked debentures given/ issued to companies in the banking and financial services segment, including non-banking financial companies that are typically rated investment grade and above. The treasury book includes G-Sec plus highly rated papers that are more liquid and have relatively lower risk. The Company is amongst one of the few NBFCs having CBLO (Collateralized Borrowing and Lending Obligation) membership given by the Clearing Corporation of India Limited (CCIL), which enables the Company to access fund on tap against pledge of SLR securities like G-Secs at very competitive cost. The Company has a strong risk management policies and credit appraisal system in place, which has helped it to maintain a good asset quality over the years and the same is reflected by the fact that there are Nil Non-Performing Assets as on March 31, 2024.

Further, the Net Worth of the Company as on March 31, 2024 is around INR 77,011.40 lakhs.

2. FINANCIAL SUMMARY/ HIGHLIGHTS:

a) Standalone Financial Highlights

The Company's financial performance for the Financial Year ended March 31, 2024 on a Standalone basis as compared to the previous Financial Year is summarized below:

(INR in Lakh except EPS)

Particulars	2023-24	2022-23
Total Income	31,016.36	24,991.82
Total Expenditure	22,725.46	16,975.47
Profit before tax	8,290.90	8,016.35
Provision for tax	1,983.49	1,945.30
Profit after tax	6,307.41	6,071.05
Add: Surplus brought forward from previous year	28,990.09	24,916.11
Profit available for appropriation	35,297.50	30,987.16
Less: Transfer to special reserve	(1,262.00)	(1,217.07)
Less: Dividend paid on CCPS	(780.00)	(780.00)
Less: Dividend Distribution Tax	-	-
Surplus carried to balance sheet	33,255.50	28,990.09
Earnings per equity share (face value INR 10/- per share)		
Basic (INR)	23.76	22.87
Diluted (INR)	23.76	22.87

Note: Previous year figures have been regrouped / rearranged wherever necessary.

The revenues from operations for the Financial Year 2023-24 were INR 31,012.98 Lakhs as compared to INR 24,988.74 Lakhs during Financial Year 2022-23. The profit after tax for the Financial Year 2023-24 was INR 6,307.41 Lakhs as compared to INR 6,071.05 Lakhs during Financial Year 2022-23.

b) Consolidated Financial Highlights:

During the year under review, the Company had a wholly owned subsidiary, Family Home Finance Private Limited (**"FHFPL"**). The financial performance on consolidated basis for the Financial Year ended March 31, 2024 is summarized below:

(INR in Lakh except EPS)

Particulars	2023-24	2022-23
Total Income	31,376.94	25,169.64
Total Expenditure	22,988.45	16,997.12
Profit before tax	8,388.49	8,172.52
Provision for tax	2,015.26	1,972.32
Profit after tax	6,373.23	6,200.20
Earnings per equity share (face value INR 10/- per share)		
Basic (INR)	24.01	23.36
Diluted (INR)	24.01	23.36

Note: Previous year figures have been regrouped / rearranged wherever necessary.

3. DIVIDEND:

a) Interim Dividend:

During Financial Year 2023-24, the Board of Directors in its meeting held on December 18, 2023 declared interim dividend at the rate of 12% on 65,00,000 Compulsorily Convertible Preference Shares ("CCPS") of face value INR 100/- each for the period April 01, 2023 to September 30, 2023 i.e. up to 183 days, amounting to INR 3,91,06,850/- (Indian Rupees Three Crores Ninety One Lakh Six Thousand Eight Hundred and Fifty Only).

b) Final Dividend:

The Board has recommended a final dividend at the rate of 12% on 65,00,000 CCPS of INR 100/- each for a period of 183 days from October 01, 2023 to March 31, 2024 amounting to INR 3,88,93,150/- (Indian Rupees Three Crore Eighty Eight Lakhs Ninety Three Thousand One Hundred and Fifty Only). The payment of the final dividend is subject to declaration by the members at the ensuing Annual General Meeting (AGM).

RBI vide its circular dated June 24, 2021 has laid down framework for declaration of dividend by NBFCs. The Board of Directors after taking into account various aspects including provisions specified in RBI circular, terms of CCPS, taking into account the principles and criteria set out in the Company's dividend distribution policy, has recommended dividend on CCPS.

4. ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) and Section 92(3), Annual Return of the Company in the prescribed e-Form MGT-7 shall be made available on the website of the Company at www.akgroup.co.in/investor-relation.

5. INTERNAL CONTROL AND SYSTEM:

The Company has an effective Internal Control System including Internal Financial Controls for all the functions with adequate checks and balances. Periodic audit of all functions is carried out by the Internal Auditor, thereby ensuring regulatory compliance of various applicable statutes as well as internal guidelines and policies. The Internal Auditor reviews 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 policies are reviewed periodically in line with the dynamic business environment and regulatory requirements.

The Statutory Auditors of the Company, viz. M/s. S. Bhandari & Co. LLP, Chartered Accountants have also verified the Internal Financial Controls systems over financial reporting and have opined that such Internal Financial Controls over financial reporting were operating effectively during the Financial Year 2023-24. **Annexure B** to the Independent Auditors' Report provides a report on Internal Financial Controls over the financial reporting as on March 31, 2024.

During the Financial Year under review, no material or serious observations have been highlighted for inefficiency or inadequacy in such controls.

6. INFORMATION TECHNOLOGY AND IT SECURITY:

IT Team ensures Systems are scanned, upgraded with latest Group Policies, patches and Antivirus before connecting to local network. VPN access with Two Factor Authentication (2FA) has been continued for users working remotely or in hybrid mode.

IT Team does periodic reviews of User Access rights and ID reconciliation to re-validate data and then removes/deletes unwanted additional access/rights which were provided during Pandemic to help users work remotely.

Periodic review of Privileged Access Management to ensure least privilege access is provided to critical system is restricted and given by restricting access rights to the minimum required for each user or group to do their job, least privilege access helps to minimize security risks.

IT team upgraded critical application servers OS and DB versions which were EOL/EOS declared by OEMs and the efficacy of IT Business Continuity Plan & Disaster Recovery was tested for the critical business application during the year.

Team sends regular "IT Security Awareness" emails to all users to make them aware of possible cyber threats and ways to safeguard from such risks by following best practices.

7. 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 Board 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 and compliance reporting is also subject to internal audit and is periodically reviewed to ensure comprehensive coverage.

8. DIRECTOR

a) Composition of the Board:

As on March 31, 2024, the Board of Directors of your Company comprised of six Directors of which two are Executive Directors (including one Woman Executive Director) and four are Non-Executive Independent Directors. The Chairman of the Board is Non-Executive Independent Director. The composition of the Board is in consonance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("Master Direction") and Companies Act, 2013 ("Act") read with rules made thereunder, as amended from time to time.

b) Changes in Directors:

During the Financial Year under review, the following changes have occurred in the Board of the Company:

(i) Mr. Khimji Shamji Pandav (DIN: 01070944) Independent Director has resigned from the board of the Company with effect from closing hours on December 18, 2023 due to other work commitments and there was no material reason highlighted by the Director. The same was taken on record by the Board at its meeting held on December 18, 2023.

(ii) Mr. Vinod Kumar Kathuria (DIN: 06662559) was appointed as an Additional (Independent) Director on the Board of the Company with effect from December 18, 2023 for a period of 3 years and further regularized as Independent Director by shareholders in their meeting held on February 20, 2024.

(iii) Ms. Bindu Darshan Shah (DIN: 07131459) was appointed as an Additional (Independent) Director on the Board of the Company with effect from March 28, 2024 for a period of 2 years, which was further approved by shareholders in their meeting held on June 21, 2024; and

(iv) The 2nd term of appointment of Mr. Rajiv Bakshi (DIN: 00264007) as an Independent Director on the Board of the Company came to an end on March 31, 2024 in pursuance to Section 149(11) of Companies Act, 2013. The same was taken on record by the Board at its meeting held on March 28, 2024.

The details of board composition are provided in 'Report on Corporate Governance' forming part of the Annual Report

c) Retirement by rotation:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Ms. Aditi Mittal (DIN: 00698397), Executive Director on the Board of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers herself for re-appointment.

d) Declaration by Independent Directors:

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they fulfil the criteria of Independence prescribed both under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company is in receipt of confirmation from Independent Directors with respect to the compliance of Code of Conduct as specified in Schedule IV to the Act.

Further, the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs (IICA) for recording their names and other requisite details in the databank maintained with IICA. Their registration is valid as on the date of this report.

In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, all the Independent Directors are either exempted from appearing or passed the online proficiency self-assessment test conducted by the IICA.

9. KEY MANAGERIAL PERSONNEL:

The following persons are the Key Managerial Personnel's ("KMPs") of the Company as per the provisions of Section 203 of the Act as on March 31, 2024:-

Mr. A. K. Mittal (DIN: 00698377)	Managing Director
Mr. Mahesh Bhootra	Chief Financial Officer
Ms. Shikha Sharma (ACS No. A52558)	Company Secretary & Compliance Officer

During the year, Mr. Govind Lalwani, Company Secretary & Compliance Officer of the Company resigned from the Company w.e.f. form closing hours of October 30, 2023 and Ms. Shikha Sharma was appointed as Company Secretary & Compliance Officer w.e.f. October 31, 2023.

In addition to the above, Mr. Mitesh Hasmukh Sheth was appointed as Chief Compliance Officer ("CCO") in pursuance to RBI Master Directions/ Guidelines w.e.f. September 29, 2023.

10. FIT AND PROPER CRITERIA & CODE OF CONDUCT:

All the Directors meet the fit and proper criteria stipulated by RBI and SEBI. All the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company.

11. HUMAN RESOURCES:

The Company firmly believes that its Human Resource is its 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.

Your Company continues to attract and retain talent that focuses on sustained superior performance, provide them opportunities to learn, realise their true potential and contribute positively to the success of the Company. Our Senior Leadership Team, from time to time, shares the strategy and vision for the Company through virtual town-halls that ensures that our employees are always cognizant of what is happening in the Company, thereby encouraging an interactive and engagement driven work culture.

12. DETAILS OF SUBSIDIARIES:

The Company has a wholly owned subsidiary named **'Family Home Finance Private Limited'** ("**FHFPL**"), a RBI registered non-deposit taking Housing Finance Company (**"HFC"**) and categorised as Middle Layer. FHFPL is into the business of retail housing finance and matters incidental thereto.

13. 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 wholly owned Subsidiary of the Company in Form AOC-1 is included in Note No. 48 of the Audited Consolidated Financial Statement of the Company. The Standalone as well as Consolidated Financial Statements of the Company are also available on the website of the Company at www.akgroup.co.in/investor-relation.

14. BORROWING:

During Financial Year 2023-24, the Company met its funding requirements through a combination of short term debt (comprising of loans from Bank/ Financial Institutions and other instruments) and Long Term debt (comprising of Non-Convertible Debentures ("NCDs") and Loans from Bank/ Financial Institutions).

No interest payment or principal repayment with respect to any of the credit facilities was due and unpaid as on March 31, 2024.

The interest payable on all the debt securities are paid on due dates & no interest was due and unpaid as on March 31, 2024. The Company has not received any grievances from the debt security holders.

The assets of the Company which are available by way of security are sufficient to discharge the claims of the banks, financial institutions and/ or debt security holders as and when they become due.

The above mentioned Debt securities are listed on Wholesale Debt Market (WDM) segment of the BSE Ltd. Post closure of the Financial Year, the Company had listed its non-convertible debentures on National Stock Exchange of India Limited ("NSE").

The aggregate debt outstanding as at March 31, 2024 was INR 2,02,072.17 Lakhs. The Debt / Equity ratio as on March 31, 2024 was 2.62 The Company has been regular in servicing all its debt obligations.

The Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. All other principal repayments towards loan taken from Banks and NBFC are being made on their respective due dates.

15. CAPITAL ADEQUACY:

Capital Adequacy Ratio as at March 31, 2024 stood at 33.30%, which is well above the minimum regulatory norms for non-deposit accepting NBFCs.

16. CREDIT RATING:

During the year under review Rating Agencies reaffirmed / issued ratings to the Company as under as on March 31, 2024:

Rating Agency	Date	Rating	Rating amount (in Crore)	Nature of Securities
Brickwork Ratings India Pvt. Ltd.	30-Nov-23	BWR AA+ (Stable)	229.52	Non-Convertible Debentures
	30-Nov-23	BWR AA (Stable)	62.00	Non-Convertible Debentures
	30-Nov-23	BWR AA- (Stable)	143.00	Non-Convertible Debentures
Acuite` Ratings & Research Limited (formerly known as SMERA Ratings Ltd)	27-Oct-23	Acuite`AA+ (Stable)	101.00	Non-Convertible Debentures
Acuite` Ratings & Research Limited (formerly known as SMERA Ratings Ltd)		Acuite` AA (Stable)	190.52	Non-Convertible Debentures
Acuite` Ratings & Research Limited (formerly known as SMERA Ratings Ltd)		Acuite` AA- (Stable)	300.00	Non-Convertible Debentures
Acuite` Ratings & Research Limited (formerly known as SMERA Ratings Ltd)	01-Feb-24	Acuite`AA+ (Stable)	101.00	Non-Convertible Debentures
Acuite` Ratings & Research Limited (formerly known as SMERA Ratings Ltd)		Acuite` AA (Stable)	190.52	Non-Convertible Debentures
Acuite` Ratings & Research Limited (formerly known as SMERA Ratings Ltd)		Acuite` AA- (Stable)	152.50	Non-Convertible Debentures
CARE Ratings Limited	03-Aug-23	CARE AA-	200.00	Non-Convertible Debentures
		CARE AA-	890.00	Bank Facilities
		CARE PP-MLD AA-	62.00	Non-Convertible Debentures (MLD)
		CARE PP-MLD AA-	100.00	Non-Convertible Debentures (MLD)
		CARE A1+	20.00	Commercial Paper
CARE Ratings Limited	14-Dec-23	CARE AA-	990.00	Bank Facilities
		CARE PP-MLD AA-	62.00	Non-Convertible Debentures (MLD)
		CARE PP-MLD AA-	100.00	Non-Convertible Debentures (MLD)
		CARE AA-	100.00	Non-Convertible Debentures
		CARE AA-	100.00	Non-Convertible Debentures
		CARE A1+	20.00	Commercial Paper

All of the above ratings indicate a high degree of safety with regard to timely payment of interest and principal.

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

a) Statutory Auditors:

Pursuant to the provisions of Sections 139 and 142 of the Act and Rules made thereunder and Circular issued by Reserve Bank of India vide no. RBI/ 2021-22/ 25 Ref. No.DoS. CD.ARG/ SEC.01/ 08.91.001/ 2021-22 dated April 27, 2021 ('RBI Guidelines'), M/s. S. Bhandari & Co. LLP (Firm Registration No. 000560C/C400334), Chartered Accountants were appointed as the Statutory Auditors of the Company, to hold office for 3 years till conclusion of the 18th Annual General Meeting of the Company.

M/s. S. Bhandari & Co LLP (Firm Registration No. 000560C/C400334), Chartered Accountants, have confirmed that they are not disqualified in pursuance to Sections 139 and 141 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and aforesaid RBI Guidelines to continue as the Statutory Auditors of the Company till the ensuing Annual General Meeting of the Company.

Further the report of the Statutory Auditors "with an unmodified opinion" along with annexures forms part of the Annual Report. The Auditors' Report to the Shareholders for the year under review does not contain any qualification, reservation, disclaimer or adverse remark.

Further, there was no instance of fraud during the year under review, which required to report under Section 143(12) of the Act and rules framed thereunder by Statutory Auditors of the Company.

In continuation to the above, as the term of aforesaid auditor will be completing at the ensuing Annual General Meeting, the Board of Directors in its meeting held on August 05, 2024 approved the appointment of M/s. B G J C & ASSOCIATES LLP (Firm Registration No.003304N/N500056), Chartered Accountants as the Statutory Auditors of the Company for a term of 3 years i.e., FY 2024-25 to 2026-27, subject to the approval of the members in the ensuing Annual General Meeting.

b) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act and rules made thereunder, the Board has appointed M/s. Ragini Chokshi & Co., Practising Company Secretary as Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2023-24. The Secretarial Audit Report for the Financial Year ended March 31, 2024 is annexed herewith marked as **Annexure 1** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

In accordance with SEBI Circular No.CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained Annual Secretarial Compliance Report for the Financial Year ended March 31, 2024 from the aforesaid Secretarial Auditor of the Company. The copy of Secretarial Compliance Certificate is available on the Website of the Company at the below given link:

https://www.akgroup.co.in/docs/ANNUAL%20SECRETARIAL%20COMPLIANCE%20REPORT%20MARCH%2031,%202024.pdf

Further, the Board of the Company in its meeting held on May 11, 2024 accorded its approval to appoint M/s. Ragini Chokshi & Co., Practising Company Secretary as Secretarial Auditor of the Company for the Financial Year 2024-25.

c) Cost records and Cost Audit

Maintenance of the cost records and requirement of cost audit as prescribed under the provision of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

18. 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 reasonable efforts towards conservation of energy, protection of environment and ensuring safety. The Company has absorbed technologies in information and cyber security.

b) Foreign exchange earnings and Outgo:

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

19. 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)©and (5) of the Act:

a) in the preparation of the annual accounts the applicable accounting standards, Master Directions/ Circulars/ Guidelines issued by Reserve Bank of India and other applicable laws, if any, have 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 as at March 31, 2024 and of the profit of the Company for the said 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;

e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) that system to ensure compliance with the provisions of all applicable laws was in place and the same was adequate and operating effectively.

20. SHARE CAPITAL AND ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS

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

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

There are NIL unpaid/ unclaimed Dividends/ Interest in the previous year. Hence, no amount was required to be transferred to IEPF pursuant to the provisions of Section 124 of the Act and Regulation 61A of the Listing Regulations during the Financial Year under review.

The Company Secretary is designated as the Investor Grievance Redressal Officer for handling investor's queries/ grievances. The Investor Grievance Redressal Mechanism of the Company is available on the website of the Company at the below given link:

https://www.akgroup.co.in/docs/Investor%20Grievance%20Mechanism.pdf

22. COMPLIANCE WITH SECRETARIAL STANDARD:

The Company has complied with Secretarial Standards issued by Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

23. PARTICULARS OF EMPLOYEES:

Pursuant to Section 197(14) of the Companies Act, 2013, Mr. A. K. Mittal (DIN: 00698377), 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, the statement containing relevant details of the top ten employees in terms of remuneration drawn is available for inspection by the Members at the Registered Office of the Company between **11 a.m. to 2.00 p.m.** on any working day (Monday to Friday) up to the date of 18th Annual General Meeting of the Company. Any Member who is interested in obtaining such information may write to the Company Secretary at csakcfl@akgroup.co.in and the same will be furnished on such request.

24. MEETINGS OF THE BOARD:

Regular meetings of the Board are held to discuss and decide on various business policies, strategies, financial matters and other businesses. During the year under review, the Board met eight times. The details of the Board Meetings and the attendance of the Directors at the said meetings are provided in the Corporate Governance Report, which forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days.

25. CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and meeting its obligations to stakeholders and is guided by a strong emphasis on transparency, accountability and integrity. The governance practices and processes ensure that the interest of all stakeholders are taken into account in a transparent manner and are firmly embedded into the culture of the organisation.

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.

MANDATORY COMMITTEES

The Board of Directors has ten Mandatory regulatory Committees, viz.

(i) Audit Committee
(ii) Nomination and Remuneration Committee
(iii) Stakeholders' Relationship Committee
(iv) Corporate Social Responsibility Committee
(v) Risk Management Committee
(vi) Asset Liability Management Committee
(vii) IT Strategy Committee
(viii) IT Steering Committee
(ix) Information Security Committee
(x) Internal Complaints Committee (at group level)

The details of all the Mandatory Committees along with their composition, terms of reference and meetings held during the year are provided in 'Report on Corporate Governance' forming part of the Annual Report.

NON-MANDATORY COMMITTEES

In addition to the above referred Mandatory Committees, the Board has also formed the following Committees of the Board and delegated powers and responsibilities with respect to specific business, compliance and operation purposes:

(i) Internal Risk Management Committee
(ii) Investment and Credit Committee
(iii) Debenture Committee
(iv) Banking and Operations Committee
(v) Finance Committee

The key aspects on governance are highlighted in the Report on Corporate Governance forming part of Annual Report.

Post closure of the Financial Year, the Board has constituted "Fraud Monitoring Committee" in line with the regulatory requirements.

26. RELATED PARTY TRANSACTIONS:

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors that may have potential conflict with the interest of the Company.

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. Further, the transactions were covered under the omnibus approval of the Audit Committee of the Company.

All Related Party Transactions as required under Indian Accounting Standard IND AS-24 are reported in Note No. 37 of Notes to Accounts to Standalone Financial Statements and Note No. 38 of Notes to Accounts to Consolidated Financial Statements of the Company. The Company has devised a Policy for dealing with related party transactions for the purpose of identification and monitoring of such transactions. The same is annexed as **Annexure 2.** Further, the said policy is also available on the website of the Company at the below given link:

https://www.akgroup.co.in/docs/POLICY%20ON%20MATERIALITY%20&%20DEALING%20WITH%20RELATED%20PARTY%20TRANSACTIONS%20AND%20DETERMINING%20MATERIAL%20SUBSIDIARIES.PDF

Pursuant to the Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014, Form AOC-2 annexed as **Annexure 3**. The disclosures with respect to related party as specified in Regulation 53(f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is forming part of the Note No.37 of Notes to Accounts to Standalone Financial Statements and Note No.38 of Notes to Accounts to Consolidated Financial Statements.

27. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY:

Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The Financial Statements have been prepared in accordance with Ind AS under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values and based on the accounting principle of a going concern in accordance with Generally Accepted Accounting Principles (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Financial Statements are presented in Lakhs or decimal thereof, unless specified otherwise.

The Financial Statements have been presented in accordance with Schedule III-Division III General Instructions for Preparation of financial statements of a Non-Banking Financial Company (NBFC) that mandates compliance of Ind AS.

28. MATERIAL SUBSIDIARY

Pursuant to the provisions of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, including amendments thereto, the Company does not have any material subsidiary during the period under review.

The Policy for determining the material subsidiaries has been formulated and adopted by the Board. The Policy may be accessed on the website at below given link:

https://www.akgroup.co.in/docs/POLICY%20ON%20MATERIALITY%20&%20DEALING%20WITH%20RELATED%20PARTY%20TRANSACTIONS%20AND%20DETERMINING%20MATERIAL%20SUBSIDIARIES.PDF

29. DECLARATION FROM DIRECTORS AND PRACTISING PROFESSIONAL

Based on the written representations received from the directors of the Company as on March 31, 2024, none of the directors of the Company is disqualified to act as a Director as on March 31, 2024.

M/s. Ragini Chokshi & Co, Practicing Company Secretaries and Secretarial Auditor of the Company, have also certified that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by SEBI or Ministry of Corporate Affairs or any such other statutory authority. The certificate received from Secretarial Auditor to this effect forms part of the Report on Corporate Governance.

30. FAIR PRACTICE CODE AND GRIEVANCE REDRESSAL MECHANISM:

In pursuance to Master Direction, the Company has formulated its Fair Practice Code which includes the Grievance Redressal Mechanism to address any grievance of the customer. The said code has been adhered during the year under review.

The Fair Practice Code including Grievance Redressal Mechanism is available on the website of the Company at https://www.akgroup.co.in/docs/Fair%20Practice%20Code.PDF.

31. 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.** The policy is uploaded on website of the company and can be accessed at https://www.akgroup.co.in/docs/NOMINATION%20AND%20REMUNERATION%20POLICY.PDF

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. The details of the composition of the CSR Committee along with other details are disclosed in the Report on CSR Activities for the financial year 2023-24.

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:

https://www.akgroup.co.in/docs/CSR%20Policy%20Project%20and%20Committee%20AKCFL20210826161418503929 9.pdf

The Report on CSR activities for the financial year 2023-24 as per the relevant rules has been set out as **Annexure 5** to the Directors' Report.

c) Management Discussion and Analysis Report :

The Management Discussion and Analysis report forms part of the Annual Report pursuant to compliance with RBI Master Directions and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

Pursuant to Section 186(11) of the Act, the provisions related to loans made, guarantees given and securities provided do not apply to the Company it being an NBFC.

e) Dividend Distribution Policy:

Your Company has formulated a Dividend Distribution Policy, with an objective to provide the dividend distribution framework to the Stakeholders of the Company. The policy sets out various internal and external factors, which shall be considered by the Board in determining the dividend pay-out to equity and CCPS holders. The policy is uploaded on website of the company and can be accessed at https://www.akgroup.co.in/docs/Dividend%20Distribution%20Policy.PDF.

f) Whistle Blower Policy and Establishment of Vigil Mechanism

The Company is committed to maintain and provide to all its employees and directors highest standards 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 of 'Whistleblower 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, Regulation 22(1) of the Listing Regulations and Master Directions 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 perforation 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.

This vigil mechanism of the Company provides adequate safeguard against victimisation of employees and also provides direct access to the Chairman of the Audit Committee in exceptional circumstances.

There was no instance of such reporting received during the year under review and the policy is uploaded on website of the company and can be accessed at https://www.akgroup.co.in/docs/WHISTLE%20BLOWER%20POLICY.PDF.

g) Material changes and commitments affecting the financial position:

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report.

h) 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.

I) 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.

j) 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, 2024. The Company has passed a Board resolution for non-acceptance of deposits from public.

k) Asset Liability Management:

The Asset Liability Management Committee ("ALCO") of the Company meets at regular intervals to monitor the maturity profile and asset liability mismatches, which enables the Company to efficiently manage the liquidity risk, if any.

l) Transfer to reserves:

Pursuant to Section 45-IC of the RBI At, 1934, Non-Banking Financial Companies (NBFCs) are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred INR 1,262 Lakhs to reserves during the Financial Year ended March 31, 2024.

m) Change in nature of business:

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

n) Share Capital and Issue of Equity Shares with differential voting rights:

During the year under review there is no change in the shareholding pattern of the Company.

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

o) 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 and temporary trainees) are covered under this Policy.

There was no complaint received during the Financial Year.

The Annual Report prepared by the Internal Complaints Committee of the Company as per the provisions of Section 21 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 was duly submitted to the District Officer-Women and Child Development located at Chembur, Mumbai

p) The details of application made or any proceeding pending under the insolvency and bankruptcy code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year:

As on March 31, 2024, there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016

q) The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof:

There is no one time settlement done with bank or any financial institution.

r) RBI Guidelines and Compliance:

The Company continues to comply with the Master Direction and all the applicable laws, regulations, guidelines, etc. prescribed by RBI from time to time.

The Board of Directors have framed various policies as applicable to the Company. The Board periodically reviews the policies and approves amendments as and when necessary.

s) Compliance with SEBI Regulations:

In pursuance to Listing Regulations, the Company is classified as a High Value Debt Listed Company ("HVDLE") and has complied with Regulation 15 to 27 of the Listing Regulations during the period under review.

t) Evaluation of the Board its Committees and Meeting of Independent 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 were assisted by the NRC in carrying out such evaluation. The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees as the case may be.

The Independent Directors also held a separate meeting to review the performance of the Non-Independent Directors, the Chairman of the Company, the overall performance of the Board along with its Committees. The Independent Directors expressed satisfaction over the performance and effectiveness of the Board, individual Non-Independent Directors and the Chairman.

u) Registered Office and other office:

The Registered Office of the Company is situated at 601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (E),Mumbai – 400 098, Maharashtra.

The Company has a branch office in Delhi situated at 204-206, 2nd Floor, Plot No. D-1, Salcon Rasvilas, Saket District Centre, Saket, New Delhi - 110017, India.

v) General Information for Members and Debenture holders:

The quarterly/ half yearly/ annual Financial Results of the Company during the F.Y. 2023-24, respectively was submitted to the Stock Exchange, Debenture Trustee and Debenture Holders in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as applicable. Official news releases including the 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 U51900MH2006PLC214277. The Company has Debentures issued on a private placement basis listed on the Wholesale Debt Market segment of the BSE Limited and NSE. 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: Mr. Ganesh Jadhav
Tel No: +91 22 49186000; Fax: +91 22 49186060
Email: ganesh.jadhav@linkintime.co.in
and debtca@linkintime.co.in
Website: www.linkintime.co.in

Debenture Trustee
Catalyst Trusteeship Limited,
Unit No.-901, 9th Floor, Tower-B, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel (W), Mumbai – 400 013
Contact Person: Ms. Priti Shetty
Tel: +91 022-49220555; l Fax: +91 22 4922 0505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com

32. 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 these statements. The Company does not undertake to update these statements.

32. ACKNOWLEDGEMENTS:

The Directors would like to place on record their gratitude for the valuable guidance and support received from RBI, SEBI, Registrar of Companies, Clients, Consultants, Advisors, Registrar & Share Transfer Agent, Financial Institutions, Business Partners and other government and regulatory agencies and hereby 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. The Directors also place on record their appreciation for the commitment, commendable efforts, team work and professionalism of all the employees of the Company and its subsidiaries at all levels for the dedicated services rendered by them. Your Directors look forward to your continuing support.

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

sd/-	**sd/-**
A. K. Mittal	**Aditi Mittal**
Managing Director	**Director**
(DIN: 00698377)	**(DIN: 00698397)**

Date: August 05, 2024
Place: Mumbai

ANNEXURE-1

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

To,

The Members,

A. K. Capital Finance Limited

CIN- U51900MH2006PLC214277

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 Limited ("AK Capital Fin"/ "Company") and having its registered office at 601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai - 400 098. 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 such verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by AK Capital Fin for the financial year ended on March 31, 2024 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;

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 during the audit period)

(iv) 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 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, 2018; (Not applicable during the audit period)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014; **(Not applicable during the audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/ The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable during the audit period)**

(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 (Buy-Back of Securities) Regulations, 2018; **(Not applicable 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 on BSE Limited.

(v) We have relied on the representation made by the Company and its officer and compliance mechanism prevailing in the Company and on examination of documents on test check basis for compliance of the following specific applicable laws and rules made thereunder, being laws that are applicable to the Company based on their sector/industry;

1) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, Credit Information Companies (Regulation) Act, 2005 and The Reserve Bank of India Act, 1934 and the directions, regulations, master circulars, circulars issued by Reserve Bank of India thereunder and as applicable to Systemically Important Non Deposit Accepting Non-Banking Financial Companies (NBFC), sector/industry.

2) The Prevention of Money Laundering Act, 2002

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreement(s) entered into by the Company with BSE Limited pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (applicable to debt listed entity).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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. Further, changes in the composition of the Board of Directors that took place during the period under review was carried out with in compliance with provisions of the Act

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, other than the cases where agenda notes were sent at a shorter notice and shorter notice consent were taken from Directors/Members of the Board/Committees, further 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.

All decision were carried unanimously 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 and guidelines.

We further report that during the audit period there were following specific events /action reported having major bearing on Company's operations;

1) Issue and allotment of 5,000 Secured, Non-Convertible Debentures, amounting to INR 50 Crores and the listing of said debentures on Wholesale Debt Market Segment of BSE Limited.
2) Intimation w.r.t Call options were exercised for 990 Non-Convertible Debentures, amounting to INR 99 Crores during the financial year however payment obligation for the same was discharged in FY 2024-25.
3) Re-purchase of 681 Non-Convertible Debentures, amounting to around INR 18.61 Crores
4) Redemption of 6,200 Non-Convertible Debentures, amounting to INR 62 Crores
5) Appointment of Mr. Vinod Kumar Kathuria as an Independent Director and resignation of Mr. Khimji Shamji Pandav as an Independent Director.
6) Appointment of Ms. Bindu Darshan Shah as an Independent Director and cessation of Mr. Rajiv Bakshi as an Independent Director due to completion of his tenor.
7) Appointment of Mr. Vinod Kumar Kathuria as Chairman of the Board of the Company
8) Appointment of Ms. Shikha Sharma as Company Secretary and Compliance Officer and resignation of Mr. Govind Lalwani as Company Secretary and Compliance Officer of the Company.
9) Amendment to Articles of Association of the Company.
10) Approval for Public Issuance of Non-Convertible Debentures of the Company up to INR 1000 Crores.
11) Approval for fresh issuance Of Secured/ Unsecured Non-Convertible Debentures/Perpetual Debt Instruments/ Unsecured Subordinated Non-Convertible Debentures /Bonds and or Other Debt Securities On Private Placement Basis Upto INR 1,000 Crores
12) Approval for Issuance of commercial paper of nominal value aggregating up to INR 500 Crores within the borrowing limits set forth under Section 180 of the Companies Act, 2013
13) Continuation of the term of M/s. Bhandari & Co. LLP, Chartered Accountants as Statutory Auditors of the Company for period of 1 year.

FOR RAGINI CHOKSHI & CO
Company Secretaries
UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 # CP No- 11161
UDIN: A022133F000327471
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No -659/2020

Date: May 07, 2024
Place: Mumbai

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members,

A K Capital Finance Limited

CIN- U51900MH2006PLC214277

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

1. Maintenance of secretarial record is the responsibility of the management of the company. 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 provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books 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, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company ability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR RAGINI CHOKSHI & CO
Company Secretaries
Sd/-
UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 # CP No- 11161
UDIN: A022133F000327471
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No -659/2020

Date: May 07, 2024
Place: Mumbai

ANNEXURE - 2

POLICY ON MATERIALITY & DEALING WITH RELATED PARTY TRANSACTIONS AND DETERMINING MATERIAL SUBSIDIARIES

1. PREAMBLE:

A. K. Capital Finance Limited (the "Company" or "AKCFL") has adopted the following Policy and procedures with regards to Related Party Transactions and Material Subsidiaries as defined below. This Policy is to regulate transactions between the Company and its Related Parties and determine Material Subsidiaries based on the laws and regulations applicable on the Company.

2. PURPOSE AND OBJECTIVE OF THIS POLICY:

This Policy is framed as per the requirement of Section 188 of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) and pursuant to the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (**'Master Directions'**). The Policy intends to ensure the proper approval and reporting of the transactions between the Company and its Related Parties. The Company is in compliance with various applicable laws and regulations in this regard and ensured that such transactions are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties. The Policy shall apply to all Related Party Transaction(s), unless the transaction is exempt.

Pursuant to Regulation 23 of the Listing Regulations, including its amendments, the listed entity shall formulate a Policy on materiality of Related Party transactions and on dealing with Related Party Transactions including clear threshold limits duly approved by the Board of Directors and such Policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly.

Pursuant to explanation given under Regulation 16(1)©of the Listing Regulations including its amendments, the listed entity shall formulate a policy for determining 'material' subsidiary.

This Policy may be amended from time to time and is subject to

(i) Amendments to the Companies Act, 2013;

(ii) Further guidance from SEBI; (iii) Consequential actions taken by the Board of Directors or the Audit Committee of the Company; (iv) Amendments to Listing Regulations.

3. DEFINITIONS:

I **"Arm's Length Transaction"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

ii. **"Audit Committee or Committee"** means Committee of Board of Directors of the Company constituted under provisions of Listing Regulations and Companies Act, 2013.

iii. **"Board"** means Board of Directors of the Company.

iv. **"Control"** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.

v. **"Key Managerial Personnel"** means key managerial personnel as defined under the Companies Act, 2013 and includes:-

a) Managing Director, or Chief Executive Officer or Manager

b) Whole-time Director;

c) Company Secretary;

d) Chief Financial Officer;

e) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

f) such other officer as may be prescribed from time to time.

vi. **"Material Related Party Transaction"** means a transaction with a Related Party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rupees one thousand crore or ten percent of the annual turnover of the Company as per the last audited financial statements of the company, whichever is lower.

Further, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

vii. **"Material Subsidiary"** implies a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

viii. **"Ordinary course of business"** a transaction entered into by the company which is not in an extra-ordinary course or in an unusual or abnormal nature, but in the regular routine of the business and includes all such activities which the company can undertake as per Memorandum & Articles of Association.

ix. **"Policy"** means Policy on Materiality & Dealing with Related Party Transactions and Determining Material Subsidiaries

x. **"Related Party"** means related party as defined in the Listing Regulations which is as follows:

a) Such entity(ies) is a related party under Section 2(76) of the Companies Act,2013;

b) Such entity(ies) is a related party under the applicable accounting standards; and

c) any person(s) or entity(ies) is a related party under Regulation 2 (zb) of the SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015.

xi. **"Related Party Transaction"** means any transaction involving any Related Party which is a transfer of resources, services or obligations between:

a. the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or

b. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries.

Explanation – A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

Provided that the following shall not be a related party transaction:

a. the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

b. the following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

- payment of dividend;
- subdivision or consolidation of securities;
- issuance of securities by way of a rights issue or a bonus issue; and
- buy-back of securities.

c. acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board.

xii. **"Relative"** means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

xiii. **"Significant Transaction or Arrangement"** implies any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

4. PROCEDURE FOR IDENTIFICATION, APPROVAL AND REVIEW OF RELATED PARTY TRANSACTIONS:

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy. All Related Party Transactions and subsequent material modifications shall require prior approval of Audit Committee. Further, all Related Party Transactions whether entered into individually or taken together with the previous transactions during a financial year, wherein the subsidiary of the Company is a party but the Company is not a party, if it exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary of the Company.

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions. Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution.

MATERIALITY THRESHOLDS:

Regulation 23 of the SEBI Listing Regulations requires a Company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required. None of the Related Parties of a Company shall vote to approve on such resolution irrespective of whether the entity is a Related Party to the particular transaction or not viz. Related Party can cast only negative vote to reject the shareholders resolution on material Related Party Transactions.

However, the requirements specified above shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

The Company has fixed the following materiality threshold for the purpose of Regulation 23(1), 23(1A) and 23(4) of the SEBI Listing Regulations:

i. Payment to a Related Party with respect to brand usage or royalty – any transaction(s) which exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements.

ii. Other transactions with a Related Party – any transaction(s) which exceeds Rs. 1,000 Crore or 10% of the annual consolidated turnover of the Company as per its last audited financial statements of the Company, whichever is lower.

The provisions of regulation 23(2), (3) and (4) shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

A. IDENTIFICATION AND NOTIFICATION OF RELATED PARTY TRANSACTIONS:

i. Every Director or Key Managerial Personnel shall, within a period of thirty days of his/her appointment, or relinquishment of his/her office, as the case may be, disclose to the Company the particulars relating to his concern or interest in the other associations/entities.

ii. In accordance with the provisions of Section 184 of the Companies Act, 2013 , every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board Meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding.

iii. Each Director and Key Managerial Personnel and other related party shall promptly notify the compliance officer of any material interest that such person or relative of such person had, has or may have in a proposed Related Party Transaction. The notice shall include a description of the transaction and the aggregate amount.

iv. Senior management shall make disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of the Company at large (for e.g. dealing in Company's shares, commercial dealings with bodies, which have shareholding of management and their relatives, etc.)

v. The Compliance Officer shall promptly notify the Chairman of the Audit Committee of the Board of any such proposed Related Party Transactions notified by the Director or Key Managerial Personnel or any other transactions which are to be entered into with any Related Party.

vi. Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

vii. The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

B. APPROVAL OF RELATED PARTY TRANSACTIONS:

Approval of the Audit Committee

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy. All Related Party Transactions and subsequent material modifications shall require prior approval of Audit Committee. Further, all Related Party Transactions whether entered into individually or taken together with the previous transactions during a financial year, wherein the subsidiary of the Company is a party but the Company is not a party, if it exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary of the Company.

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions. Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution.

The Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:

a) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-

(i) Repetitiveness of the transactions (in past or in future);

(ii) Justification for the need of omnibus approval; and

(iii) Whether the transaction(s) are proposed at arm's length basis.

b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

c) Such omnibus approval shall specify –

(i) The name/s of the related part(ies), nature of transaction(s), period of transaction(s), maximum amount of transaction that can be entered into;

(ii) The indicative base price / current contracted price and the formula for variation in the price if any and;

(iii) Such other conditions as the Audit Committee may deem fit.

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding INR 1 Crore per transaction.

d) Audit Committee shall review, atleast on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.

Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one yearWhile assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:

I Nature of the transaction i.e. details of goods or property to be acquired / transferred or services to be rendered / availed – including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;

ii. Key terms (such as price and other commercial compensation contemplated under the arrangement) of the proposed transaction, including value and quantum;

iii. Key covenants (non-commercial) as per the draft of the proposed agreement/ contract to be entered into for such transaction;

iv. Special terms covered / to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;

v. Benchmarking information that may have a bearing on the arm's length basis analysis, such as:

a) market analysis, research report, industry trends, business strategies, financial forecasts, etc.;

b) third party comparables, valuation reports, price publications including stock exchange and commodity market quotations;

c) management assessment of pricing terms and business justification for the proposed transaction;

d) comparative analysis, if any, of other such transaction entered into by the company.

Approval of the Board of Directors of the Company

As per the provisions of Section 188 of Companies Act, 2013, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis shall be placed before the Board for its approval.

Any member of the Board who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party transaction.

In addition to the above, the following kinds of transactions with Related Parties are also placed before the Board for its approval:

I Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;

ii. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;

At the time of determining the arms' length nature of price charged for the Related Party Transaction, permissible method of arms' length pricing as per applicable law would be considered.

In case the Company is not doing similar transactions with any other non-related party, terms for similar transactions between other non-related parties of similar standing can be considered to establish 'arm's length basis'.

iii. Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.

iv. Transactions meeting the materiality thresholds laid down in the Policy, which are intended to be placed before the shareholders for approval.

Approval of the Shareholders of the Company

All the transactions with related parties meeting the materiality thresholds, laid down in the Policy, are placed before the shareholders for approval. Further, for all material related party transactions of unlisted subsidiaries of the Company, the prior approval of the shareholders of the Company shall suffice.

Listing Regulations provides that the requirement for seeking shareholders' approval shall not be applicable to transactions between the Company and its wholly owned subsidiary/ies whose accounts are consolidated with the Company.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for its approval.

Further, Explanatory Statement to be annexed to the notice of a general meeting seeking approval of shareholders shall contain the following particulars viz.:- (a) Name of the Related Party; (b) Name of the Director or Key Managerial Personnel who is related, if any; (c) Nature of relationship; (d) Nature, material terms, monetary value and particulars of the contract or arrangement; (e) Any other information relevant or important for the members to take a decision on the proposed resolution.

C. REVIEW OF RELATED PARTY TRANSACTIONS

i. To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction:

a) The name of the Related Party and nature of relationship;

b) The nature, duration of the contract and particulars of the contract or arrangement;

c) The material terms of the contract or arrangement including the value, if any;

d) Any advance paid or received for the contract or arrangement, if any;

e) The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;

f) Whether all factors relevant to the contract have been considered; and

g) Any other information relevant or important for the Audit Committee/Board to take a decision on the proposed transaction.

ii. Factors to be considered for considering the approval of a Related Party Transaction are as follows:

a) Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party; and are in the ordinary course of business;

b) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

c) Whether the Related Party Transaction would affect the independence of an independent director.

d) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

e) Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company; and

f) Any other factors the Committee deems relevant.

5. DISCLOSURE OF RELATED PARTY TRANSACTIONS:

The Company shall submit within thirty days from the date of publication of its standalone and consolidated financial results for the half year; disclosures of Related Party Transactions on a standalone basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

6. DISCLOSURE OF THE POLICY:

The Company shall disclose the Policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.

7. REPORTING:

I All Related Party Transactions shall be disclosed in the Board's Report along with details and justification for entering into such transaction.

ii. All Related Party Transactions in which Directors are interested as defined in Section 184 shall be entered in with all the relevant particulars in register maintained as per Form MBP-4 prescribed in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014.

iii. Details of material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance to the stock exchanges.

iv. Any other reporting shall be done as prescribed in applicable regulation.

8. GOVERNANCE WITH RESPECT TO SUBSIDIARY COMPANIES:

The Company shall comply with the following corporate governance requirements with respect to its subsidiary companies:

I At least one Independent Director on the Board of the Company shall be a director on the board of the unlisted Material Subsidiary, whether incorporated in India or not.

For this purpose the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

ii. A statement of all significant transactions and arrangements entered into by the unlisted subsidiary shall be periodically reviewed by the Company.

iii. The Company shall not dispose-off shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent [50%] or cease the exercise of Control over the subsidiary without passing a special resolution in its General Meeting except in such cases where divestment is made under a scheme of arrangement or under a resolution plan duly approved under Section 31 of the Insolvency Code.

iv. Selling, disposing and leasing of assets amounting to more than twenty percent [20%] of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement arrangement or under a resolution plan duly approved under section 31 of the Insolvency Code.

9. SCOPE LIMITATION:

In the event of any conflict between the provisions of this Policy and Listing Regulations/ Companies Act, 2013/ Master Directions or any other statutory enactments, rules, the provisions of such Listing Regulations/ Companies Act, 2013/ Master Directions or any other statutory enactments, rules shall prevail over this Policy.

10. AMENDMENTS IN THE POLICY:

The Company shall reserve the rights to make amendment(s) 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 - 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)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

I. Details of contracts or arrangements or transactions not at arm's length basis:

All contracts/arrangements/transactions entered into during the year ended March 31, 2024, were at arm's length basis.

II. Details of material contracts or arrangement or transactions at arm's length basis:

a)	Name(s) of the related party and nature of relationship	1. A. K. Capital Services Limited (Holding Company) 2. A. K. Services Private Limited (Enterprise controlled by key management personnel) 3. A. K. Stockmart Private Limited (Fellow subsidiary) 4. A. K. Alternative Asset Managers Private Limited (Fellow subsidiary) 5. Family Home Finance Private Limited (Subsidiary company) 6. India Bond Private Limited (Enterprise controlled by key management personnel) 7. Ms. Aditi Mittal, Executive Director 8. Mr. A. K. Mittal, Managing Director
b)	Nature of contracts/arrangements/ transactions	Investment, Lending and other normal Transactions (mentioned in the Notes forming part of the financial statements at Note No. 37)
c)	Duration of the contracts/arrangements/ transactions	On-going basis and depends on the nature of transaction
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Maintained at arm's length similar to third party contracts. Value of such transactions during the financial year is mentioned in the notes forming part of the financial statements at Note no. 37
e)	Justification for entering into such contracts or arrangements or transactions	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arm's length basis and competitive price.
f)	Date(s) of approval by the Board, if any	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the board is not applicable. However, the said transactions were part of omnibus list approved by the Audit Committee of the Company.
g)	Amount paid as advances, if any	N. A.

Note: No advance is payable in respect of any of the above transactions.

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

sd/-
A. K. Mittal
Managing Director
(DIN: 00698377)

sd/-
Aditi Mittal
Director
(DIN: 00698397)

Date: August 05, 2024
Place: Mumbai

ANNEXURE - 4

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 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 Compensation 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 including all other applicable rules, regulations, guidelines and laws (including any amendments thereto or re-enactments thereof for the time being in force) and Guidelines issued by RBI on Compensation to KMPs and Senior Management in the NBFC dated April 29, 2022. The Nomination and Remuneration Committee of the Board formulated and the Board of Directors of the Company have reviewed and approved the Nomination and Compensation Policy of the Company. (the "Policy").

The Company being Debt Listed entity mandatorily required constituting Nomination and Remuneration Committee (the "NRC or Committee"). The responsibility of Remuneration Committee as per the guidelines issued by RBI shall be assigned to NRC of the Board formed in compliance with the applicable provisions of the Companies Act 2013, SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs dated April 29, 2022, as issued by the Reserve Bank of India.

2) OBJECTIVES OF THE POLICY:

The key objectives of the Policy would be:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director.

b) That the level and composition of Compensation is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

c) That the relationship of Compensation (Fixed, Variable and Bonus) to performance is clear and meets appropriate performance benchmarks;

d) That the Compensation to Directors, Key Managerial Personnel (KMPs), Senior Management 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;

e) To formulate criteria for evaluation of annual performance of the Board as whole, Directors (Executive and Non Executive), Committees of the Board, Chairperson, KMPs, Senior Management and other employees of the Company and recommend Compensation payable to them to the Board;

f) To lay the principles for fixed/ variable pay structures for Senior Management and KMPs.

g) To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

h) Identify persons who are qualified to become Directors Key Managerial Personnel ("KMP"), Chief Compliance Officer and who may be appointed as Senior Management Personnel ("SMP") in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.

i) 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 of the Companies Act, 2013

e) **'Listing Regulations'** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

f) **'Key Managerial Personnel'** means

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

ii. Chief Financial Officer; and

iii. Company Secretary.

g) **'Policy'** means Nomination and Compensation Policy of the Company.

h) **'Senior Management'** or **'Senior Management Personnel'** shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole-time director/manager (including chief executive officer/manager, in case they are not part of the Board) and shall specifically include the functional heads, by whatever name called and the company secretary and chief financial officer.

i) **'CCO'** or **'Chief Compliance Officer'** as defined by RBI in its Circular on Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs dated April 11, 2022 read with Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021

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) CCO

d) Senior Management Personnel

6) NOMINATION AND REMUNERATION COMMITTEE OF THE COMPANY:

a) The NRC of the Board shall comprise of at least three Directors, all of whom shall be Non-Executive Directors and at least two-thirds of the members shall be Independent Directors. The Chairperson of the Committee shall be an Independent Director.

b) The Committee shall identify persons who are qualified to become directors, CCO and who may be appointed in Senior Management, in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.

c) The Committee shall recommend to the Board the appointment and removal of the Directors and Key Managerial Personnel ("KMP"), CCO and Senior Management Personnel ("SMP") of the Company including their remuneration.

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

e) To ensure there is an appropriate induction in place for new directors, SMP and KMP.

f) Carry out performance evaluation of all Board as whole, Directors, Committee and Chairperson.

g) 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.

h) The Committee shall devise a policy on diversity of board of directors;

i) 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.

j) To decide on the commission of the Directors and/or other incentives payable, taking into account the individual's performance as well as that of the Company, if any.

k) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

l) The NRC will actively oversee the compensation system's design and operations to ensure that the system operates as intended and is also consistent with the principles outlined by the RBI.

m) The NRC shall work in close coordination with Risk Management Committee to achieve effective alignment between compensation and prudent risk-taking.

n) The NRC shall ensure that the cost to income ratio of the Company supports the compensation consistent with maintaining sound capital adequacy ratio.

o) For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required by an independent director.

p) The NRC shall have supervisory oversight regarding implementation of compensation practices and policies of the Company and Human Resource Department will administer the compensation policy by following rules and processes that are objective and transparent. The Company will ensure complete compliance with all disclosure norms as prescribed by the various statutes relevant to the NBFC sector and industry in general.

q) The specific criteria for Malus and Claw back will be reviewed by the NRC annually.

r) The performance parameters & final payout for Cash based incentives and share-linked incentives would be fixed by NRC/Board every year.

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, CCO AND SENIOR MANAGEMENT:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP, CCO 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.

e) KMPs of the Company shall not hold any office (including directorships) in any other NBFC-Middle Layer or NBFC-Upper Layer except for directorship in the subsidiary company in pursuance to applicable SBR framework.

f) An independent director shall not be on the Board of more than three NBFCs (NBFCs-Middle Layer or NBFCs-Upper Layer) at the same time. Further, the Board of the Company shall ensure that there is no conflict arising out of their independent directors being on the Board of another Company at the same time.

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 with respect to removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations.

The CCO can be transferred / removed before completion of his/ her tenure only in case of exceptional circumstances with the prior approval of the Board/ Board Committee and after following the transparent internal administrative procedure.

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/ Compensation 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.

III. Chief Compliance Officer:

The CCO shall be appointed for a minimum fixed tenure of not less than 3 years. In exceptional cases the minimum tenure may be relaxed by one year by the Board/ Board Committee, provided appropriate succession planning is put in place.

13)SEPARATE MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company shall hold a separate meeting at least 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 COMPENSATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT

I. General:

1. The remuneration / compensation / commission etc. to KMP and Senior Management Personnel will be determined by the Managing Director/s of the Company. The Committee may instruct the Managing Director to place the report covering the remuneration fixed for KMP and Senior Management Personnel, as and when required.
2. The remuneration and commission to be paid to Managing Directors, Whole Time Directors and Managers (the "Managerial Person") shall be as per the statutory provisions of the Act, and the rules made there under for the time being in force.
3. In case of Managerial Person, 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.
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 Compensation to Managerial Person, KMP and Senior Management:

1. Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly Compensation as may be approved by the Board, based 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.

2. Variable Pay:

The variable pay may be in the form of share linked instruments or a mix of cash and share-linked instruments. It shall be ensured that the share-linked instruments are in conformity with relevant statutory provisions.

The proportion of variable pay in total compensation needs to be commensurate with the role and prudent risk taking profile of KMPs/ senior management. At higher levels of responsibility, the proportion of variable pay needs to be higher. There should be proper balance between the cash and share-linked instruments in the variable pay in case the variable pay contains share linked instruments. The variable pay should be truly and effectively variable and can be reduced to zero based on performance at an individual, business-unit and companywide level. In order to do so, performance measures and their relation to Compensation packages should be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentive mechanism.

The Committee post assessment of the performance shall approve the variable pay which may be paid immediately or Certain portion of variable pay, as decided by the Board of the company, may be deferred to time horizon of the risks Components and risk alignment. The portion of deferral arrangement may be made applicable for both cash and non-cash components of the variable pay. Deferral period for such an arrangement may be decided by the Board.

The Compensation of Key Managerial Personnel (KMPs) and senior management needs to be reasonable, recognising all relevant factors including adherence to statutory requirements and industry practices. The compensation packages may comprise of fixed and variable pay components aligned effectively with prudent risk taking to ensure that compensation is adjusted for all types of risks, the compensation outcomes are symmetric with risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms of compensation are consistent with risk alignment.

3. Guaranteed bonus:

Guaranteed bonus may not be paid to KMPs and senior management. However, in the context of new hiring joining/sign-on bonus could be considered. Such bonus will neither be considered part of fixed pay nor of variable pay.

4. Minimum Compensation:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay Compensation 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.

5. Provisions for excess Compensation:

If any Managerial Person draws or receives, directly or indirectly by way of Compensation any such sums in excess of the limits prescribed under the Act, 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.

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

1. Compensation / Commission:

The Compensation / 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 Compensation 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.

3. Limit of Compensation /Commission:

Compensation /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 options, if any of the Company.

15)CONTROL AND ASSURANCE FUNCTION PERSONNEL:

KMPs and senior management engaged in financial control, risk management, compliance and internal audit may be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the company. Accordingly, such personnel may have higher proportion of fixed compensation. However, a reasonable proportion of compensation may be in the form of variable pay.

16) MALUS / CLAWBACK:

The deferred compensation may be subject to malus/clawback arrangements in the event of subdued or negative financial performance of the company and/or the relevant line of business or employee misconduct in any year. NRC shall identify the vent of

subdued or negative financial performance of the Company or any such events wherein immediate attention is required towards implementation Malus/Clawback arrangements. It shall be implemented with the approval of Committee. Compensation will be aligned to both financial and non-financial indicators of performance including controls like risk management, process perspective, customer perspective and others.

- Acts of gross negligence and integrity breach shall be covered under the purview of the compensation policy. Errors of judgment shall not be construed to be breaches under this note.
- The deferred part of the variable pay (performance bonus) will be subject to malus, under which, the Company will prevent vesting of all or part of the variable pay in the event of an enquiry determining gross negligence or integrity breach.
- Employees will be required to sign claw back agreements for the variable pay. In a claw back arrangement, the employee will agree to return, in case asked for, the previously paid variable pay to the Company in the event of an enquiry determining gross negligence or integrity breach, taking into account relevant regulatory stipulations.

  The invocation of the malus and clawback clauses may be applicable on entire variable pay. While setting criteria for the application of malus / clawback, the Committee may also specify a period during which malus and/or clawback can be applied, covering at least the deferral and retention periods.

17) 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

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2023 – 24

1. **A BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:** A detailed CSR Policy was framed by the Company with approvals of the CSR Committee and Board of Directors. A. K. Group believes that true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people

   The Policy, inter alia, covers the following:

   I Objective

   ii. Role of CSR Committee

   iii. List of CSR activities

   iv. CSR Expenditure

   v. Implementation of CSR policy

   vi. Monitoring and reporting Mechanism

   The CSR Policy is in compliance with the provisions of the Companies Act, 2013 ("Act").

   The Company's participation focuses on those funds which shall supplement and complement government efforts to scale up the capacity of the public health system and ability to deal with crisis.

   The Company undertakes/ supports/ finances the projects/funds keeping in view the applicable provisions of Section 135 read with Schedule VII of the Act and CSR Policy of the Company.

2. **COMPOSITION OF CSR COMMITTEE:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meeting held during the year	Number of meeting held during the year
1	Mr. A. K. Mittal	Managing Director	1	1
2	Mr. Rajiv Kumar Bakshi (Ceased to be a Member w.e.f. March 28, 2024)	Non-Executive Independent Director	1	1
3	Mr. Khimji Shamji Pandav (Ceased to be a Member w.e.f December 18, 2023)	Non-Executive Independent Director	1	1
4	Ms. Aditi Mittal (Appointed as Member w.e.f December 18, 2023)	Executive Director	0	0
5	Mr. Vinod Kumar Kathuria (Appointed as Member w.e.f March 28, 2024)	Non-Executive Independent Director	0	0

   The CSR Committee met once during the financial year 2023-24 on May 20, 2023.

3. **Web-link of the Disclosures:**

Composition of CSR committee	https://www.akgroup.co.in/docs/DETAILS%20OF%20BOARD%20COMMITTEES-2024-.pdf
Company's CSR policy	https://www.akgroup.co.in/docs/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY,%20PROJECTS%20AND%20COMMITTEE%20COMPOSITION.PDF
CSR projects	https://www.akgroup.co.in/docs/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY,%20PROJECTS%20AND%20COMMITTEE%20COMPOSITION.PDF

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: NOT APPLICABLE**

5.

   a) Average net profit of the Company as per sub-section (5) of section 135: INR 68,20,46,114/-

   b) Two percent of average net profit of the Company as per section 135(5): INR 1,36,40,922/-

   c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NA

   d) Amount required to be set off for the financial year, if any: INR 14,121/-

   e) Total CSR obligation for the financial year (b+c-d): INR 1,36,26,801/-

6.

a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 1,36,30,000/-

b) Amount spent on Administrative Overheads: NA

c) Amount spent on Impact Assessment, if applicable: NA

d) Total amount spent for the Financial Year (a+b+c): INR 1,36,30,000/-

e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount (in INR)	Date of transfer
INR 1,36,30,000	Nil	Not Applicable	Not Applicable	Not Applicable	Not Applicable

f) Excess amount for set off, if any:

Sr No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per section 135(5) (after set off by excess of Rs. 14,121/-)	1,36,26,801
(ii)	Total amount spent for the Financial Year	1,36,30,000
(iii)	Excess amount spent for the Financial year [(ii)]-[(i)]	3,199
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3,199

***Note:**

Details of Amount spent for the Financial Year 2023-24:

Sr No.	Funds as per Schedule VII of Companies Act, 2013	Amount (in INR)
(i)	Clean Ganga Fund	40,00,000/-
(ii)	Swach Bharat Kosh	40,00,000/-
(iii)	Prime Minister's National Relief Fund	40,00,000/-
(iv)	PM CARES Fund	16,30,000/-
	Total	1,36,30,000/-

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in INR)	Balance Amount in Unspent CSR Account under sub-section 6 of Section 135 (in INR)	Amount spent in the reporting Financial Year (in INR)	Amount transferred to any fund specified under Schedule VII as per as per second proviso to Section 135(5), if any			Amount remaining to be spent in succeeding financial years (in INR)	Deficiency, if any
					Name of the Fund	Amount (in INR)	Date of transfer		
1	-	-	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

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

sd/-
A. K. Mittal
Managing Director
(DIN: 00698377)

sd/-
Aditi Mittal
Director
(DIN: 00698397)

Date: August 05, 2024
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW OF INDIAN ECONOMY:

The Indian economy exhibited resilience during the Financial Year 2023-24, notwithstanding persistent headwinds from subdued external demand, protracted geopolitical tensions and volatile global financial markets. Real GDP growth was sustained at 7% and above for the third successive year in 2023-24, supported by robust growth in fixed investment on the back of the Government's focus on capital expenditure. On the supply side, economic activity was lifted by the boost to the manufacturing sector's profitability from the correction in input prices and sustained momentum in services activity, even as the agricultural sector activity exhibited a slowdown.

Against the backdrop of subdued global economic activity and multiple headwinds, the Indian economy expanded at a robust pace in 2023-24, with real GDP growth accelerating to 7.6% from 7.0% in the previous year – the third successive year of 7% or above growth. With gross fixed capital formation (GFCF) accelerating to 10.2% in 2023-24 from 6.6 % in 2022-23, investment was the major driver of domestic demand, buoyed by government spending on infrastructure. Growth in private consumption demand, on the other hand, stood at 3.0% as against 6.8% a year ago. Government consumption demand was also subdued tracking fiscal consolidation. Net exports dragged down growth due to the moderation in exports as a result of contraction in global trade volumes. Import demand was relatively buoyant on robust domestic demand.

Inflationary pressures moderated albeit unevenly during 2023-24, reflecting the combined impact of calibrated monetary tightening, easing of input cost pressures and supply management measures. Headline inflation softened to 5.4% during 2023-24 from 6.7% in the previous year, driven by the fall in core inflation (CPI excluding food and fuel) to 4.3% from 6.1%. Fuel inflation also eased sharply, moving into deflation since September 2023, with the reduction in the domestic prices of liquefied petroleum gas (LPG) and kerosene on the back of correction in global energy prices. Food inflation, on the other hand, hardened amidst high volatility.

Capital adequacy of non-banking financial companies (NBFCs) was comfortable and asset quality improved as at end-September 2023. On the profitability front, RoA and net interest margin (NIM) stood strong and the cost-to income ratio improved. Robust credit growth was sustained, supported by demand for retail credit. Urban cooperative banks (UCBs) witnessed an improvement in their capital adequacy, with their capital to risk-weighted assets ratio (CRAR) surpassing the minimum requirement across all tiers in September 2023.

Source: Reserve Bank of India

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Non-Banking Financial Companies ("NBFCs") have been an integral part of India's formal credit system since independence, complimenting banks in distributing credit to the last-mile of the economy. NBFCs are characterised by its specialised underwriting abilities and nimble approach, enabling them to specialise in niche sectors like housing, MSME, real estate, commercial vehicles, and gold loans. The Government's initiatives to boost development of MSMEs and enhance their global competitiveness are commendable. NBFCs can play an integral role in extending loans to MSMEs, owing to their prowess in efficient delivery of credit to the smallest and remotest businesses. NBFCs have the ability to leverage on technological innovations like the India Stack to expand financial inclusion. This is reflected in the steady growth of NBFC credit to MSMEs. In FY 2022-23, there was a 48.5% y-o-y growth in advances to MSMEs by NBFCs, while that of Scheduled Commercial Banks grew by 14%. Easy availability of credit will ensure an inclusive landscape for MSMEs, enabling them to integrate with global supply chains and create quality employment.

Crisil Ratings expect NBFC AUM to have grown at 16-18% in FY 2023-24. This could moderate marginally to 14-17% in FY 2024-25, triggered by tightening regulations on unsecured lending. The rating agency also expects that Housing loans will grow at 12-14% in FY 2024-25, buoyed by higher focus on affordable homes (costing ₹ 25 lakh or less per unit). The other major segment, vehicle loans, is expected to grow at 17-18% owing to high consumer demand. Regulatory reforms have helped NBFCs to strengthen their balance sheets and improve quality of loan book. RBI estimates that the GNPA ratio for NBFCs declined to a record low of 2.4% in FY 2023-24, from 6.4% in FY 2018-19. The sector's capital adequacy has also improved to 27.6% from 27.4% during this period, much higher than the regulatory requirement of 15%. Over the next few years there will be a significant round of consolidation favouring well managed and financially strong NBFCs, thereby improving the financial stability and overall profitability of the sector.

As banks and NBFCs have entered into various co-lending models with divergent underwriting practices and banks have been the major lender to NBFCs, this rising interconnectedness raises risks emanating from crosssectional dimensions. Thus, on 16 November 2023, the RBI increased risk weight on unsecured retail loans from 100% to 125% and also increased risk weight on bank exposures to NBFCs by 25% subject to a cap of 100%. The RBI's Financial Stability Report states that "the Reserve Bank took proactive regulatory measures, such as increase in risk weights on certain segments of consumer credit by banks and NBFCs as well as bank credit to NBFCs, along with a strengthening of credit standards in respect of various sub-segments under consumer credit, to prevent build-up of risks and spill-over to the wider financial system.

Source: CRISIL Ratings Report

OUTLOOK OF THE COMPANY:

The outlook of A.K. Capital Finance Limited **("Company"/ "AKCFL")** for the year ahead is to drive profitable growth across all business segments with conservative lending, active liquidity, asset-liability management and capital conservation. The Company's business team will keenly focus on key customer relationships and aim to grow its structured finance and opportunistic investments in debt markets. The Company, as a whole, will focus on balanced measured growth, asset quality, cross selling opportunities, digital and analytics.

SWOT Analysis:

a) Strengths:

- Strong AK Group brand name.
- Experienced senior management team.
- Well-defined and scalable organizational structure based on product, territory and process knowledge.
- Consistent financial track record with rapid growth in AUM.
- Strong relationships with public, private as well as foreign banks, institutions and investors.

b) Weakness:

- Business and growth directly linked with the GDP growth of the country.
- Company's Customers-SRTOs and FTBs are more vulnerable to negative effects of economic downturn

c) Opportunities:

NBFCs have taken various steps to navigate through the pandemic induced headwinds, stricter and strengthened underwriting norms, use of alternate data sources for underwriting, quickening the pace of digitalisation through use of UPI handles, Bots, IVR's, strengthening of collection teams and focus on safer asset classes.

The aforementioned measures, coupled with greater focus on asset quality, digitalisation across customer lifecycle, co-lending partnerships, effective utilization of structured financing and strengthening of capital base amongst others will hold NBFC's in good stead as they navigate towards a more benign economic environment going forward.

d) Threats:

- Inflation
- Geopolitical crisis
- Competition from captive finance companies, small banks
- Increase in finance cost due to larger liquidity buffer maintained to face uncertainties of pandemic

SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE:

AKCFL operates mainly in a two business i.e.(Itrading and investment in securities and (ii) lending of funds to Indian corporates The revenues from trading and investment in securities in FY 2023-24 were INR 22,419.68 Lakhs and (ii) lending of funds to Indian corporates and individuals segments in FY 2023-24 were INR 8,519.24 Lakhs.

KEY RISKS & CONCERNS:

AKCFL 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, operational risk and other risk as detailed herein:

a) Credit Risk: The credit risk framework of AKCFL 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 with NIL delinquencies since inception.

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 AKCFL 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.

d) Business/Strategic Risk: Business/Strategic risks are risks that affect or are created by an organization's business strategy and strategic objectives. Your company's management of this risk is guided by diversification in its business through various products, customer segments and geographies, balanced growth while maintaining asset liability balance and prudent provisioning policies.

e) Reputation Risk: Trust is the foundation for the financial service industry and is critical to building a strong customer franchise. Any adverse stakeholder or public perception about the company may negatively impact our ability to attract and retain customers and may expose us to litigation and regulatory actions. Reputation Risk most often results from the poor management of other risks and can arise from a variety of sources including direct sources like poor financial performance, poor governance and indirect sources like increased operational risk or control failures. The company manages this through a strict code of conduct policy for its employees, good corporate governance policies and an effective customer grievance mechanism. We communicate with our stakeholders regularly through appropriate engagement mechanisms to address stakeholder expectations and assuage their concerns, if any.

f) Technology Risk: Technology is rapidly changing the way financial services entities operate and is a key disruptor for the industry. The focus of your company continues to be on digital and is aimed at leveraging digital technology to provide a best in class experience for its customers while simultaneously enhancing productivity and risk management. A layered technology architecture is implemented to manage risks due to system failures, cyber-attacks etc. Disaster recovery and Business Continuity Plans (BCP) have been established and various functional and technology initiatives have been taken to enhance system resiliency. Effective access control mechanism is a key technology control to prevent unauthorised access. The access to business applications is provisioned by an independent team and is provided based on the roles and responsibilities of the user. Technology and Operational controls are implemented to manage privileged access to systems. Cyber threats and the associated risks in the external environment have increased and your company works continuously to improve processes and controls to mitigate these risks. Cyber resilience framework is being established to mitigate the threats such as data breaches, malware, Denial-of-service attacks etc.

g) **Interest Rate Risk:** Interest Rate Risk is the exposure of a company's financial condition to adverse movements in interest rates. Changes in interest rates affect a company's earnings by changing its Net Interest Income (NII). Asset Liability Committee (ALCO) is a decision making management committee responsible for balance sheet planning in your company from risk return perspective including strategic management of interest rate and liquidity risks. Advances Book and Funding strategy are tailored in such a way that repricing of borrowings can be offset by repricing the loans. Earnings impact using traditional gap analysis measures the level of your Company's exposure to interest rate risk in terms of sensitivity of its NII to interest rate movements over the horizon of analysis.

h) **Liquidity Risk:** Liquidity Risk is the risk that a Company may not be able to meet its short term financial obligations due to an asset–liability mismatch or interest rate fluctuations. The Board of Directors has delegated the responsibility for ongoing balance sheet Liquidity Risk management to the Asset &Liability Management Committee. The Company's framework for liquidity and interest rate risk management is articulated in its Asset Liability Management Policy that is implemented, monitored and periodically reviewed by the ALCO.

i) **Compliance Risk:** Compliance Risk is defined as the risk of exposure to legal, regulatory sanctions and damage to its reputation as a result of failure or a perceived failure to comply with applicable laws, regulations, and internal policies or prescribed best practices. Your Company has a Compliance Policy to ensure highest standards of compliance. The Compliance team works with business and operations to ensure active compliance risk management and monitoring. The team also provides advisory services on regulatory matters. The focus is on identifying and reducing risk by rigorous testing and also putting in place robust internal policies. Products and processes are reviewed for adherence to regulatory norms prior to rollout. Internal policies are reviewed and updated periodically as per agreed frequency or based on market action or regulatory guidelines / action. The compliance team also seeks regular feedback on regulatory compliance from product, business and operation teams through self-certifications and monitoring.

Details of significant changes in key financial ratios along with explanation

In compliance with the requirement of the Listing Regulations, the key financial ratios of the Company along with explanation for significant changes (i.e., for change of 25% or more as compared to the immediately previous financial year will be termed as 'significant changes'), has been provided hereunder:

Sr. No.	Particulars	Financial Year 2023-24	Financial Year 2022-23
1.	Debt Equity Ratio	2.62	2.26
2.	Net profit margin %	20.34	24.29
3.	Return on net worth1	8.19	8.49
Sector specific equivalent ratios			
4.	Gross Stage 3 (%)	NIL	0.02
5.	Net Stage 3 (%)	NIL	NIL
6.	Capital to risk-weighted assets ratio (%)	33.30	33.56

Notes:

1. The decrease in Return on net worth is on account of increase in the capital base of the Company.
2. Debtors Turnover Ratio, Interest Coverage Ratio, Operating profit margin %, Inventory Turnover Ratio and Current Ratio are not applicable to the Company.

Disclosure of Accounting Treatment:

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction – **Not Applicable**

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

AKCFL 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 AKCFL 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. AKCFL 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 2023-24, the Company demonstrated a steady trend. The revenues for the FY 2023-24 were INR 31,016.36 Lakhs as compared to INR 24,991.82 Lakhs during FY 2022-23. The profit after tax for the FY 2023-2024 was INR 6,307.41 as compared to INR 6,071.05 Lakhs during FY 2022-23.

HUMAN RESOURCES:

Our employees continue to be our core asset. We understand that our workforce has a life beyond our doors. Our development activities are focused on creating opportunities that help them achieve the right work-life balance and grow in their respective roles and even beyond them. We remain committed for making AK Group a workplace, wherein the determination and dedication of our employees helps to serve our large clientele & generate long-term value for our shareholders.

As on March 31, 2024, the Company had 121 employees on its payroll.

i) Diversity & Inclusion

At AK Group; diversity is our strength. We hire from different cultural and social backgrounds and have a non-discriminatory approach to acquiring talent. Openness and inclusion makes AK Group a place where you would like to work. Our focus is on developing skills, encouraging talent and helping people do the best they can, each day. We work with our employees as partners and provide opportunities for high quality learning, get coaching from industry's best and offer a challenging yet rewarding workplace.

We intend to develop and sustain a diverse workforce which strives to meet the unique needs of our diverse client base and the sectors in which we operate.

Our Management Trainee program is designed to provide opportunities to freshers from Management as well as Professional Institutes. The program focusses on nourishing young talent which are mentored by industry veterans within the Company and make them industry ready.

ii) Teamwork & Leadership

We believe a lot in teamwork, as all our employees work in different teams and also across multiple offices. These teams have their own areas of expertise but they all have shared responsibility and to achieve this, our employees have to work flexibly and collaboratively.

In AK Group, we expect everyone at the firm to be a leader and should not limit their responsibilities & capabilities. The Company identifies and recruits people who share their commitment towards business in addition to their intellect and experience.

iii) Employee Programs

We invest in every step of our employees' careers and ensure their long term interests remain closely aligned with those of our clients and shareholders. Our goals are to reinforce the firm's culture, maximize individual potential and expand our employees' professional opportunities and abilities. We hold varied employee engagement activities, offer development workshops and create an environment of openness where learning is always a possibility and asking questions is the norm rather than the exception.

Annual cricketing event which involved participation of employees from various functions which fostered team spirit. This employee engagement activity proved to be an ice breaker between new incumbents & fostered inter-functional and inter-department communication.

Birthday celebrations, Festive celebrations & Team outings are another method in which an environment is created for employees to connect, celebrate & discuss ideas.

CONCLUDING COMMENTS:

The Company has built adequate liquidity buffer to pay all its liabilities over the period of next six months. The Company continues to focus on lending and investment to small companies for onward lending to SME and MSME customers. The Company will enhance its product basket with new structured products catering to a larger universe of both corporate and retail customers. We, therefore, expect to generate greater customer acquisition, higher customer loyalty, more profitable cross-selling and better margins for each of our businesses. Simply put, FY2025 should be at least as good as Fy2024

CAUTIONARY STATEMENT:

This report contains forward-looking statements extracted from reports of Government Authorities / Bodies, Industry Associations etc., available in the public domain, which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses, and other factors. Actual results, performance, or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto. The Company does not undertake to update these statements.

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

sd/-
A. K. Mittal
Managing Director
(DIN: 00698377)

sd/-
Aditi Mittal
Director
(DIN: 00698397)

Date: August 05, 2024
Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

The Board of Directors presents the Company's Report on Corporate Governance for the Financial Year ended March 31, 2024, in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time.

BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Corporate Governance represents values, culture and behavior of the organization. Further, the term Corporate Governance is wide to encompass processes, accountability and level of transparency deployed by the organization in its functioning. In all the term corporate governance covers the conduct of the organization in different situations over a period.

Since, every company/ body-corporate is an artificial person created by law; it cannot act on its own. Ultimately, it is the Board of Directors, KMPs' and Senior Management, who generally governs the behavior of organization/ company, and they are responsible for setting the right culture and values at all levels. Accordingly, presence of human element plays pivotal role in success of corporate governance standards at all levels for any organization. In view of the same, the Company believes that it is the collective responsibility of Board Members, KMPs' and the members of Senior Management to foster a culture in which high standards of ethical behavior, individual accountability and transparent disclosures are ingrained in all its dealings.

A. K. Capital Finance Limited (**"Company"**) completed the journey of more than 18 Years of its existence and over the years, efforts have been made to enhance the level of compliance standards, processes and practices to ensure transparency in all its dealings. The Company's philosophy on Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and meeting its obligations to stakeholders and is guided by a strong emphasis on transparency, accountability and integrity. The governance practices and processes ensure that the interest of all stakeholders are taken into account in a transparent manner and are firmly embedded into the culture of the organization.

The Report on Corporate Governance, as per the applicable provisions of the Companies Act, 2013 (**"Act"**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (**"Master Direction"**) and other applicable laws for the time being in force, is as under:

(1) BOARD OF DIRECTORS:

An effective Board of Directors ("Board") is a pre-requisite for strong and effective corporate governance. With the belief that an active, well informed, truly diverse and independent Board of Directors is necessary to ensure the highest standards of corporate governance, the Company has a fundamentally strong Board comprising of an optimal combination of executive, non-executive and independent directors so as to preserve and maintain the independence, efficiency and diversity on the Board of the Company.

The Company strives to maintain an appropriate balance of skills and experience within the organization and at the Board level, in order to introduce new perspectives while maintaining experience and continuity.

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other normal business, the maximum interval between any two meetings did not exceed one hundred twenty (120) days. The Company adheres to the Secretarial Standards on Meetings of the Board of Directors (SS-1) as prescribed by the Institute of Company Secretaries of India ("ICSI").

(i) Appointment of Directors since last Annual General Meeting

The Directors of the Company are appointed by the Board on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the Members at the General Meetings.

Since the last Annual General Meeting, the following appointments were made by the Board:

Sr. No.	Name of the Director	DIN	Current Designation	Date of first Appointment on the Board	Date of Approval by shareholders
1	Mr. Vinod Kumar Kathuria	06662559	Non-Executive, Independent Director	December 18, 2023	February 20, 2024
2	Ms. Bindu Darshan Shah	07131459	Non-Executive, Independent Director	March 28, 2024	June 21, 2024

(ii) Category of the Board of Directors as on March 31, 2024 and Directors' attendance record

Sr. No.	Name of the Director, DIN, Category, Date of Appointment and No. of Shares/ convertible securities held	Number of directorships	Presence in Committees		No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM held on September 9, 2023
			As a member	As a chairperson			
	Mr. A. K. Mittal (DIN: 00698377) Promoter & Managing Director Date of Appointment: November 30, 2012 No. of Equity Shares held: 2,80,180 No. of CCPS held: 20,00,000	3	3	0	8	8	Yes
2	Mr. Rajiv Kumar Bakshi6 (DIN: 00264007) Chairman & Independent Director Date of Appointment: May 19, 2014 No. of Shares/ Convertible Securities held: Nil	6	5	1	8	8	Yes
3	Mr. Khimji Shamji Pandav5 (DIN: 01070944) Independent Director Date of Appointment: August 11, 2018 No. of Shares/ Convertible Securities held: Nil	3	0	0	6	5	Yes
4	Ms. Aditi Mittal (DIN: 00698397) Executive Woman Director Date of Appointment: December 02, 2022 No. of Equity Shares held: 16,080	4	2	1	8	2	No
5	Mr. Deepak Maheshwari (DIN: 00750047) Independent Director Date of Appointment: February 06, 2023 No. of Shares/ Convertible Securities held: Nil	2	1	0	8	7	No
6	Mr. Vinod Kumar Kathuria7 (DIN: 06662559) Independent Director Date of Appointment: December 18, 2023 No. of Shares/ Convertible Securities held: Nil	6	4	2	2	2	No
7	Ms. Bindu Darshan Shah8 (DIN: 07131459) Additional (Independent) Director Date of Appointment: March 28, 2024 No. of Shares/ Convertible Securities held: Nil	5	6	3	0	0	No

Notes:

1. Directorships/ Memberships in committees of public companies are considered including the directorship/ committee membership held in the Company.
2. The committees considered for above purpose are those prescribed in the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee.
3. During the Financial Year 2023-24, eight Meetings of the Board were held on April 1, 2023, May 20, 2023, July 29, 2023, September 29, 2023, October 30, 2023, December 18, 2023, February 03, 2024 and March 28, 2024.
4. All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Act, Listing Regulations, RBI Master Direction and other applicable laws for the time being in force.
5. Mr. Khimji Shamji Pandav (DIN: 01070944), Independent Director (Non-Executive) has tendered his resignation as an Independent Director of the Company with effect from December 18, 2023 due to other work commitments and there was no material reason highlighted by the Director. The same was taken on record by the Board at its meeting held on the same day.
6. The 2nd term of appointment of Mr. Rajiv Kumar Bakshi (DIN: 00264007) as an Independent Director on the Board of the Company came to an end on March 31, 2024 in pursuance to Section 149(11) of Companies Act, 2013. The same was taken on record by the Board at its meeting held on March 28, 2024. He further ceased to be Chairman of the Board w.e.f. March 31, 2024. (closing of business hours)
7. Mr. Vinod Kumar Kathuria (DIN: 06662559) was appointed as an Additional (Independent) Director (Non-Executive) on the Board of the Company with effect from December 18, 2023 for a period of 3 years and further regularized as Independent Director (Non-Executive) by shareholders in their meeting held on February 20, 2024. He was appointed as the Chairman of the Board w.e.f. April 01, 2024 by the Board of Directors at their meeting held on March 28, 2024.
8. Ms. Bindu Darshan Shah (DIN: 07131459) was appointed as an Additional (Independent) Director (Non-Executive) on the Board of the Company with effect from March 28, 2024 for a period of 2 years and further regularized as Independent Director (Non-Executive) by shareholders in their meeting held on June 21, 2024.
9. The Directors of the Company have complied with the Regulations 17A and 26 of the Listing Regulations with respect to chairmanship and membership in board committees. Further based on the disclosures received from the Directors, none of the Directors have breached the overall limit of directorship as stipulated in the applicable laws.
10. None of the Directors are related to each other, except Ms. Aditi Mittal (DIN: 00698397) Executive Woman Director, who is the daughter of Mr. A. K. Mittal (DIN: 00698377) Managing Director of the Company.
11. **Below mentioned are the changes in the Board composition during the financial year 2022-23:**

Name of the Director	Designation	Nature of Change	Effective Date
Mr. A. K. Mittal	Managing Director	Re-appointment	November 30, 2022
Ms. Annu Garg	Executive Director	Resignation	December 01, 2022
Ms. Aditi Mittal	Executive Director	Appointment	December 02, 2022
Mr. Vikas Sagarmal Agarwal	Independent Director	Resignation due to other work commitments	February 06, 2023
Mr. Deepak Maheshwari	Independent Director	Appointment	February 06, 2023

(ii) Composition of the Board of Directors

The composition of the Board is in consonance with Listing Regulations and in accordance with the applicable provisions of the Act, as amended from time to time. The below mentioned composition of Board as on March 31, 2024:

Total No. of Directors	6*
Total No. of Executive Directors	2
Total No. of Non-Executive Directors	4*
Out of Total No. of Non-Executive Directors, No. of Independent Directors	4*
Woman Director	2

**The 2nd term of appointment of Mr. Rajiv Kumar Bakshi (DIN: 00264007) as an Independent Director on the Board of the Company came to an end on March 31, 2024 in pursuance to Section 149(11) Act.*

The Chairman of the Board is Non-Executive Independent Director.

All the independent directors of the Company have provided the declarations pursuant to Section 149(7) and Regulation 25(8) of the Listing Regulations to the Board confirming adherence to the criteria of independence as laid down under Section 149(6) of the Act read with Rule 5 and 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations, as amended from time to time.

(iv) Names of the other listed entities where the director is a director and the category of directorship as on March 31, 2024

Sr. No.	Name of the Director, DIN & Category	Names of the other listed companies where person holds directorship	Category of directorship
1	Mr. A. K. Mittal (DIN: 00698377) Promoter & Managing Director	A. K. Capital Services Limited	Managing Director
2	Mr. Rajiv Kumar Bakshi (DIN: 00264007) Chairman & Independent Director (End of Term w.e.f .March 31, 2024)	Brady and Morris Engineering Company Limited	Independent Director
		N R Agarwal Industries Limited	Independent Director
		A. K. Capital Services Limited	Independent Director
3	Ms. Bindu Darshan Shah (DIN: 07131459) Additional (Independent) Director	Fineotex Chemical Limited	Independent Director
		Kamadgiri Fashion Limited	Independent Director
		JBF Industries Limited*	Independent Director
4	Mr. Vinod Kumar Kathuria (DIN: 06662559) Independent Director	Jayaswal Neco Industries Limited	Independent Director
		Satia Industries Limited	Additional (Independent) Director
		A. K. Capital Services Limited	Independent Director
5	Ms. Aditi Mittal (DIN: 00698397) Executive Director	A. K. Capital Services Limited	Non-Executive Director

*Currently the board of the said company stands dissolved as IRP has taken over.
None of the other director hold position of Director in other listed entity including high value debt listed companies.

(v) Retirement by rotation

The Members may note that pursuant to the provisions of Section 152(6)(a) of the Act read with rules made thereunder, two-third of total number of directors of public company shall be persons whose office is liable to retire by rotation. In view of same, except independent directors, the office of all other directors is liable to retire by rotation.

Further, Section 152(6) of the Act also provides that out of the total number of directors whose office is liable to retire, one-third of such directors shall be liable to retire by rotation and directors liable to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

In view of the provisions of aforesaid law, Ms. Aditi Mittal, Executive Director (DIN: 00698397) shall be liable to retire by rotation and being eligible offers herself for re-appointment. The brief profile of Ms. Aditi Mittal is also enclosed along with the notice for convening the 18th Annual General Meeting of the Company.

(vi) Details of familiarization program imparted to independent directors

The Company has designed a Familiarization Program for its Independent Directors which is imparted at the time of appointment of an Independent Director on Board as well as periodically. The program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatize them with the processes, business and functions of the Company and to assist them in performing their role as Independent Directors of the Company. The familiarization program also covers the training on the enactment of new laws, amendments/ modification in the existing regulation having impact on the Company and its business and/ or on the role of Independent Directors of the Company. Apart from review of matters as required by the applicable law, the Board also discusses various business strategies periodically. This deepens the Independent Directors' understanding and appreciation of Company's business and thrust areas.

Further details of familiarisation programs imparted to Independent Directors are also disclosed on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/Details_of_Familiarization_Programmes_Imparted_to_Independent_Directors_20240531.pdf

(vii) The table below summarizes qualifications, core skills/expertise/competencies with respect to each Directors of the Board required in the context of its business(es) and sector(s):

In terms of the requirement of the Listing Regulations, the Board has identified the skills/ expertise/ competencies fundamental for the effective functioning of the Company, which are currently available with the Board and the names of directors who possess such skills/expertise/competence.

In the table below, specific areas of focus or expertise of individual Board members have been highlighted, however, the absence of a mark against a member's name does not necessarily mean that the member does not possess the corresponding qualification or skills:

Name & Designation of Director	Experience	Skill Set
Mr. A K. Mittal, Managing Director	Mr. A K Mittal is Chartered Accountant and Bachelors in Law by qualification. He has over 31 years of experience in financial Service Industry. He is a first generation Entrepreneur having strong desire to contribute towards developing Indian bond Market. A. K. Capital Services Limited along with its group entities have continuously strived towards creating innovation in the debt market. Mr. Mittal has guided the group to become one of the most respected name in Indian Debt Market. He was felicitated with SME and Entrepreneurship Excellence Award by SME Chamber of India in 2010.	Expertise in Bond Market, financial industry
Ms. Aditi Mittal Director	Aditi is a Chartered Accountant by profession with 20+ years of experience in the Fixed Income & Credit Market. She works as Director of A. K. Group and has been a pioneer in building, managing and engaging teams to achieve the vision of creating a liquid, transparent and vibrant domestic corporate bond market. In the 20 years of career journey with A. K. Group, she has played a significant role in the growth and expansion of A. K. Group of companies be it the broking, wealth, merchant banking or lending business.	Expertise in Financial Sector and Capital Market
Mr. Deepak Maheshwari Independent Director	Mr. Deepak Maheshwari is having over 16 years of experience in Investment Banking Sector and expertise in Mergers & Acquisitions, Corporate Finance, Debt Syndication, Financial Analysis and Business Strategy.	Expertise in Investment Banking, Financial planning
Mr. Vinod Kumar Kathuria Independent Director	Mr. Vinod Kathuria is a Masters in Commerce from Delhi University and is a Certified Associate of Indian Institute of Bankers. He has around four decades of experience in key banking areas of Corporate Credit, Recovery, Retail Lending, Treasury Operations, International Banking Business, Agriculture, Financial Inclusion etc. He contributes with his expertise in the policy related issues involving macro & micro factors of the economy in various committees and conferences. He is a Team Builder and motivational speaker. In his last assignment, he was an Executive Director at Union Bank of India.	Experience in banking and financial sector
Mr. Bindu Shah, Additional (Independent) Director	Ms. Bindu Darshan Shah is a Practicing Company Secretary and has been in independent practice as a Whole-time Company Secretary since, 2007 with more than 17 Years of experience in Secretarial functions in big as well as medium-sized enterprises, whether Public Limited or Private Limited Companies. She is also having a vast experience of board function of listed companies as an Independent Director.	Exposure and experience in listed entities

(viii) Confirmation:

The Board of Directors confirms that in its opinion, the Independent Directors of the Company fulfil the conditions specified in the Listing Regulations, the Act and Master Direction and are independent from the Management of the Company.

(ix) Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:

Mr. Khimji Shamji Pandav (DIN: 01070944), Independent Director (Non-Executive) has tendered his resignation as an Independent Director of the Company with effect from December 18, 2023 due to other work commitments and there is no other material reason for his resignation.

(2) MANDATORY REGULATORY COMMITTEES

The Board has constituted various Committees with their specific terms of reference and scope to take informed decisions in the best interests of the Company in accordance with the Act, Listing Regulations and other applicable Laws.

(i) AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee which has been formed in pursuance of the Section 177 of the Act, Regulation 18 of the Listing Regulations and Master Direction.

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements.

Brief description of terms of reference of the Audit Committee:

The Audit Committee performs its role as provided under Listing Regulations, Act, SEBI (Prohibition of Insider Trading) Regulations, 2015 and such other role as may be assigned by the Board from time to time.

The Committee of the Board plays an important role in monitoring/ supervising the financial reporting process, ensuring highest levels of transparency, integrity and quality of reporting process. The Committee is also responsible for selection, evaluation and deciding remuneration payable to Statutory Auditors, Secretarial Auditors and Internal Auditors of the Company. The Audit Committee, inter-alia scrutinizes the Investments, Borrowings and Related Party Transactions of the Company.

The Audit Committee is guided by its terms of reference. The exhaustive terms of reference are available on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/Composition_of_the_Various_Committees_of_the_Board_of_Directors_20240613.pdf

Composition of Audit Committee and Meetings held/ attended by members during Financial Year 2023-24:

SN	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1	Ms. Bindu Darshan Shah (Appointed as a Member and Chairperson w. e. f. March 28, 2024)	Non-Executive Additional (Independent) Director	0	0
2	Mr. Khimji Shamji Pandav (Ceased to be a member and chairman w. e. f. December 18, 2023)	Non-Executive Independent Director	5	4
3	Mr. Rajiv Kumar Bakshi (Appointed as the chairman of the Committee w.e.f. December 18, 2023 and ceased to be member and chairman w. e. f. March 28, 2024)	Non-Executive Independent Director	6	6
4	Mr. Deepak Maheshwari (Appointed as a Member w. e. f. February 6, 2023)	Non-Executive Independent Director	6	6
5	Mr. A. K. Mittal (Appointed as a Member w. e. f. December 18, 2023)	Managing Director	1	1

Attendees:

The Internal Auditor, Chief Financial Officer, Company Secretary, other non-member directors and representatives of Statutory Auditors were invited to attend the Audit Committee Meetings as and when necessary, to brief the matters relating to the financial statements of the Company, audit findings, and other allied matters. The Audit Committee had reviewed the information stipulated in Part C of Schedule II of the Listing Regulations, (to the extent applicable and available,) during its above meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 09, 2023.

(ii) NOMINATION AND REMUNERATION COMMITTEE

The Company has a qualified Nomination and Remuneration Committee ("NRC") which has been formed in pursuance of the Section 178 of the Act, Regulation 19 of the Listing Regulations and Master Direction.

The purpose of the NRC is to assist the Board in ensuring that the Board and Committee retain an appropriate structure, size and balance of skills to support the strategic objectives and values of the Company. The Committee assists the Board in meeting its responsibilities regarding the determination, implementation and oversight of senior management remuneration arrangements to enable the recruitment, motivation and retention of senior management.

The Committee oversees arrangements for senior management appointments (including election processes), remuneration, performance management and succession planning. Further, the Company has a Policy for Orderly Succession of Board of Directors and Senior Management.

Brief description of terms of reference of NRC

The NRC performs its role as provided under the Listing Regulations, provisions of the Act and such other role as may be assigned by the Board from time to time.

The Committee reviews the matter pertaining to appointment of Directors, Senior Management, CCO and KMP's and evaluates their performance. The Committee also sets the benchmark for performance and recommends the remuneration payable to Directors. It also assesses the various performance linked incentives/ bonus for key employees of the Company.

The NRC is guided by its terms of reference. The exhaustive terms of reference are available on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/Composition_of_the_Various_Committees_of_the_Board_of_Directors_20240613.pdf

Composition of NRC and Meetings held/ attended by members during Financial Year 2023-24:

SN	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Khimji Shamji Pandav (Ceased to be member and chairman w. e. f. December 18, 2023)	Non-Executive Independent Director	4	4
2	Mr. Rajiv Bakshi (Ceased to be member w. e. f. March 28, 2024)	Non-Executive Independent Director	4	4
3	Mr. Vinod Kumar Kathuria (Appointed as member and chairman w. e. f. December 18, 2023 and ceased to be a chairman w.e.f. March 28, 2024)	Non-Executive Independent Director	0	0
4	Mr. Deepak Maheshwari (Appointed as the Chairman of the Committee w. e. f. March 28, 2024)	Non-Executive Independent Director	4	3
5	Ms. Bindu Darshan Shah (Appointed as the Member w. e. f. March 28, 2024)	Non-Executive Additional (Independent) Director	0	0

Attendees:

The Company Secretary, other non-member directors were invited to attend the NRC Meetings as and when necessary, to brief on the relevant matters. The Committee had reviewed the information stipulated in Part D of Schedule II of the Listing Regulations, (to the extent applicable and available,) during its above meetings. The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Committee was present at the last Annual General Meeting held on September 09, 2023.

Criteria for Performance Evaluation of Independent Directors

The key evaluation criteria for performance evaluation of Independent Directors of the Company are given below:

a) Providing effective leadership and strategic guidance to the management;
b) Understanding the Business, including the Risks and regulatory landscape;
c) Attendance at and active engagement in the discussion at board meetings related to business performance, competitive landscape and strategies;
d) Compliance focus and insistence on ethical business practices;
e) Nudging for long term focus areas such as Succession Planning, Business Continuity Planning etc.;
f) Management of conflicts in Board discussion;
g) Management of Conflict of Interest;
h) Maintains high level of confidentially;
i) Exercises independent judgement in the best interest of Company;
j) Assistance in implementing best governance practices and monitors the same;
k) Understanding governance, regulatory & oversight role of the Board;
l) Aware of significant risk in the industry and their implications;

Criteria of making payments to non-executive directors including Independent Directors

The NRC decides the basis for determining the compensation both fixed and variable payable to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise.

The Committee takes into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Act, Listing Regulations and such other factors as may deem fit for determining the compensation of Independent Directors. The Board determines the compensation to Non-Executive Directors within the overall limits specified in the Act.

Remuneration of Directors

All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity:

Non-Executive Directors are entitled for the sitting fees for attending the meetings of the Board. The remuneration paid to non-executive directors is listed herein below:

Name of the Directors	Sitting fees for the Board Meetings paid/payable for the Financial Year 2023-24 (Amount in INR)
Mr. Khimji Shamji Pandav	3,00,000
Mr. Rajiv Kumar Bakshi	4,00,000
Mr. Vinod Kumar Kathuria	1,00,000
Mr. Deepak Maheshwari	4,00,000
Ms. Bindu Darshan Shah	Nil

Executive Directors

The details of remuneration paid to the Executive Directors during the Financial Year 2023-24 are as under:

(Amount in INR)

Particulars	Mr. A. K. Mittal	Ms. Aditi Mittal
Salary, bonus and allowances	2,42,00,000	1,94,00,000
Perquisites (other benefits)	0	0
Total (A)	2,42,00,000	1,94,00,000
Value of Stock Option	0	0
Value of Sweat Equity	0	0
Others (Retirals)	0	0
Total (B)	2,42,00,000	1,94,00,000
Total (A+B)	**2,42,00,000**	**1,94,00,000**

Service Contracts, Notice Period, Severance Fees

The terms of appointment of Executive Directors are governed by the letter of appointment signed with the executive directors and HR Policies of the Company. All the Executive Directors are required to serve the Notice Period as mandated in the HR Policies of the Company. The terms related to severance fees are also captured in the HR Policy of the Company.

(iii) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has an independent Stakeholders' Relationship Committee ("SRC") which has been formed in pursuance of the sub-section 5 of Section 178 of the Act and Regulation 20 of the Listing Regulations.

The purpose of the SRC is to assist the Board in understanding and addressing the needs of various stakeholders in a time bound manner. The SRC considers various aspects of interest of the shareholders and other stakeholders'.

Brief Description of Terms of Reference

The SRC shall perform its role as provided under the, the provisions of the Act, Listing Regulations and such other role as may be assigned by the Board from time to time.

The SRC primary role is to resolve the grievances of the security holders of the listed entity, review of measures taken for effective exercise of voting rights by shareholders and look into the matters of interest and address other concerns of the stakeholders.

The SRC is guided by its terms of reference. The exhaustive terms of reference are also available on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/Composition_of_the_Various_Committees_of_the_Board_of_Directors_20240613.pdf

Composition of Stakeholders' Relationship Committee and Meetings held/ attended by members of the Committee during Financial Year 2023-24:

Sr. No	Name of the Members	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Rajiv Kumar Bakshi (Ceased to be a Member and Chairman w.e.f March 28, 2024)	Non-Executive Independent Director	4	4
2	Mr. A. K. Mittal (Appointed as a Member w. e. f. December 09, 2021)	Managing Director	4	4
3	Ms. Vinod Kumar Kathuria (Appointed as Member and Chairman w.e.f March 28, 2024)	Non-Executive Independent Director	0	0
4	Ms. Aditi Mittal (Appointed as a Member w. e. f. December 03, 2022)	Executive Woman Director	4	2

Mr. Vinod Kumar Kathuria, Non-Executive Independent Director heads the SRC.

During the year under review, the Company did not receive any complaint from the shareholders and debenture holder.

Attendees:

The Company Secretary, other non-member directors were invited to attend the SRC Meetings as and when necessary, to brief on the relevant matters. The Committee had reviewed the information stipulated in Part D of Schedule II of the Listing Regulations, (to the extent applicable and available,) during its above meetings. The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Committee was present at the last Annual General Meeting held on September 09, 2023.

(iv) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee is constituted in accordance with Section 135 of the Act and applicable rules thereto.

The purpose of the CSR Committee is to assist the Board in fulfilling its obligations towards Corporate Social Responsibility in terms of identifying CSR activities, recommending the expenditure to be incurred on various CSR activities and ensuring overall monitoring of the implementation of the CSR objectives.

Brief Description of Terms of Reference of CSR Committee

The CSR Committee shall recommend to the Board the CSR policy, identify the CSR activities and the amount of expenditure to be incurred on CSR activities and ensure transparency and effective implementation of the CSR projects of the Company.

The terms of reference and powers of the CSR Committee also include all items listed under Section 135 and Schedule VII of the Act, and rules made thereunder.

The exhaustive terms of reference are also available on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/Composition_of_the_Various_Committees_of_the_Board_of_Directors_20240613.pdf

Composition of Corporate Social Responsibility Committee and Meeting held/ attended by members of the Committee during Financial Year 2023-24:

Sr. No	Name of the Members	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Rajiv Kumar Bakshi (Ceased to be a Member w.e.f March 28, 2024)	Non-Executive Independent Director	1	1
2	Mr. A. K. Mittal (Appointed as a Member w. e. f. May 19, 2014)	Managing Director	1	1
3	Mr. Khimji Shamji Pandav (Ceased to be a Member w.e.f December 18, 2023)	Non-Executive Independent Director	1	1
4	Ms. Vinod Kumar Kathuria (Appointed as Member w.e.f March 28, 2024)	Non-Executive Independent Director	0	0
5	Ms. Aditi Mittal (Appointed as Member w.e.f December 18, 2023)	Executive Woman Director	0	0

The Company formulated CSR Policy, which is uploaded on the website of the Company,

https://www.akgroup.co.in/docs/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY,%20PROJECTS%20AND%20COMMITTEE%20COMPOSITION.PDF

The Report on CSR activities of the Company for the financial year 2023-24 is forming part of the Board's Report.

Attendees:

The Company Secretary, other non-member directors were invited to attend the CSR Committee Meetings as and when necessary, to brief on the relevant matters. The Committee had reviewed the information stipulated in the Act, (to the extent applicable and available,) during its above meetings. The Company Secretary acts as the Secretary to the Committee.

The representative of the Committee was present at the last Annual General Meeting held on September 09, 2023.

(V) RISK MANAGEMENT COMMITTEE:

The Risk Management Committee ("RMC") is constituted in accordance with the Listing Regulations and Master Direction.

The purpose of the RMC is to assist the Board in formulating a risk management policy and oversee effective implementation of the risk management tools, including evaluating the adequacy of risk management systems and processes.

Brief Description of Terms of Reference of RMC

The terms of reference of the RMC shall include formulation of risk management policy to facilitate identification of internal and external risks in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined. Further to put in place appropriate methodology, processes and systems to monitor and evaluate risks associated with the business of the Company.

The exhaustive terms of reference are also available on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/Composition_of_the_Various_Committees_of_the_Board_of_Directors_20240613.pdf

Composition of Risk Management Committee and Meeting held/ attended by members of the Committee during Financial Year 2023-24:

Sr. No	Name of the Members	Category	No. of Meetings held	No. of Meetings attended
1	Mr. A. K. Mittal (Appointed as a Member w. e. f. November 30, 2012)	Managing Director	4	4
2	Mr. Rajiv Kumar Bakshi (ceased to be a Member w.e.f. March 28, 2024)	Non-Executive Independent Director	4	4
3	Mr. Deepak Maheshwari (appointed as a Member w.e.f. March 28, 2024)	Non-Executive Independent Director	0	0
4	Ms. Shilpa Sadani (Appointed as a Member w. e. f. April 02, 2018)	Head Risk	4	4
5	Ms. Aditi Mittal (appointed as a Member w.e.f March 28, 2024)	Executive Director	0	0

Attendees:

The Company Secretary, other non-member directors were invited to attend the RMC Meetings as and when necessary, to brief on the relevant matters. The Committee had reviewed the information stipulated in Part D of Schedule II of the Listing Regulations, (to the extent applicable and available,) during its above meetings. The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Committee was present at the last Annual General Meeting held on September 09, 2023.

(vi) IT STRATEGY COMMITTEE:

The Company being a Middle Layer (ML) Non-Banking Finance Company has constituted the IT Strategy Committee in accordance with RBI (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 dated November 7, 2023.

Brief Description of Terms of Reference:

The terms of reference of this Committee are in line with the regulatory requirements. The key responsibilities of the IT Strategy Committee include approving IT strategy & policy documents & ensuring that the management has put an effective strategic planning process in place, ascertaining that management has implemented processes & practices that ensure that the IT delivers value to the business, ensuring IT investments represent a balance of risks & benefits & their budgets are acceptable, monitoring the method that management uses to determine the IT resources needed to achieve strategic goals & provide high level direction for sourcing & use of IT resources and ensuring proper balance of IT investments for sustaining Company's growth & becoming aware about exposure towards IT risks and controls.

The exhaustive terms of reference are also available on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/Composition_of_the_Various_Committees_of_the_Board_of_Directors_20240613.pdf

Composition of IT Strategy Committee and Meeting held/ attended by members of the Committee during Financial Year 2023-24:

Sr. No	Name of the Members	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Rajiv Kumar Bakshi (Ceased to be a member and chairman w.e.f. February 03, 2024)	Non-Executive Independent Director	3	3
2	Mr. A. K. Mittal (Appointed as a Member w. e. f. May 25, 2018)	Managing Director	3	3
3	Mr. Vinod Kumar Kathuria (Appointed as a member and chairman w.e.f. February 03, 2024)	Non-Executive Independent Director	3	3
4	Ms. Aditi Mittal (Appointed as a member w.e.f. February 03, 2024)	Executive Director	0	0
5	Mr. Pratim Tare Invitee (Appointed w. e. f. February 06, 2023)	CISO	3	3

Attendees:

The Company Secretary, CISO and other non-member directors were invited to attend the IT Strategy Committee Meetings as and when necessary, to brief on the relevant matters. The Committee had reviewed the information as specified under the relevant RBI master directions/ guidelines, (to the extent applicable and available,) during its above meetings. The Company Secretary acts as the Secretary to the Committee.

(vii) Asset Liability Management Committee:

The Company being a Middle Layer (ML) Non-Banking Finance Company has constituted Asset Liability Management Committee ("ALCO") pursuant to Master Direction.

Brief Description of Terms of Reference

ALCO shall be responsible for reviewing the Asset-Liability Management of the Company including liquidity risk management and ensure mitigation of any gaps. To carry out ICAAP analysis and Stress Test as per the regulatory requirement prescribed. Further to exercise powers in accordance with the ALM Policy of the Company.

The exhaustive terms of reference are also available on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/Composition_of_the_Various_Committees_of_the_Board_of_Directors_20240613.pdf

Composition of Asset Liability Management Committee and Meeting held/ attended by members of the Committee during Financial Year 2023-24:

Sr. No	Name of the Members	Category	No. of Meetings held	No. of Meetings attended
1	Mr. A. K. Mittal (Appointed as a Member w. e. f. November 30, 2012)	Managing Director	4	4
2	Ms. Aditi Mittal (Ceased to be a member w.e.f. March 28, 2024)	Executive Director	4	1
3	Mr. Rahul Agarwal (Appointed as a Member w. e. f. April 02, 2018)	Director-Finance	4	4
4	Mr. Mahesh Bhootra (Appointed as a Member w. e. f. January 27, 2021)	Chief Financial Officer	4	4
5	Mr. Urmil Shah (Appointed as a member w.e.f March 28, 2024)	VP - Treasury-Finance	0	0

Attendees:

The Company Secretary and other non-member directors were invited to attend the ALCO Meetings as and when necessary, to brief on the relevant matters. The Committee had reviewed the information as specified under the relevant RBI master directions/ guidelines, (to the extent applicable and available,) during its above meetings. The Company Secretary acts as the Secretary to the Committee.

(viii) IT STEERING COMMITTEE:

The Company being a Middle Layer (ML) Non-Banking Finance Company has constituted IT Steering Committee in accordance with RBI (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 dated November 7, 2023.

Brief Description of Terms of Reference

The terms of reference of this Committee are in line with the regulatory requirements. The key responsibilities of the IT Steering Committee includes assisting the IT Strategy Committee ("ITSC") in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs, to oversee the processes put in place for business continuity and disaster recovery, to ensure implementation of a robust IT architecture meeting statutory and regulatory compliance, and to update ITSC and CEO periodically on the activities of IT Steering Committee.

The terms of reference are also available on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/Composition_of_the_Various_Committees_of_the_Board_of_Directors_20240613.pdf

Composition of IT Steering Committee and Meetings held/ attended by members of the Committee during Financial Year 2023-24:

Sr. No	Name of the Members	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Mahesh Bhootra (Appointed as a Member w. e. f. April 01, 2020)	Chief Financial Officer	1	1
2	Ms. Shilpa Sadani (Appointed as a Member w. e. f. October 28, 2022)	Head - Risk	1	1
3	Mr. Sourabh Malpani (Appointed as a member w.e.f February 03, 2024)	Associate Director-Corporate Coverage	0	0
4	Mr. Pratim Tare - Permanent Invitee (Appointed w. e. f. February 06, 2023)	CISO	1	1

Notes:

1. Post closure of the Financial Year, Mr. Nikhil Gupta - Chief Technology Officer was inducted as Permanent Invitee on the Committee w.e.f. May 11, 2024.

Attendees:

The Company Secretary CISO and other non-member directors were invited to attend the IT Steering Committee as and when necessary, to brief on the relevant matters. The Committee had reviewed the information as specified under the relevant RBI master directions/ guidelines, (to the extent applicable and available,) during its above meetings. The Company Secretary acts as the Secretary to the Committee.

(ix) INFORMATION SECURITY COMMITTEE:

The Company being a Middle Layer (ML) Non-Banking Finance Company has constituted an Information Security Committee in accordance with RBI (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 dated November 7, 2023 by the Board of Directors of the Company in its meeting dated February 03, 2024.

Brief Description of Terms of Reference

The terms of reference of this Committee are in line with the regulatory requirements. The key responsibilities of the Information Security Committee includes managing cyber/ information security, Development of information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the RE's risk appetite, approving and monitoring information security projects and security awareness initiatives, reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities and Updating ITSC and CEO periodically on the activities of ISC.

The exhaustive terms of reference is also available on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/Composition_of_the_Various_Committees_of_the_Board_of_Directors_20240613.pdf

Composition of Information Security Committee and Meeting held/ attended by members of the Committee during Financial Year 2023-24:

Sr. No	Name of the Members	Category	No. of Meetings held	No. of Meetings attended
1	Ms. Shilpa Sadani (Appointed as a Member w. e. f. February 03, 2024)	Head - Risk	0	0
2	Ms. Aditi Mittal (Appointed as a Member w. e. f. February 03, 2024)	Executive Woman Director	0	0
3	Mr. Pratim Tare (Appointed as a Member w. e. f. February 03, 2024)	CISO	0	0

Notes:

1. Post closure of the financial year Mr. Nikhil Gupta - Chief Technology Officer was appointed as a member on the Committee w.e.f. May 11, 2024.

Since the Committee was formed recently on February 03, 2024 no meeting was scheduled during the Financial Year 2023-24.

(4) OPERATIONAL COMMITTEES

In addition to the above referred Committees, which are constituted pursuant to the applicable regulatory requirements, the Board has constituted the following operational committees and delegated thereto powers and responsibilities with respect to specific purposes:

a) Internal Risk Management Committee
b) Investment and Credit Committee
c) Debenture Committee
d) Banking and Operations Committee
e) Finance Committee

Post closure of the Financial year, the Board has constituted Fraud Monitoring Committee in line with the regulatory requirement

(5) GENERAL MEETINGS:

All the resolutions moved at the last Annual General Meeting (AGM) of the Company were passed with requisite majority of members present at the AGM.

The date, time and venue of the last three AGM's of the Company are as follows:

Financial Year	Date	Time	Venue*	Whether any Special resolutions passed
2022-23	September 09, 2023	11.00 a.m.	601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (E),Mumbai – 400 098	Yes
2021-22	September 03, 2022	11.00 a.m.	601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (E),Mumbai – 400 098	Yes
2020-21	August 28, 2021	10.00 a.m.	30-39, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai- 400 021	Yes

*Pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April, 2020, 5th May, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the Listing Regulations, the last Three AGM's (15th, 16th and 17th) of the Company were conducted through VC/ OAVM Facility, which does not require physical presence of Shareholders at a common venue. The deemed venue for the last Three AGM's (15th, 16th and 17th) was the Registered Office of the Company.

Further, One Extra-ordinary General Meetings (EOGM) was held during the financial year. The date, time and venue of EOGM of the Company are as follows:

Financial Year	Date	Time	Venue	Whether any Special resolutions passed
2023-24	February 20, 2024	01.00 p.m.	601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (E),Mumbai – 400 098	Yes

Details of Special Resolutions passed at the General meetings held during the year under review:

Date & Type of Meeting	Special Resolutions passed
September 09, 2023 - Annual General Meeting	• To approve alteration in Articles of Association of the Company in line with the regulatory requirement. • Issuance of Commercial Paper of nominal value aggregating up to INR 500 Crores (Indian Rupees Five Hundred Crores) within the borrowing limits set forth under Section 180 of the Companies Act, 2013. • To approve Selling, Assignment of Its Receivables/ Book Debts up to INR 250 Crore.
February 20, 2024 - Extra-ordinary General Meeting	To appoint Mr. Vinod Kumar Kathuria (DIN: 06662559) as an Independent Director on the Board of the Company for a period of 3 years.

No postal ballot was conducted during the Financial Year 2023-24.

Currently, the Company do not have any plans with respect to passing of resolutions through Postal Ballot.

However, considering the business requirement(s) the Company may prefer to pass appropriate resolution through circulation(s)/ postal ballot. The procedure for Postal Ballot shall be communicated together with notice of passing resolution through Postal Ballot, if required.

(6) **MEANS OF COMMUNICATION:**

i. The quarterly, half yearly and annual financial results of the Company are regularly submitted to the BSE Limited, where the Non-Convertible Debentures of the Company are listed in accordance with the Listing Regulations and are generally published in an English newspaper (Financial Express).

ii. The Company has its own website (www.akgroup.co.in) and the information relating to the Company and its services is displayed on its website. The Company's results and official news releases, if any, are also displayed on the website of the Company.

iii. During the year under review, the Company did not have any institutional investors or analysts. Thus, the Company was not required to make any presentations to the institutional investors or analysts.

(7) GENERAL SHAREHOLDER INFORMATION:

i. Details of the 18th Annual General Meeting of the Company

The 18th Annual General Meeting of the Company will be held on Friday, September 06, 2024 11:00 a.m., through Video Conferencing/ Other Audio Visual Means (VC/ OAVM), which does not require physical presence of members at a common venue.

Guidelines for participation in the AGM through VC/ OAVM are laid down in the Notice convening the said meeting and shall be made available on the Company's website at https://www.akgroup.co.in/investor-relation

ii. Financial year of the Company

The financial year of the Company covers the period from April 1 to March 31.

iii. Dividend payment date

The payment of dividend, if any, shall be paid within 30 days from the date of declaration at the AGM.

iv. Listing of Non-Convertible Debentures on Stock Exchanges:

The Company is a High Value Debt Listed entity (HVDLE) as per the Listing Regulations as non-convertible debentures of the Company are listed on the Wholesale Debt Market segment of below mentioned stock exchanges:

BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
*National Stock Exchange of India Limited ("NSE")	Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex, Mumbai – 400 051

*Post closure of Financial Year, the Company had listed its non-convertible debentures on NSE.

Further, the Company has complied with listing fee requirements.

v. Stock Code

The equity shares of the Company are not listed on the Stock Exchange, hence the Stock code is not applicable.

vi. Market Price data- high, low during each month in last financial year:

Not applicable, as the equity shares of the Company are not listed.

vii. Performance in comparison to broad based indices: BSE Sensex, CRISIL Index

Not applicable, as the equity shares of the Company are not listed.

viii. Confirmation/ Undertaking:

The Directors of the Company be and hereby confirm that in no event the securities of the Company were suspended from trading during the Financial Year 2023-24.

ix. Distribution of Shareholding

Shareholding Pattern of the Company as on March 31, 2024:

EQUITY SHAREHOLDING (A)			
Sr. No.	**Name of Shareholder**	**No. of equity shares held**	**Percentage**
1.	A. K. Capital Services Limited	2,29,97,486	98.73
2.	Mr. A. K. Mittal	2,80,180	1.20
3.	Ms. Aditi Mittal	16,080	0.07
4.	Mr. Sanjiv Kumar	1*	0.00
5.	Mrs. Kavita Garg	1*	0.00
6.	Mr. Mitesh Kapadia	1*	0.00
7.	Ms. Annu Garg	1*	0.00
	Total (A)	**2,32, 93,750**	**100.00**

CCPS SHAREHOLDING (B)			
Sr. No.	**Name of Shareholder**	**No. of CCPS held**	**Percentage**
1.	A. K. Capital Services Limited	45,00,000	69.23
2.	Mr. A. K. Mittal	20,00,000	30.77
	Total (B)	**65,00,000**	**100.00**

*Nominee Shareholders of A. K. Capital Services Limited

x. Dematerialization of shares and liquidity

As on March 31, 2024, the total equity share capital and compulsory convertible preference share capital of the Company was held on dematerialized form. As the equity shares of the Company are not listed on the Stock Exchange, the shares were not traded on the Stock Exchange.

xi. Outstanding Global Depository Receipts ("GDRs") / American Depository Receipts ("ADRs") / Warrants or any Convertible Instruments, Conversion Date and likely impact on equity

As on March 31, 2024, the Company did not have any outstanding GDRs/ ADRs/ Warrants. The Company has issued 65,00,000 Compulsory Convertible Preference Shares ("CCPS") of INR 100 each fully paid-up. The Company has only one class of CCPS. CCPS shall be converted in the ratio of 2: 1 i.e. 2 CCPS of face value of INR 100 each shall be convertible into 1 Equity Share of face value of INR 10 each.

xii. Commodity Price Risk or Foreign Exchange Risk And Hedging Activities

The Members of the Company may note that Company is not involved in the Commodities Market. Further the operations of the Company are not exposed to Foreign Exchange Risk and Hedging Activities.

xiii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company is a HVDLE hence the given regulation is not applicable to the Company.

xiv. Plant locations

Since the Company is engaged in the business of providing financial services, including investment and funding to its corporate and institutional clients, the Company does not have any manufacturing units/ plants.

xv. Address for Correspondence:

Investors and shareholders can correspond with the share transfer agent of the Company or the Company at the following addresses:

Registrar to an Issue and Share Transfer Agent
Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West)
Mumbai - 400 083
Contact Person: Mr. Ganesh Jadhav
Tel: +91 22 49186000 I Fax: +91 22 49186060
E-mail: ganesh.jadhav@linkintime.co.in
Website: www.linkintime.co.in

Company Secretary
A. K. Capital Finance Limited
601-602, 6th Floor, Windsor, Off CST Road, Kalina,
Santacruz - (East), Mumbai – 400 098
Tel: +91 22 67546500 I Fax: +91 22 66100594
E-mail: cs@akgroup.co.in Website: www.akgroup.co.in

For queries relating to the financial statements and investors information, other than those relating to shares/ dividend, please write to:

Chief Financial Officer
A. K. Capital Finance Limited
601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz - (East), Mumbai – 400 098
Tel: +91 22 67546500 I Fax: +91 22 66100594
E-mail: akmumbai@akgroup.co.in I Website: www.akgroup.co.in

xvi. Share transfer system:

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25,2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR–4. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

xvii. List of all credit Rating obtained by the Company

The credit rating details are disclosed in the Directors Report forming part of this Annual Report.

(8) OTHER DISCLOSURES:

i. Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the Interest of Listed Entity at Large:

All the Related Party Transactions (RPTs) that were entered during the Financial Year 2023-24 were on arm's length basis and were in the ordinary course of business. The Company presents a statement of related party transactions before the Audit Committee on a quarterly basis specifying inter alia the nature & value of the transactions. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and/ or repetitive in nature.

All Related Party Transactions entered during the Financial Year 2023-24 are disclosed in Note No. 37 of Notes to the Standalone Financial Statements and Note No. 38 of Notes to the Consolidated Financial Statements of your Company.

ii. During the year under review, there were no instances of non-compliance with respect to the provisions of the Act including compliance of accounting and secretarial standards.

iii. No material penalty or strictures has been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India, Reserve Bank of India or any other Statutory Authorities during the last three years.

iv. There is no breach of covenants by the Company with respect to the borrowings availed and securities issued by the Company.

v. **Divergence in Asset Classification and Provisioning:** The given conditions with respect to Divergence in Asset Classification and Provisioning are not triggered hence the relevant disclosures are not applicable.

vi. The Audit Committee has established a Vigil Mechanism and adopted a Whistle-Blower Policy, which provides a formal mechanism for all Directors and employees of the Company to approach the Audit Committee and make protective disclosures to the Committee about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conducts or ethic policy. The Company affirms that no Director or employee has been denied access to the Audit Committee.

vii. **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with all the mandatory requirements of the Schedule V of the Listing Regulations. The status of compliance with the non-mandatory requirements of this clause has been detailed herein:

Adoption of Non-mandatory requirement:

Part C of Schedule V of the Listing Regulations states that non-mandatory requirements may be implemented at the discretion of the Company. However, disclosures on compliance with mandatory requirement and adoption / non-adoption of non-mandatory requirements shall be made in the Corporate Governance Report of the Annual Report. The status of compliance of the non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the Listing Regulations are as follows:

a) The Board:

The Company does not defray any expenses of the Chairman's Office.

b) Shareholder Rights:

The Company's quarterly, half-yearly and yearly financial results are furnished to BSE Limited and are also published in the newspapers and on the website of the Company and therefore results were not separately sent to the Members.

c) Modified opinion(s) in Audit Report:

For the Financial Year ended March 31, 2024, the Independent Auditors have given unmodified opinion on the Company's Financial Statements. The Company continues to adopt best practices to ensure the regime of unmodified Financial Statements.

d) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Company has appointed separate persons to the post of Chairperson and the Managing Director. The Chairperson of the Board is a Non-executive Independent Director and is not related to the Managing Director as per the definition of the term "relative" as defined the Companies Act, 2013.

e) Reporting of the Internal Auditor:

The Internal Auditor reports directly to the Audit Committee of the Company and Internal Audit Report of internal auditors was is placed before the Audit Committee and Board of Directors on a quarterly basis.

viii. Policy on determining Material Subsidiary

The Policy for determining the material subsidiaries has been formulated and adopted by the Board. The Policy may be accessed on the Company's website at link:

https://www.akgroup.co.in/docs/POLICY%20ON%20MATERIALITY%20&%20DEALING%20WITH%20RELATED%20PARTY%20TRANSACTIONS%20AND%20DETERMINING%20MATERIAL%20SUBSIDIARIES.PDF

ix. **Policy on dealing with Related Party Transactions**

In accordance with the provisions of Listing Regulations, the Company has formulated a Policy on Materiality and Dealing with Related Party Transactions. It can be accessed on the Company' website at the link:

https://www.akgroup.co.in/docs/POLICY%20ON%20MATERIALITY%20&%20DEALING%20WITH%20RELATED%20PARTY%20TRANSACTIONS%20AND%20DETERMINING%20MATERIAL%20SUBSIDIARIES.PDF

x. The Company is not exposed to commodity price risk or foreign exchange risk and hedging activities.

xi. **Certificate from Practicing Company Secretary:**

The Certificate from the Practicing Company Secretary, M/s. Ragini Chokshi & Co., Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed/ continuing as directors of the Company by SEBI and/or Ministry of Corporate Affairs and/or any such authority forms part of this Annual Report.

xii. The Members of the Company are informed that the Board has accepted all the recommendations of its Committees.

xiii. M/s. S Bhandari & Co LLP, Chartered Accountants, [Firm Registration No.: 000560C/C400334] is the Statutory Auditor of the Company. The remuneration paid to the Statutory Auditors for the Services rendered during Financial Year 2023-24 is disclosed in the Financial Statements of the Company. The Subsidiaries of the Company have not availed any Services from the statutory auditors of the Company.

Neither the Company nor its subsidiaries have availed the Services of any network firm/ network entity of which statutory auditor is a part.

xiv. Details of fees paid/payable to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part, by the Company and its subsidiaries, during the year, are given below:

Facility	By the Company	By the Subsidiaries	Total Amount ₹ in Lakh
Statutory Audit	5.40	-	5.40
Tax Audit	0.76	-	0.76
Other Services	1.35	-	1.35
Total	**7.51**	**-**	**7.51**

xv. **Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Internal Complaints Committee (ICC) is constituted at group level consisting of such members and representatives as prescribed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with the rules made thereunder.

During the financial year 2023-24, no complaint in the nature of sexual harassment was reported at workplace of the Company.

xvi. Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/ companies in which directors are interested: Please refer Note No.37 of the Standalone Financial Statement of the Company and Note No.38 of the Consolidated Financial Statement of the Company.

xvii. Details of material subsidiaries of the listed entity in the financial year 2023-24; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

As on March 31, 2024, there is no material subsidiary of the Company.

xviii. The Members are informed that the Company has complied with all the conditions as specified in para (2) to (10) of the Schedule V of the Listing Regulation to the extent applicable to the Company.

xix. The disclosures in relation to adoption of discretionary requirements as specified in Part E of Schedule II are provided in Clause 6 (iv) of the Corporate Governance Report.

(9) Disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the Listing Regulations:

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 62 of the SEBI Listing Regulations as applicable to the Company during the year under review.

(10)Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account:

As per Listing Regulations, the Company reports that the Company has not transferred any equity shares in demat suspense account/unclaimed suspense account at any point of time.

(11) Disclosure of certain types of agreements binding listed entities:

During the year under review, there was no agreement entered as mentioned in clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

(12) CEO/ CFO Certification:

The CEO/CFO have certified to the Board, inter alia the accuracy of financial statements and adequacy of internal controls for the financial year ended March 31, 2024, as required under Regulation 17(8) read with Part B of Schedule II of Listing Regulations. The said certificate is annexed to and forms part of this Report.

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

The Company has adopted a Code of Conduct for Directors and Senior Management, which is posted on the website of the Company. The Code lays down, in detail, the standards of business conduct, ethics, and governance. The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct in respect of the Financial Year 2023-24.

For A. K. Capital Finance Limited

sd/-
A. K. Mittal
Managing Director
(DIN: 00698377)

Place: Mumbai
Date: August 05, 2024

CERTIFICATE FROM THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To,

The Board of Directors,

A. K. Capital Finance Limited

A. We have reviewed financial statements and the cash flow statement for the Financial Year 2023-24 and we certify that:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there have been no deficiencies in the design or operation of such internal controls of which we are aware.

D. We have indicated to the auditors and the Audit committee that there were:

1. no significant change in internal control over financial reporting during the year;
2. no significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. there have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For A. K. Capital Finance Limited

sd/-
A. K. Mittal
Managing Director
(DIN: 00698377)

sd/-
Mahesh Bhootra
Chief Financial Officer

Place: Mumbai
Date: August 05, 2024

To,
The Members of A. K. Capital Finance Limited
601-602, 6th Floor, Windsor,
Off CST Road, Kalina, Santacruz ,
Mumbai -400 098

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of A. K. Capital Finance Limited having **(CIN: U51900MH2006PLC214277)** and having registered office at 601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz , Mumbai - 400 098 (hereinafter referred to as 'the Company'), produced before us, by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from to time).

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Company, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of the Director	Designation	Date of Last Appointment	DIN
1	Mr. Rajiv Kumar Bakshi^	Non-Executive Chairman & Non Executive Independent Director	01-04-2019	00264007
2	Ms. Aditi Mittal	Executive Director	02-12-2022	00698397
3	Mr. A.K. Mittal	Managing Director	30-11-2022	00698377
4	Mr. Khimji Shamji Pandav^	Non-Executive Independent Director	11-08-2018	01070944
5	Mr. Vinod Kumar Kathuria**	Non-Executive Independent Director	18-12-2023	06662559
6	Ms. Bindu Darshan Shah**	Non-Executive (Additional) Independent Director	28-03-2024	07131459
7	Mr. Deepak Maheshwari	Non-Executive Independent Director	06-02-2023	00750047

**Appointed during the financial year

^Resigned during the financial year.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 Ragini Chokshi & Co,
Company Secretaries
Sd/-
Umashankar K. Hegde
Partner
M.No- ACS 22133 # C.P. No-11161
UDIN: A022133F000327328
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No -659/2020

Place: Mumbai
Date: May 07, 2024

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members

A. K. Capital Finance Limited

601-602, 6th Floor, Windsor, Off CST Road,

Kalina, Santacruz - (East), Mumbai – 400 098

We have examined all relevant records of A. K. Capital Finance Limited (the "Company") for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the High Value Debt Listed Companies for the financial year ended 31st March 2024 stipulated under Regulations 16 to 27, Regulation 62 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company. Further, it is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated for High Value Debt Listed Companies in the SEBI Listing Regulations for the year ended on March 31, 2024.

For Ragini Chokshi & Co,
Company Secretaries
Sd/-
Umashankar K. Hegde
Partner
M.No- ACS 22133 # C.P. No-11161
UDIN: A022133F000327361
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No -659/2020

INDEPENDENT AUDITOR'S REPORT

To
The Members of
A. K. Capital Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of A. K. Capital Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of cash flows for the year then ended, and notes to the Financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 as amended ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Sr. No.	Key Audit Matter	Auditor's response
1(a)	**Measurement of investments in accordance with Ind AS 109 "Financial Instruments"** (note 1, 5, 6, 38, 39 and 40 to the Standalone Financial Statements) On initial recognition, investments are recognized at fair value, in case of Investments which are recognised at fair value through profit and loss (FVTPL) subsequently, its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the investments. The Company's investments are subsequently classified into following categories based on the objective of its business model to manage the cash flows and options available in the standard: • Debt instruments at amortised cost • Debt instruments and other instruments at fair value through profit or loss (FVTPL) • Equity instruments measured at fair value through other comprehensive income FVTOCI.	**Principal audit procedures** • Obtained an understanding of Company's business model assessment in accordance with Ind AS 109; • Evaluated the Company's assessment of business model; • Obtained an understanding of the determination of the measurement of the investments and tested the reasonableness of the significant judgments applied by the management; • Evaluated the design of internal controls relating to the measurement and also tested the operating effectiveness of the aforesaid controls; • Checked that the Company has used valuation methodology that is appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs, also checked the reasonableness of judgements & assumptions • Obtained and assessed the valuation certificate of independent valuer in respect of fair value of investments; and

Sr. No.	Key Audit Matter	Auditor's response
	The Company has assessed following two business model: - Held to collect contractual cash flows - Realising cash flows through the sale of investments. The Company makes decisions based on the assets' fair values and manages the assets to realise those fair values. Since valuation of investments involves critical assumptions, significant risk in valuation and complexity in assessment of business model and fair valuation, the valuation of investments as per Ind AS 109 is determined to be a key audit matter in our audit of the standalone financial statements.	• Assessed the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.
1 (b)	**Impairment loss on investments measured at amortized cost:** (note 1, 5, 38 and 39 to the Standalone Financial Statements) Recognition and measurement of impairment relating to the investments measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are: - Credit ratings of the investments; - Investment staging criteria; - Calculation of probability of default rate / Loss given default rate; - Forward-looking information - Possible recoveries in case of default In calculating expected credit loss, the Company has considered credit reports and other related credit information for its investments to estimate the probability of default in future. There is a large increase in the data inputs required for the computation of ECL of investments. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model and therefore we identified allowance for credit losses of investments as a key audit matter.	**Principal audit procedures** • Analysed the methodology for the allowance for credit losses. • For a sample of investments and allowance for the credit loss thereon, we tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. • We also assessed whether the impairment methodology used by the Company is in line with Ind AS 109 "Financial instruments" requirements. Particularly, we assessed the approach of the Company regarding definition of default, Probability of Default, Loss Given Default and forward looking information for the calculation of ECL. • Verified the computation of the allowance for credit losses and tested the mathematical accuracy; and • Assessed the appropriateness of the disclosure in the. Standalone financial statements in accordance with the applicable financial reporting framework.
2	**Loans and impairment loss allowance** (note 1, 4, 38, 39 and 48 of the Standalone Financial Statements) The value of loans as at March 31, 2024 is significant and there is a high degree of complexity and judgment involved for the Company in estimating individual and collective credit impairment provisions and write-offs against these loans. Recognition and measurement of impairment relating to the loans measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. The Company's impairment allowance is computed based on estimates including the historical default, loss ratios, possible recoveries in case of default. Management exercises judgment in determining the quantum of loss based on a range of factors.	**Principal audit procedures** We have started our audit procedures with understanding of the internal control environment related to loans and impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company. We also assessed whether the impairment methodology used by the Company is in line with Ind AS 109 "Financial instruments" requirements. Particularly, we assessed the approach of the Company regarding definition of default, Probability of Default, Loss Given Default for the calculation of ECL.

Sr. No.	Key Audit Matter	Auditor's response
	The most significant areas are: - Credit ratings of the parties to whom loans have been given; - Loans staging criteria; - Calculation of probability of default rate / Loss given default rate; - Forward-Looking Information - Possible recoveries in case of default In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its loans to estimate the probability of default in future. There is a large increase in the data inputs required for the computation of ECL of loans. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model and therefore we identified allowance for credit losses of loans as a key audit matter.	For loans which are assessed for impairment on a portfolio basis we performed particularly the following procedures: • We read and understood the methodology and policy laid down for loans given by the Company; • We have verified loan agreements and related financial and non-financial covenants on sample basis; • We have verified the existence of recovery process plan in the event of default and recovery procedures applied in it. • We have verified the historical trends of repayment of principal amount of loan and repayment of interest; • We tested the reliability of key data inputs and related management controls; • We checked the stage classification as at the balance sheet date as per definition of default of the Company; • We have assessed the assumptions made by the company in making provision considering forward looking information and subsequent recoverability.
3	**Related party transactions and disclosures** (as described in note 37 of the Standalone Financial Statements) The Company has undertaken transactions with its related parties in the normal course of business. We have identified the accuracy and completeness of related party transactions, evaluation of arm's length basis, disclosure of such transactions in the standalone financial statements and regulatory compliance thereon during the year ended March 31, 2024, as a key audit matter.	**Principal audit procedures** • Obtained, read and assessed the Company's policies, processes and procedures in respect of identifying related parties, evaluation of arm's length, obtaining necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with the regulations. • We tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents for appropriate authorization and approval for such transactions. • We read minutes of meeting of the Board and its relevant committee meetings and minutes of meetings of those charged with governance in connection with transactions with related parties affected during the year and Company's assessment of related party transactions being in the ordinary course of business at arm's length and in accordance with the regulations. • Assessed and tested the disclosures made in accordance with the requirements of Ind AS and the applicable regulations.
4	**IT Systems and Controls** The financial accounting and reporting, especially in relation to debt securities, are fundamentally reliant on IT systems and IT controls for processing significant transaction volumes and other calculations, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Access management, change management, segregation of duties, reconciliation controls and security controls are key areas of focus regarding financial accounting and reporting.	**Principal audit procedures** • Obtained a detailed understanding and assessed whether the general IT controls, IT policies and procedures designed and implemented by the management are adequate and operating effectively. • Broadly reviewed & tested the IT systems and internal controls in place. • Also tested key automated and manual business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests including testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements • Also placed reliance on the work of IT system auditor after observance of the relevant provisions of applicable auditing standards. • Based on our review no material weakness was found in the IT Systems and Controls.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The above- referred information is expected to be made available to us after the date of this audit report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management for standalone financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 (including Other Comprehensive Income), the Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
   e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' to this report; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid or provided to its directors during the year is in accordance with the provision of Section 197 of the Act;
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
         b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
         c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
      v. The dividend on compulsory convertible preference shares, declared and paid by the company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act, 2013
      vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

      Further, the Company is using independent software for debt securities management and payroll processing which are not integrated with the accounting system of the Company. Based on the output of these software, the Company account for the entries related to debt securities and payroll on a timely basis. Accordingly, in our view, the reporting responsibility under Rule 11(g) is not applicable.

      As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For S Bhandari & Co. LLP
Chartered Accountants
(FRN: 000560C/C400334)

(Rupal Kumbhat)
Partner
Membership No. 401084
UDIN: 24401084BKESOY8030
Date: 11 May 2024
Place: Jaipur

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT" OF OUR REPORT ON STANDALONE FINANCIAL STATEMENTS OF A.K. CAPITAL FINANCE LIMITED, FOR THE YEAR ENDED 31ST MARCH 2024.

i. According to the information and explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that-

(a) In respect of the Company's Property, Plant and Equipment:

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

B. The company is maintaining proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us, and the books of account and records examined by us in the normal course of audit, the Company has conducted physical verification of all of its fixed assets as on 31st March 2024 which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no discrepancy was noticed on such verification.

(c) Based on our examination of the documents provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) According to the information and explanations given to us, and the books of account and records examined by us in the normal course of audit, the inventory of stock of 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. In our opinion, the coverage and procedure of verification by the management is appropriate. No material discrepancies were noticed on verification between the stock as per demat statement and the book.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. However, the company being a registered NBFC has made investments in companies and granted loans to companies, firms, Limited Liability Partnerships or other parties, during the year, in respect of which, we state that:

a. As the company is a Non-Banking Finance Company, having principal business to give loan, thus clause 3(iii)(a) is not applicable.

b. In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

c. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. The repayments of principal amounts and receipts of interest have generally been regular for few loan accounts in case of Direct Assignment loan portfolio of the company.

d. The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days; refer note 4, 28 and 48 of the standalone financial statements for summarized details of such loans/advances. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting and the requisite impairment or write off is provided for. During the year, loans amounting to Rs. 37.66 Lakhs have been written off and according to the information and explanation made available to us, reasonable steps are being taken by the Company for recovery thereof.

e. As the company is a Non-Banking Finance Company, having principal business to give loan, thus clause 3(iii)(e) is not applicable.

f. The company has granted loans which are repayable on demand aggregating to Rs.100 Lacs to related parties as defined in clause (76) of section 2 of the Companies Act, 2013 which forms 23.06% of the total loans granted during the year.

iv. According to the information and explanations given to us, and the books of account and records examined by us in the normal course of audit, in respect of the loans granted, the company has compiled with the provisions of Sec 185 and 186 of Companies Act, 2013, as applicable. Further, the Company has not given any guarantee and security in terms of Section 186 of the Act.

v. 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 or any other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

vi. According to the information and explanations given to us, the requirement of maintenance of cost records specified by the Central Government under section 148 (1) of the Act is not applicable to the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and the books of account and records examined by us in the normal course of audit:

a) The Company has been generally regular in depositing undisputed statutory dues including, Income Tax, Service tax, Goods & Service tax, cess and other applicable statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March 2024 for a period more than six months from the date, they became payable.

b) There are no disputed statutory dues pending as on 31st March 2024.

viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. According to the information and explanations provided to us and lender's balance confirmations/statement of accounts received, and the books of account and records examined by us in the normal course of audit, we state that:

a) There is no default on the part of the company in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The company has not been as a declared willful defaulter by any bank or financial institution or other lender.

c) The term loans obtained during the year were applied for the purpose for which they were raised.

d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long term purposes during the year by the Corporation.

e) On an overall examination of the standalone financial statements of the Company, the company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries. The Company does not have any associates & joint venture.

f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any associates & joint venture.

x. According to the information and explanation given to us: -

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. According to the information and explanations given to us, the books of accounts & records examined and audit procedure performed, by us, in the normal course of audit we state that:

(a) No fraud on or by the Company has been noticed or reported during the year, nor we have been informed of any such case by the Management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) No whistle blower complaints have been received by the company during the year.

xii. 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. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements (Refer note 37 of financial statement) as required by the applicable accounting standards.

xiv. According to the information and explanations given to us, the books of accounts & records examined and audit procedure performed, by us, in the normal course of audit, we state that:

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit as provided to us, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence the said clause of the Order is not applicable to the company.

xvi. a) 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 by the company.

b) The company is registered Non-Banking Finance Company under Section 45-IA of the Reserve Bank of India Act, 1934 and having a valid registration certificate from Reserve Bank of India Act.

c) According to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d) According to the information and explanations given to us, the company does not have more than one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. This matter has been disclosed in note 34 to the standalone financial statements. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For S Bhandari & CO LLP
Chartered Accountants
(FRN: 000560C/ C400334)

(Rupal Kumbhat)
Partner
Membership No. 401084
UDIN: 24401084BKESOY8030
Date : 11 May 2024
Place: Jaipur

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT" OF OUR STANDALONE AUDIT REPORT ON 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 Limited as of March 31, 2024 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 with reference to standalone financial statement 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. 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 with reference to standalone financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over financial reporting (the "Guidance Note") and the Standards on Auditing, issued by The Institute Of Chartered Accountants Of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to standalone financial statement 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 with reference to standalone financial statement and their operating effectiveness.

Our audit of internal financial controls with reference to standalone financial statement included obtaining an understanding of internal financial controls with reference to standalone financial statement, 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statement.

Meaning of Internal Financial Controls with reference to standalone financial statement

A company's internal financial control with reference to standalone financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statement 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 standalone financial statements in accordance with generally accepted accounting principles and Ind AS, and those 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statement

Because of the inherent limitations of internal financial controls with reference to standalone financial statement, 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 with reference to standalone financial statement to future periods are subject to the risk that the internal financial control with reference to standalone financial statement 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2024, based on the criteria for internal control with reference to standalone financial statement 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 S Bhandari & CO LLP
Chartered Accountants
(FRN: 000560C/ C400334)

(Rupal Kumbhat)
Partner
Membership No. 401084
UDIN24401084BKESOY8030
Date : 11 May 2024
Place: Jaipur

AUDITOR'S ADDITIONAL REPORT

The Board of Directors,
A.K. Capital Finance Limited,
601-602, 6th Floor, Windsor, Off CST Road,
Kalina, Santacruz (east), Mumbai- 400098

Report on the Financial Statements

We report that the statutory audit of A. K. Capital Finance Limited ("the Company") 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 May 11, 2024 along with a copy of each of the audited balance sheet as at March 31, 2024, statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows of the Company for the year ended on March 31, 2024 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 made under Section 143 of the Companies Act, 2013 ('the Act') on the standalone financial statements of the Company for the year ended March 31, 2024 and as required by 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 PPD.03/66.15.001/2016-17/ 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, we report on the matters specified in paragraphs 3 and 4 of the said Directions, to the extent applicable, as follows:

Management's Responsibility for the standalone financial statements

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

The Company's management is responsible for ensuring that the Company complies with the requirements of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (the 'Master Directions'). This responsibility includes the design, implementation and maintenance of internal control relevant to the compliance with the Master Directions.

Auditor's Responsibility

Pursuant to the requirements of the Directions, it is our responsibility to examine the books of account and records of the Company and report on the matters specified in the Directions, to the extent applicable to the Company.

We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.'

Conclusion

Based on our examination of the standalone financial statements as at and for the year ended March 31, 2024, books of account and other records of the Company as produced for our examination and according to the information and explanations given to us, we further report that:

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 as amended on January 15, 2019 issued by Mumbai Regional office 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, 2024 audited by us and as per Paragraph 6 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the Company is entitled to continue to hold such Certificate of Registration in terms of its asset pattern as on March 31, 2024.

(iii) Based on the net owned fund requirement as laid down in Paragraph 6 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, 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, 2023 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 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 in the preparation of standalone financial statements for the year ended March 31, 2024.

(iv) The Company being a Systemically Important Non- Deposit taking NBFC as defined in Paragraph 3 (xxxi) of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and now referred as NBFC-Middle Layer as referred in Paragraph 2.7 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023:

(a) The Capital adequacy ratio as disclosed in the return submitted to the RBI in form DNBS-03 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) The Company has furnished to the RBI, the statement of capital funds, risk assets/ exposures and risk asset ratio (DNBS-03) within the stipulated period.

(v) Based on the criteria set forth by the RBI in Paragraph 5.1.21 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 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, 2024.

4. Para 3 (D)

vi) 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.

Restrictions of use

We have no responsibility to update this Report for events and circumstances occurring after the date of this report.

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. Our report should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S Bhandari & CO LLP
Chartered Accountants
(FRN: 000560C/ C400334)

Rupal Kumbhat
Partner
Membership No.: 401084
UDIN: 24401084BKESOY8030
Dated: 11 May 2024
Place : Jaipur

BALANCE SHEET AS AT MARCH 31, 2024

₹ in Lakhs

	Note No.	As at 31-03-2024	As at 31-03-2023
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	2(a)	1,663.83	1,533.91
(b) Bank balances other than (a) above	2(b)	409.67	533.26
(c) Trade Receivables	3	48.60	-
(d) Loans	4	57,200.45	55,091.88
(e) Investments	5	1,93,644.99	1,28,268.85
(f) Other financial assets			
(i) Stock of securities	6	26,428.45	47,085.53
(ii) Other financial assets	7	4,185.57	3,385.84
Total financial assets		**2,83,581.56**	**2,35,899.27**
(2) Non-financial assets			
(a) Current tax assets (net)		208.91	-
(b) Property, plant and equipment	9	2,118.02	2,264.93
(c) Intangibles assets	10	36.37	6.05
(d) Other non financial assets	11	80.41	240.69
(e) Assest held for sale	8(d)	-	875.00
Total non-financial assets		**2,443.71**	**3,386.67**
TOTAL ASSETS		**2,86,025.27**	**2,39,285.94**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Trade payables	12		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		159.53	254.82
(b) Debt securities	13	61,824.49	64,731.41
(c) Borrowings (other than debt securities)	14	1,40,247.68	96,929.48
(d) Deposits	15	-	33.69
(e) Other financial liabilities	16	6,062.47	4,828.94
Total financial liabilities		**2,08,294.17**	**1,66,778.34**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)		-	3.77
(b) Provisions	17	214.25	190.82
(c) Deferred tax liabilities (net)	18	290.76	149.92
(d) Other non-financial liabilities	19	214.69	642.13
Total non-financial liabilities		**719.70**	**986.64**
TOTAL LIABILITIES		**2,09,013.87**	**1,67,764.98**
EQUITY			
(a) Equity share capital	20(a)	8,829.38	8,829.38
(b) Other equity	20(b)	68,182.02	62,691.58
TOTAL EQUITY		**77,011.40**	**71,520.96**
TOTAL LIABILITIES AND EQUITY		**2,86,025.27**	**2,39,285.94**
Summary of material accounting policies and other explanatory information	**1**		

The accompanying notes (1 to 71) are an integral part of standalone financial statements
As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration Number : 000560C/C400334

Rupal Kumbhat
Partner
Membership No. 401084

Place: Jaipur
Dated: May 11, 2024

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

A. K. Mittal
Managing Director
DIN: 00698377

Vinod Kumar Kathuria
Chairman & Independent Director
(DIN : 06662559)

Mahesh Bhootra
Chief Financial Officer

Shikha Sharma
Company Secretary
(ACS : A52558)

Place: Mumbai
Dated: May 11, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

Particulars	Note No.	Current Year 2023-2024	Previous Year 2022-2023
Revenue from operations			
Interest income	21	22,692.75	17,426.99
Fees and commission income	22	2,283.38	1,269.65
Net gain on fair value changes	23	5,960.68	5,712.71
Net gain on derecognition of financial instruments under amortised cost category	24	76.17	480.78
Rental income		-	98.61
Total revenue from operations		**31,012.98**	**24,988.74**
Other income	25	3.38	3.08
Total income		**31,016.36**	**24,991.82**
EXPENSES			
Finance costs	26	15,177.30	10,149.39
Fees and commission expenses	27	1,315.48	1,603.15
Impairment on financial instruments (net)	28	(30.92)	28.36
Employee benefits expenses	29	4,679.94	3,580.66
Depreciation and amortization expense		368.93	334.12
Other expenses	30	1,214.73	1,279.79
Total expenses		**22,725.46**	**16,975.47**
Profit before exceptional items and tax		**8,290.90**	**8,016.35**
Exceptional items		-	-
Profit before tax		**8,290.90**	**8,016.35**
Tax expense:			
Current tax		1,835.00	1,948.00
Prior period tax adjustments		(4.79)	(11.35)
Deferred tax expense/ (credit)		153.28	8.65
Profit for the year [A]		**6,307.41**	**6,071.05**
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit and loss		(49.41)	(37.17)
Less: Income tax expense on above		12.44	9.35
Other comprehensive income for the year [B]		**(36.97)**	**(27.82)**
Total comprehensive Income for the year [A+B]		**6,270.44**	**6,043.23**
Earnings per equity share (Rs.)	**35**		
Basic earnings per share		23.76	22.87
Diluted earnings per share		23.76	22.87
Summary of material accounting policies and other explanatory information	**1**		

The accompanying notes (1 to 71) are an integral part of standalone financial statements
As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration Number : 000560C/C400334

Rupal Kumbhat
Partner
Membership No. 401084

Place: Jaipur
Dated: May 11, 2024

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

A. K. Mittal
Managing Director
DIN: 00698377

Vinod Kumar Kathuria
Chairman & Independent Director
(DIN : 06662559)

Mahesh Bhootra
Chief Financial Officer

Shikha Sharma
Company Secretary
(ACS : A52558)

Place: Mumbai
Dated: May 11, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

	Current Year 2023-2024	Previous Year 2022-2023
Cash flow from/(used in) operating activities		
Profit before tax	8,290.90	8,016.35
Adjustment for:		
Depreciation and amortisation	368.93	334.12
Loss / (Profit) on sale of property, plant and equipment	0.01	(0.49)
Expected Loss on sale of Assets held for sale	-	101.29
Amortisation of processing fees income	(2.28)	108.22
Loss / (Profit) on redemption of non convertible debentures	(3.38)	-
Rental income	-	(98.61)
Unwinding Income	(15.92)	(14.31)
Net gain on fair value changes on investments	(4,504.60)	(1,821.03)
Net (gain) / loss on derecognition of financial instruments under amortised cost category	(76.17)	(480.78)
Net gain on fair value changes on stock of securities - unrealised	(14.74)	(797.51)
Effective interest rate on held till maturity securities	(21.82)	1.38
Interest Reversal on restructuring of loan	0.81	2.11
Interest income on investments	(7,159.42)	(8,576.85)
Impairment on financial instruments	(30.92)	28.36
Finance costs	15,177.30	10,149.39
Movement in working capital:		
Increase/(decrease) in trade payable and other financial liabilities	(157.14)	252.24
(Increase)/decrease in trade receivables and other financial assets	1,212.85	(585.74)
(Increase)/decrease in loans	(2,089.16)	(16,055.62)
(Increase)/decrease in stock of securities	20,671.82	21,090.57
(Increase)/decrease in other non financial assets	118.54	15.66
Increase/(decrease) in provision	(25.98)	27.98
Increase/(decrease) in deposits	(33.69)	0.75
Increase/(decrease) in other non financial liabilities	(427.44)	439.22
Cash generated from/(used in) operations	**31,278.50**	**12,136.70**
Income tax paid	(2,042.89)	(1,923.34)
Cash generated from/(used in) operations [A]	**29,235.61**	**10,213.36**
Cash flow from/(used in) investing activities		
Proceeds from sale / (payment for purchases) of investments (net)	(60,782.41)	(29,615.80)
Payment for acquisition of property, plant and equipments including capital advances	(41.04)	(273.00)
Payment for acquisition of intangible assets	(43.01)	-
Proceeds from redemption / (payment) of fixed deposit	123.59	(516.26)
Proceeds from sale of Property, plant and equipments and asset held for sale	875.03	0.49
Rent received	-	98.61
Interest received	5,131.49	8,212.60
Cash generated from/(used in) investing activities [B]	**(54,736.35)**	**(22,093.36)**
Cash flow from/(used in) financing activities		
Proceeds from long-term borrowings	38,000.00	41,100.00
Repayment of long-term borrowings	(22,574.78)	(26,924.50)
Proceeds from / (repayment) of short-term borrowings (net)	25,030.61	9,152.70
Repayment of lease liabilities	(192.96)	(171.96)
Dividends paid	(780.00)	(780.00)
Interest paid	(13,852.21)	(10,055.14)
Cash generated from/(used in) financing activities [C]	**25,630.66**	**12,321.10**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**129.92**	**441.10**
Add: Cash and cash equivalents at the beginning of the year	1,533.91	1,092.81
Cash and cash equivalents at the end of the year	1,663.83	1,533.91

Reconciliation of liabilities arising from financing activities

₹ in Lakhs

Particular	Long-term borrowings	Short-term borrowings	Lease liabilities	Interest on above borrowings
As at 31 March 2023	**99,788.94**	**61,871.95**	**787.74**	**3,752.67**
Cash Flows	15,425.22	25,030.61	(268.82)	(13,852.21)
Transaction cost	(24.29)	(20.26)	170.46	75.86
Interest accrual	-	-	75.86	15,100.85
As at 31 March 2024	**1,15,189.87**	**86,882.30**	**765.24**	**5,077.17**

Summary of material accounting policies and other explanatory information (refer note 1)

The accompanying notes (1 to 71) are an integral part of standalone financial statements
As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration Number : 000560C/C400334

Rupal Kumbhat
Partner
Membership No. 401084

Place: Jaipur
Dated: May 11, 2024

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

A. K. Mittal
Managing Director
DIN: 00698377

Vinod Kumar Kathuria
Chairman & Independent Director
(DIN : 06662559)

Mahesh Bhootra
Chief Financial Officer

Shikha Sharma
Company Secretary
(ACS : A52558)

Place: Mumbai
Dated: May 11, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

A EQUITY SHARE CAPITAL

	Number of shares	Amount
Equity Shares		
At 31 March 2022	**2,32,93,750**	**2,329.38**
Changes in equity share capital due to prior period errors	-	-
Restated balance at 31 March 2022	**2,32,93,750**	**2,329.38**
Issue of share capital	-	-
At 31 March 2023	**2,32,93,750**	**2,329.38**
Changes in equity share capital due to prior period errors	-	-
Restated balance at 31 March 2023	**2,32,93,750**	**2,329.38**
Issue of share capital	-	-
At 31 March 2024	**2,32,93,750**	**2,329.38**

COMPULSORY CONVERTIBLE PREFERENCE SHARES

	Number of shares	Amount
At 31 March 2022	**65,00,000**	**6,500.00**
Changes in compulsory convertible preference share capital due to prior period errors	-	-
Restated balance at 31 March 2022	**65,00,000**	**6,500.00**
Issue of share capital	-	-
At 31 March 2023	**65,00,000**	**6,500.00**
Changes in compulsory convertible preference share capital due to prior period errors	-	-
Restated balance at 31 March 2023	**65,00,000**	**6,500.00**
Issue of share capital	-	-
At 31 March 2024	**65,00,000**	**6,500.00**
Total equity share capital		**8,829.38**

B OTHER EQUITY

₹ in Lakhs

Particulars	Reserves and surplus			Items of other comprehensive income		Total
	Special reserve	Securities premium	Retained earnings	Actuarial gain/ (loss) on defined benefits obligations	Equity instruments through other comprehensive income	
Balance at 31 March 2022	**6,852.93**	**27,321.88**	**24,916.11**	**(34.33)**	**(1,628.24)**	**57,428.35**
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at 31 March 2022	**6,852.93**	**27,321.88**	**24,916.11**	**(34.33)**	**(1,628.24)**	**57,428.35**
Profit for the year	-	-	6,071.05	-	-	**6,071.05**
Other comprehensive income net of tax for the year	-	-	-	(27.82)	-	**(27.82)**
Transfer (to) /from reserves	1,217.07	-	(1,217.07)	-	-	-
Dividend paid on CCPS	-	-	(780.00)	-	-	**(780.00)**
Balance at 31 March 2023	**8,070.00**	**27,321.88**	**28,990.09**	**(62.15)**	**(1,628.24)**	**62,691.58**
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at 31 March 2023	**8,070.00**	**27,321.88**	**28,990.09**	**(62.15)**	**(1,628.24)**	**62,691.58**
Profit for the year	-	-	6,307.41	-	-	**6,307.41**
Other comprehensive income net of tax for the year	-	-	-	(36.97)	-	**(36.97)**
Transfer (to) /from reserves	1,262.00	-	(1,262.00)	-	-	-
Dividend paid on CCPS	-	-	(780.00)	-	-	**(780.00)**
Balance at 31 March 2024	**9,332.00**	**27,321.88**	**33,255.50**	**(99.12)**	**(1,628.24)**	**68,182.02**

Summary of material accounting policies and other explanatory information (refer note 1)

The accompanying notes (1 to 71) are an integral part of standalone financial statements
As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration Number : 000560C/C400334

Rupal Kumbhat
Partner
Membership No. 401084

Place: Jaipur
Dated: May 11, 2024

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

A. K. Mittal
Managing Director
DIN: 00698377

Vinod Kumar Kathuria
Chairman & Independent Director
(DIN : 06662559)

Mahesh Bhootra
Chief Financial Officer

Shikha Sharma
Company Secretary
(ACS : A52558)

Place: Mumbai
Dated: May 11, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 1

CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

CORPORATE INFORMATION

A. K. Capital Finance 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 Middle Layer 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) and other securities . The Company provides funding to the Corporates and other entities, thereby catering to the diversified needs of the clients. The Company also offers multitude of fee-based financial services to its Corporate and Institutional clients, across various business sectors. The registered address of the Company is situated at 601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai - 400098. The standalone financial statements are approved for issue by the Company's Board of Directors on 11 May 2024.

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1.01 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruements which are measured at fair values, and on the basis of accounting principle of a going concern in accordance with generally accepted accounting principles (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Financial Statements are presented in Lakhs or decimal thereof unless otherwise specified.

The standalone financial statements have been presented in accordance with Schedule III-Division III General Instructions for Preparation of financial statements of a Non-Banking Financial Company (NBFC) that is required to comply with Ind AS.

1.02 Functional and presentation currency

Items included in the standalone financial statements of Company are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). Indian rupee is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest lakh, unless otherwise stated

1.03 Use of estimates

The preparation of standalone financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of standalone financial statements, income and expenses during the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the standalone financial statements are:

- Valuation of financial instruments
- Measurement of defined employee benefit obligation
- Useful life of property, plant and equipment
- Useful life of investment property
- Provisions

1.04 Fair value measurement and heirarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place eithe

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.05 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Ind AS 115 "Revenue from contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

A) Identify the contract(s) with a customer;

B) Identify the performance obligations;

C) Determine the transaction price;

D) Allocate the transaction price to the performance obligations;

E) Recognise revenue when or as an entity satisfies performance obligation.

Interest income

a) Under Ind AS 109, Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through Profit and loss (FVTPL).

The EIR in case of a financial aset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instruments in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premium or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carying amount of the assets.

Fees and commission income

Revenue from fee-based activities are recognized when the services are rendered. Fees earned from contract with customer is recognised as and when performance obligation is satisfied. Fees or compnents of fees that are linked to certain performance are recognised after fulfilling the corresponding criteria.

Net gain on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Company on the balace sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss, the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTL and debt instruments measured at Fair value through Other Comprehensive Income ("FVOCI") is recognised in net gain\loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised is presented separetely under the respective head in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Dividend income

Dividend income is recognised

a. When the right to receive the payment is established.

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

1.06 Taxes

The tax expense for the period comprises of current tax and deferred tax. Tax is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised in the other comprehensive income or equity. In which case, the tax is also recognised in other comrehensive income or equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Current income taxes are recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions, where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised , based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exist to set-off current tax assets and current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.07 Property, plant and equipment

Property, plant and equipement are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation

Depreciation is calculated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition of assets

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

1.08 Investment properties

Property that is held for long term rental yield or for capital appreciation or both , and that is not occupied by the Company, is classified as Investment property. Investors properties measured initially at cost including related transactions cost and where applicable borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is incurred the carrying amount of replaced part is derecognised.Investment properties other than land are depreciated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 i.e. 60 years for office premises.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1.09 Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. In accordance with Ind AS 105, the Company is committed to sell these assets. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell.

1.10 Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

Derecognition of assets

An item of intangible asset and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognized.

Intangible assets comprising of Software are amortised on a straight line basis over its estimated useful life or maximum 5 years, whichever is shorter.

1.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.12 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The contingent liability is not recognized in books of account but its existence is disclosed in standalone financial statements.

A contingent assets, where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in Ind AS 37.

1.13 Impairment of assets

a) Financial Assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-29 days default under this category. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 30-89 days are classified under this stage. Stage 2 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized as an impairment gain or loss in the Statement of profit or loss.

Financial assets (and the related impairment allowances) are written off in full, when there is no realistic prospect of recovery. The Company may apply enforcement activities to certain qualifying financial assets written off.

b) Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset. unless the asset does not generate cash inflows that are largely independent of those from other assets.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

(a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

(b) The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed

(c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

(d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

Amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

Fair value through profit and loss (FVTPL): A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income (FVOCI): Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Trade Receivables and Loans:

Trade receivables and loans are initially recognized at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(a) **Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(b) **Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity in the Statement of Profit and Loss.

(c) **Measured at fair value through profit or loss:** A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value , the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. All financial liabilities are recognised initially at fair value and in the case of borrowings trade payables and other financial liabilities, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade payables, deposits and other financial liabilities.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

(a) **Borrowings:** Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(b) **Trade and Other Payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

(c) **Deposits:**

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

1.15 Investments in equity instruments of subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in the Statement of Profit and Loss.

1.16 Segment Reporting:

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

Segment information

Companies whole business is being considered as one segment.

1.17 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1.18 Retirement benefits

i) Defined contribution plans (Provident fund)

In accordance with Indian Law, eligible employees receive benefits from Provident Fund and Labour welfare fund which is defined contribution plan. In case of Provident fund, both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumsump payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Company recognises all remeasurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

iii) Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

iv) Compensated absences

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 at the end of year and charged to the statement of profit and loss.

1.19 Lease

As a lessee:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

As a lessor:

Leases under which the company does not transfer substantially all the risks and rewards of ownership are classified as operating leases. Rental income arises from operating leases is accounted for on straight line basis over the lease term, and is included in rental income in Statement of Profit and Loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms. Contingent rents are recognised as revenue in the period in which they are earned.

1.20 Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

1.21 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

	As at 31-03-2024	As at 31-03-2023
NOTE - 2		
(a) CASH AND CASH EQUIVALENTS		
Cash on hand	1.64	3.91
Balances with banks	1,662.19	1,530.00
	1,663.83	**1,533.91**
(b) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Fixed deposits with bank*	409.67	533.26
	409.67	**533.26**
* Lien against overdraft accounts with banks and term loan accounts with financial institutions		
NOTE - 3		
TRADE RECEIVABLES		
Undisputed trade receivables considered good - unsecured	48.60	-
	48.60	-
Undisputed trade receivable - considered good		
Outstanding for following periods from due date of payment;		
Less than 6 months	48.60	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	48.60	-
a) There are no disputed receivables as on 31 March 2024 and 31 March 2023.		
b) There are no unbilled revenues as on 31 March 2024 and 31 March 2023.		
NOTE - 4		
LOANS (AT AMORTISED COST)		
(A) Loans		
(i) Loans repayable on demand	5,000.00	7,500.00
(ii) Term loans	52,441.09	47,888.12
Total (A) -Gross	**57,441.09**	**55,388.12**
Less: Impairment loss allowance	240.64	**296.24**
Total (A) - Net	**57,200.45**	**55,091.88**
(B)		
(i) Secured by tangible and other assets	53,564.75	50,842.80
(ii) Unsecured	3,876.34	4,545.32
Total (B)-Gross	**57,441.09**	**55,388.12**
Less: Impairment loss allowance	240.64	296.24
Total (B)-Net	**57,200.45**	**55,091.88**
(C)		
(I) Loans in India		
(i) Public sector	-	-
(ii) Others	57,441.09	55,388.12
(II) Loans outside India	-	-
Total (C)- Gross	**57,441.09**	**55,388.12**
Less: Impairment loss allowance	240.64	296.24
Total(C)-Net	**57,200.45**	**55,091.88**

Refer Note - 37 for related party disclosures
Refer Note - 48

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 4 LOANS (AT AMORTISED COST)

4 (a) Summary of Effective interest rate impact on loans

₹ in Lakhs

Particular	As at 31-03-2024	As at 31-03-2023
Gross loans	57,589.58	55,538.07
Less: Effective interest rate Impact	148.49	149.95
	57,441.09	**55,388.12**

4 (b) Disclosure in relation to loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are;

(a) REPAYBLE ON DEMAND

Type of Borrower	As on 31 March 2024: Amount of loan or advance in the nature of loans outstanding (₹ In lakhs)	As on 31 March 2024: Percentage to the loan or advance in the nature of loans outstanding
Promoters	-	-
Directors	-	-
KMPs	-	-
Related parties	5,000.00	8.70%

REPAYBLE ON DEMAND

Type of Borrower	As on 31 March 2023: Amount of loan or advance in the nature of loans outstanding (₹ In lakhs)	As on 31 March 2023: Percentage to the loan or advance in the nature of loans outstanding
Promoters	-	-
Directors	-	-
KMPs	-	-
Related parties	7,500.00	13.54%

(b) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are without specifying any terms or period of repayment as on 31 March 2024 and 31 March 2023

4 (c) (a) Credit quality of assets

Particular	As at 31-03-2024	As at 31-03-2023
Stage 1	57,441.09	55,358.75
Stage 2	-	20.42
Stage 3	-	8.95

(b) (i) An analysis of changes in gross carrying amount and corresponding Impairment Loss allowances in relation to lending as at 31 March 2024 is as follows;

Particulars	Stage 1		Stage 2		Stage 3	
	Gross carrying amount	Impairment allowances	Gross carrying amount	Impairment allowances	Gross carrying amount	Impairment allowances
Gross carrying amount opening balance	**55,358.75**	**266.87**	**20.42**	**20.42**	**8.95**	**8.95**
New assets orginated / repaid (excluding write offs)	2,499.64	38.71	(57.33)	32.53	(351.68)	(89.18)
Transfer (to) / from Stage 1	-	-	417.30	64.94	-	-
Transfer (to) / from Stage 2	(417.30)	(64.94)	-	-	380.39	117.89
Transfer (to) / from Stage 3	-		(380.39)	(117.89)	-	-
Amount written off	-	-	-	-	(37.66)	(37.66)
Gross carrying amount closing balance	**57,441.09**	**240.64**	**-**	**-**	-	**-**

(b) (ii) An analysis of changes in gross carrying amount and corresponding Impairment Loss allowances in relation to lending as at 31 March 2023 is as follows;

Particulars	Stage 1		Stage 2		Stage 3	
	Gross carrying amount	Impairment allowances	Gross carrying amount	Impairment allowances	Gross carrying amount	Impairment allowances
Gross carrying amount opening balance	**39,464.07**	**254.23**	**-**	**-**	**-**	**-**
New assets orginated / repaid (excluding write offs)	15,929.90	47.86	-	-	-	-
Transfer (to) / from Stage 1	-	-	35.22	35.22	-	-
Transfer (to) / from Stage 2	(35.22)	(35.22)	-	-	8.95	8.95
Transfer (to) / from Stage 3	-	-	(8.95)	(8.95)	-	-
Amount written off	-	-	(5.85)	(5.85)	-	-
Gross carrying amount closing balance	**55,358.75**	**266.87**	**20.42**	**20.42**	**8.95**	**8.95**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 5

INVESTMENTS

₹ in Lakhs

As at 31-03-2024						
Particulars	Amortised cost	At fair value		Subtotal	At cost	Total
		Through other comprehen-sive Income*	Through profit or loss			
(I) Government securities	**-**	**-**	**77,611.16**	**77,611.16**	**-**	**77,611.16**
i) Quoted	-	-	77,611.16	77,611.16	-	77,611.16
(II) Debt securities	**2,259.98**	**-**	**1,08,267.29**	**1,08,267.29**	**-**	**1,10,527.27**
i) Quoted	2,259.98	-	1,08,267.29	1,08,267.29	-	1,10,527.27
(III) Pass through certificates	**1,001.45**	**-**	**-**	**-**	**-**	**1,001.45**
i) Unquoted	1,001.45	-	-	-	-	1,001.45
(IV) Equity instruments	**-**	**-**	**-**	**-**	**-**	**-**
I) Unquoted						
- in other companies	-	-	-	-	-	-
221,000 Equity shares of Neesa Leisure Limited of Rs.10 each*	-	-	-	-	-	-
(V) Others	**-**	**-**	**-**	**-**	**4,521.87**	**4,521.87**
- in subsidiaries	**-**	**-**	**-**	**-**	**4,521.87**	**4,521.87**
38,500,000 Equity shares of Family Home Finance Private Limited of Rs 10 each	-	-	-	-	4,521.87	4,521.87
Total – Gross (A)	**3,261.43**	**-**	**1,85,878.45**	**1,85,878.45**	**4,521.87**	**1,93,661.75**
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	3,261.43	-	1,85,878.45	1,85,878.45	4,521.87	1,93,661.75
Total (B)	**3,261.43**	**-**	**1,85,878.45**	**1,85,878.45**	**4,521.87**	**1,93,661.75**
Less: Allowance for Impairment loss (C)	**16.76**	**-**	**-**	**-**	**-**	**16.76**
Total – Net D= (A)-(C)	**3,244.67**	**-**	**1,85,878.45**	**1,85,878.45**	**4,521.87**	**1,93,644.99**

₹ in Lakhs

As at 31-03-2023						
Particulars	Amortised cost	At fair value		Subtotal	At cost	Total
		Through other comprehen-sive Income*	Through profit or loss			
(I) Government securities	**-**	**-**	**37,200.37**	**37,200.37**	**-**	**37,200.37**
i) Quoted	-	-	37,200.37	37,200.37	-	37,200.37
(II) Debt securities	**21,131.47**	**-**	**51,906.17**	**51,906.17**	**-**	**73,037.64**
i) Quoted	21,131.47	-	51,906.17	51,906.17	-	73,037.64
(III) Pass through certificates	**10,720.03**	**-**	**-**	**-**	**-**	**10,720.03**
i) Unquoted	10,387.72	-	-	-	-	10,387.72
ii) Unquoted	332.31	-	-	-	-	332.31
(IV) Alternative Investment Fund	**-**	**-**	**5,223.68**	**5,223.68**	**-**	**5,223.68**
i) Unquoted	-	-	5,223.68	5,223.68	-	5,223.68
(V) Equity instruments	**-**	**-**	**-**	**-**	**-**	**-**
i) Unquoted						
- in other companies	**-**	**-**	**-**	**-**	**-**	**-**
221,000 Equity shares of Neesa Leisure Limited of Rs.10 each*	-	-	-	-	-	-
(VI) Others	**-**	**-**	**-**	**-**	**2,116.87**	**2,116.87**
- in subsidiaries	**-**	**-**	**-**	**-**	**2,116.87**	**2,116.87**
20,000,000 Equity shares of Family Home Finance Private Limited of Rs 10 each	-	-	-	-	2,116.87	2,116.87
Total – Gross (A)	**31,851.50**	**-**	**94,330.22**	**94,330.22**	**2,116.87**	**1,28,298.59**
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	31,851.50	-	94,330.22	94,330.22	2,116.87	1,28,298.59
Total (B)	**31,851.50**	**-**	**94,330.22**	**94,330.22**	**2,116.87**	**1,28,298.59**
Less: Allowance for Impairment loss (C)	**29.74**	**-**	**-**	**-**	**-**	**29.74**
Total – Net D= (A)-(C)	**31,821.76**	**-**	**94,330.22**	**94,330.22**	**2,116.87**	**1,28,268.85**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

NOTE - 6 STOCK OF SECURITIES (measured at fair value through profit or loss)	As at 31-03-2024	As at 31-03-2023
(I) Debt securities		
Quoted	25,731.58	45,520.63
(II) Exchange traded funds		
Quoted	696.87	1,564.90
Total – Gross (A)	**26,428.45**	**47,085.53**
(i) Stock of securities outside India	-	-
(ii) Stock of securities in India	26,428.45	47,085.53
Total (B)	**26,428.45**	**47,085.53**

NOTE - 7 OTHER FINANCIAL ASSETS		
Deposits		
Earnest money deposits	3.00	3.00
Rental deposits		
i) with relatives and directors	98.57	90.41
ii) with other parties	94.44	82.86
Other deposits	390.39	254.39
Interest accrued but not due on Investments / stock of securities	3,515.53	1,465.78
Receivable from/Balance with stock broker	75.00	1,421.28
Income Receivable From AIF Fund	-	59.48
Other receivables	8.64	8.64
Total	**4,185.57**	**3,385.84**

₹ in Lakhs

NOTE - 8 INVESTMENT PROPERTIES	Building under lease	Total
Gross block		
As at 31 March 2022	1,070.00	1,070.00
Additions	-	-
Disposals	-	-
Transfer to assets held for sale	1,070.00	1,070.00
As at 31 March 2023	**-**	**-**
Additions	-	-
Disposals	-	-
Transfer to assets held for sale	-	-
As at 31 March 2024	**-**	**-**
Accumulated depreciation		
As at 31 March 2022	77.82	77.82
Additions	15.89	15.89
Disposals	-	-
Impairment loss on assets held for sale	101.29	101.29
Transfer to assets held for sale	195.00	195.00
As at 31 March 2023	**-**	**-**
Additions	-	-
Disposals	-	-
Impairment loss on assets held for sale	-	-
Transfer to assets held for sale	-	-
As at 31 March 2024	**-**	**-**
Net Block		
As at 31 March 2023	**-**	**-**
As at 31 March 2024	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

8 (a) RECONCILIATION OF CHANGES IN THE FAIR VALE OF INVESTMENT PROPERTIES

As on 31st March 2023, the Company had entered into Agreement To Sell (ATS), to sell the aforesaid investment property (comprising of two units) on 11th January 2023 and 27th March, 2023 for an agreed total consideration of Rs. 875 lakhs for both the units, out of which Rs. 370 lakhs had been received upto 31st March 2023 and remaining amount was received subsequently before execution of Sale Deed. The Sale deed for the said property has been executed on 6th April 2023. Accordingly as on 31st March 2023, the asset value had been impaired to the agreed sale consideration and transferred to Asset held for Sale.

₹ in Lakhs

Particular	Building under lease	Total
As at 31 March 2022	**1,330.15**	**1,330.15**
Changes in the fair value	(455.15)	(455.15)
Closing balance as on 31 March 2023	**875.00**	**875.00**
Disposed during the year	(875.00)	(875.00)
Closing balance as on 31 March 2024	**-**	**-**

8 (b) DIRECT OPERATING EXPENSES ARISING FROM INVESTMENT PROPERTIES

₹ in Lakhs

Particular	Current Year 2023-2024	Previous Year 2022-2023
Rental income derived from investment properties	**-**	**98.61**
Less: Direct operating expenses (including repairs & maintenance) generating rental income	-	0.91
Less: Direct operating expenes (including repairs & maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation & indirect expenses	**-**	**97.70**
Less: Depreciation	-	15.89
Profit arising from investment properties before indirect expenses	**-**	**81.81**

8 (c) THE COMPANY DOES NOT HAVE ANY INVESTMENT PROPERTY AS ON 31ST MARCH 2024

8 (d) ASSETS HELD FOR SALE

₹ in Lakhs

PARTICULARS	Current Year 2023-2024	Previous Year 2022-2023
Investment property	-	875.00
	-	**875.00**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 9
PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Computers	Office equipments	Furniture and fixtures	Vehicles	Building Owner-occupied property	Leasehold Improvements	Building Right-of-use (Refer note 36)	Total
Cost								
As at 31 March 2022	94.81	22.40	53.83	86.46	1,238.05	-	1,011.36	2,506.91
Additions	23.56	17.70	24.13	35.60	96.59	208.59	-	406.17
Disposals	-	0.49	-	-	-	-	-	0.49
As at 31 March 2023	**118.37**	**39.61**	**77.96**	**122.06**	**1,334.64**	**208.59**	**1,011.36**	**2,912.59**
Additions	12.14	13.85	8.43	-	-	-	174.95	209.37
Disposals	-	0.27	-	-	-	-	-	0.27
As at 31 March 2024	**130.51**	**53.19**	**86.39**	**122.06**	**1,334.64**	**208.59**	**1,186.31**	**3,121.69**
Depreciation:								
As at 31 March 2022	54.80	13.92	27.15	53.44	104.03	-	85.11	338.45
Additions	20.35	4.33	7.86	13.26	21.83	28.49	213.58	309.70
Disposals	-	0.49	-	-	-	-	-	0.49
As at 31 March 2023	**75.15**	**17.76**	**35.01**	**66.70**	**125.86**	**28.49**	**298.69**	**647.66**
Additions	23.96	6.59	8.82	14.76	22.95	49.19	229.97	356.24
Disposals	-	0.23	-	-	-	-	-	0.23
As at 31 March 2024	**99.11**	**24.12**	**43.83**	**81.46**	**148.81**	**77.68**	**528.66**	**1,003.67**
Net Block								
As at 31 March 2023	**43.22**	**21.85**	**42.95**	**55.36**	**1,208.78**	**180.10**	**712.67**	**2,264.93**
As at 31 March 2024	**31.40**	**29.07**	**42.56**	**40.60**	**1,185.83**	**130.91**	**657.65**	**2,118.02**

1) Building include premises hypothecated against loan taken having net block of as at 31 March 2024 Rs. 641.76 lakhs (as at 31 March 2023 Rs.654.64 lakhs).

2) Building include premises situated at Chennai mortgaged against non convertible debentures issued having net block as at 31 March 2024 of Rs. 9.31 lakhs (as at 31 March 2023 Rs. 9.48 lakhs).

3) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets).

4) The title deed of all immovable properties are held in the name of the Company

₹ in Lakhs

Description of item of property	Building	Building	Building	Building	Total
Gross carrying value	731.70	10.50	495.85	96.59	1,334.64
Title deeds held in the name of	Company	Company	Company	Company	Company
Whether title deed holder is relative of promoter/director or employee of promoter/director	No	No	No	No	No
Property held since which date	28-Mar-14	13-Jun-17	13-Jul-17	23-Nov-22	
Reason for not being held in the name of the Company	NA	NA	NA	NA	NA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

NOTE - 10
INTANGIBLE ASSETS

	Software	Total
Cost		
As at 31 March 2022	59.21	59.21
Additions	-	-
Disposals	-	-
As at 31 March 2023	**59.21**	**59.21**
Additions	43.01	43.01
Disposals	-	-
As at 31 March 2024	**102.22**	**102.22**
Accumulative amortisation:		
As at 31 March 2022	44.63	44.63
Additions	8.53	8.53
Disposals	-	-
As at 31 March 2023	**53.16**	**53.16**
Additions	12.69	12.69
Disposals		-
As at 31 March 2024	**65.85**	**65.85**
Net book value:		
As at 31 March 2023	**6.05**	**6.05**
As at 31 March 2024	**36.37**	**36.37**

1) The Company has not revalued any of its Intangible Assets

₹ in Lakhs

NOTE - 11
OTHER NON-FINANCIAL ASSETS

	As at 31-03-2024	As at 31-03-2023
Balance with government authorities	1.56	179.70
Prepaid expenses	75.65	57.98
Other advances	3.20	3.01
Total	**80.41**	**240.69**

NOTE - 12
TRADE PAYABLES

Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	159.53	254.82
Total	**159.53**	**254.82**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Following disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 has been made to the extent information available with the Company and the same have been relied upon by the auditors:

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

Outstanding of Undisputed Trade Payable from due date of payment;

₹ in Lakhs

Particulars	As at 31-03-2024 Others	As at 31-03-2023 Others
Unbilled	8.26	5.85
Less than 1 year	146.86	248.34
1-2 years	2.85	0.63
2-3 years	1.56	-
More than 3 years	-	-
Total	**159.53**	**254.82**

(i) There are no outstanding of disputed trade payable from due date of payment as on 31 March 2024 and 31 March 2023

(ii) There are no outstanding of undisputed or disputed trade payable from micro, medium and small enterprises from due date of payment as on 31 March 2024 and 31 March 2023.

(iii) There are no unbilled disputed dues as on 31 March 2024 and 31 March 2023

₹ in Lakhs

NOTE - 13 DEBT SECURITIES (AT AMORTISED COST)	As at 31-03-2024	As at 31-03-2023
Non-convertible debentures (Refer note no. 46)	61,824.49	64,731.41
Total (A)	**61,824.49**	**64,731.41**
Debt securities in India	61,824.49	64,731.41
Debt securities outside India	-	-
Total (B)	**61,824.49**	**64,731.41**

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

13 (a) The Company has registered all the charges towards outstanding secured debt securities issued outstanding as on 31 March 2024 and 31 March 2023. There is no satisfaction of charge pending on secured debt securities issued which are matured or repurchased during the financial year ended 31 March 2024 and 31 March 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 14
BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

₹ in Lakhs

	As at 31-03-2024	As at 31-03-2023
(a)Term loans		
(i) from banks*	41,715.77	24,802.63
(ii) from public sector undertaking - public financial institution**	6,657.08	9,890.41
(iii) from NBFCs***	4,992.53	364.49
(b) Loans repayable on demand		
(i) from banks****	27,682.30	30,871.95
(ii) from NBFC*****	3,700.00	6,500.00
(c) Other loans		
Collaterlised Borrowing and Lending Obligation (CCIL)******	55,500.00	24,500.00
Total (A)	**1,40,247.68**	**96,929.48**
Borrowings in India	1,40,247.68	96,929.48
Borrowings outside India	-	-
Total (B)	**1,40,247.68**	**96,929.48**
Secured	1,40,247.68	96,929.48
Unsecured	-	-
Total (C)	**1,40,247.68**	**96,929.48**

*(a) Loan from banks are repayable in 6 semi-annually, 8 to 20 quarterly and 33 to 36 monthly installments along with interest from the date of loan. The loans are secured by Pari- passu first charge by way of hypothecation / assignment over the identfied business assets including current and future receivables of the Company, in favour of the security trustee.

*(b) Housing loan from bank 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.

** Loan from public sector undertaking - public financial institution is repayable in 31 equated monthly installments after a principal moratorium period of 6 months along with interest from each tranche of disbursement. The loans are secured by exclusive charge by way of hypothecation on the identified book debts and receivables of the loans provided by the Company.

*** Loan from NBFC is repayable in 14 quarterly installments after a principal moratorium period of 6 months along with interest from each tranche of disbursement. The loans are secured by first pari passu charge by way of hypothecation over the identified "business assets" i.e. securities/receivables of the Company, in favour of the security trustee.

**** (a) Loan repayable on demand from bank is secured against pledge/lien on government securities and other debt securities and demand promissory note. The Holding Company, A. K. Capital Services Limited has given corporate guarantee on loan taken by Company from banks as disclosed in Note 37 - Related Party Disclosure.

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

***** Loan from NBFCs is secured against pledge on approved list of debt securities of the NBFCs.

****** Loan from Collaterlised Borrowing and Lending Obligation (CCIL) is secured against lien on government securities and deposit.

14 (a) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was sanctioned at the balance sheet date.

14 (b) The quarterly returns and / or statements of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts and there is no discrepancies in the same.

14 (c) The Company is not declared a wilful defaulter by any bank or financial institution or other lender.

14 (d) The Company has registered all the charges towards secured borrowings outstanding as on 31 March 2024 and 31 March 2023. There is no satisfaction of charge pending on secured borrowings which are repaid during the financial year ended 31 March 2024 and 31 March 2023.

14 (e) There are no instances of breach of any covenant and security cover towards loan avalied or debt securities issued by the Company.

14 (f) Refer Note - 61

NOTE - 15
DEPOSITS (AT AMORTISED COST)

₹ in Lakhs

	As at 31-03-2024	As at 31-03-2023
Rental deposits	-	33.69
Total	**-**	**33.69**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

NOTE - 16
OTHER FINANCIAL LIABILITIES

	As at 31-03-2024	As at 31-03-2023
Interest accrued but not due on borrowings	5,077.17	3,752.67
Creditors for capital goods	3.49	10.11
Lease liabilities (Refer note no. 36)	765.24	787.74
Employee dues	214.95	271.43
Other payables	1.62	6.99
Total	**6,062.47**	**4,828.94**

NOTE - 17
PROVISIONS

Provision for employee benefits		
Gratuity (Refer note no.41)	210.32	190.82
Leave encashment	3.93	-
Total	**214.25**	**190.82**

NOTE - 18
DEFERRED TAX (ASSETS) / LIABILITIES (NET)

Deferred tax liabilities		
On account of:		
Depreciation	154.67	156.79
Fair value gain on investments in debt securities	501.06	245.74
Right of use	158.84	169.79
Gain on modication due to restructuring of loan	-	0.20
Less: Deferred tax assets:		
Depreciation on Investment property and assets held for sale	-	(49.08)
Impairment allowance on loans and advances	(60.56)	(74.56)
EIR on HTM Securities	(1.58)	(7.07)
Impairment allowance on investments	(4.22)	(7.48)
Long term capital loss	(57.20)	-
Long term capital loss on sale of investment property	(117.02)	-
Lease liabilities	(192.60)	(198.26)
Transaction cost on financial liabilities	(0.33)	(0.18)
Expenses allowable on payment basis (gratuity)	(52.93)	(48.03)
Transaction cost on financial assets	(37.37)	(37.94)
Deferred tax (assets) / liabilities (net)	**290.76**	**149.92**

₹ in Lakhs

NOTE - 19
OTHER NON-FINANCIAL LIABILITIES

	As at 31-03-2024	As at 31-03-2023
Statutory dues	214.47	272.13
Advance received for assets held for sale	-	370.00
Others	0.22	-
Total	**214.69**	**642.13**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 20

(a) EQUITY SHARE CAPITAL

(i) Equity shares

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number of Shares	Amount ₹ in Lakhs	Number of Shares	Amount ₹ in Lakhs
Authorized:				
Equity shares of ₹ 10 each	3,00,00,000	3,000.00	3,00,00,000	3,000.00
Preference shares of ₹ 100 each	65,00,000	6,500.00	65,00,000	6,500.00
		9,500.00		**9,500.00**
Issued, subscribed and paid-up:				
Equity shares of ₹ 10 each fully paid up	2,32,93,750	2,329.38	2,32,93,750	2,329.38
Compulsorily convertible preference shares of ₹ 100 each fully paid up	65,00,000	6,500.00	65,00,000	6,500.00
		8,829.38		**8,829.38**

Details of the shares held by its holding company (i.e. A. K.Capital Services Limited):

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
Equity shares of ₹10 per share	2,29,97,490	98.73%	2,29,97,490	98.73%
Preference shares of ₹ 100 per share	45,00,000	69.23%	45,00,000	69.23%

Details of shareholders holding more than 5% equity shares in the Company :

Name of Shareholder	As at 31-03-2024		As at 31-03-2023	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Services Limited	2,29,97,490	98.73%	2,29,97,490	98.73%

Details of shares held by promoters in the Company :

Name of Shareholder	As at 31-03-2024		As at 31-03-2023	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Services Limited	2,29,97,490	98.73%	2,29,97,490	98.73%
A. K. Mittal	2,80,180	1.20%	2,80,180	1.20%
Aditi Miital	16,080	0.07%	16,080	0.07%

The is no percentage change in the shareholding of promoters during the financial year ended 31 March 2024 and 31 March 2023

The reconciliation of the number of shares outstanding:

Particulars	As at 31-03-2024	As at 31-03-2023
Shares at the beginning of the year	2,32,93,750	2,32,93,750
Add :Shares issued during the year	-	-
Shares at the end of the year	**2,32,93,750**	**2,32,93,750**

(ii) Compulsory convertible preference shares

Details of shareholders holding more than 5% compulsory convertible preference shares in the Company on reporting date:

Name of the holder	As at 31-03-2024		As at 31-03-2023	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Services Limited	45,00,000	69.23%	45,00,000	69.23%
A. K. Mittal	20,00,000	30.77%	20,00,000	30.77%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Details of shares held by promoters in the Company :

Name of the shareholder	As at 31-03-2024		As at 31-03-2023	
	Number of shares	Percentage holding	Number of shares	Percentage holding
A. K. Capital Services Limited	45,00,000	69.23%	45,00,000	69.23%
A. K. Mittal	20,00,000	30.77%	20,00,000	30.77%

The is no percentage change in the shareholding of promoters during the financial year ended 31 March 2024 and 31 March 2023

The reconciliation of the number of Compulsory convertible preference shares outstanding:

Particulars	As at 31-03-2024	As at 31-03-2023
Shares at the beginning of the year	65,00,000	65,00,000
Add :Shares issued during the year	-	-
Shares at the end of the year	**65,00,000**	**65,00,000**

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity 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.

Rights, preferences and restrictions attached to Non Cumulative Compulsory Convertible Preference Shares

The Company has issued 6,500,000 Compulsory Convertible Preference Shares (CCPS) of Rs 100 each fully paid-up. The Company has only one class of CCPS fully participating with equity having par value of Rs.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 Rs. 100 each shall be convertible into 1 Equity Share of face value of Rs. 10 each and Security Premium of Rs.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 (i.e.28 September 2017) 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.

₹ in Lakhs

(b) Other equity	As at 31-03-2024	As at 31-03-2023
Special reserve		
At the beginning of the year	8,070.00	6,852.93
Add: Current year transfer	1,262.00	1,217.07
Closing balance of special reserve (A)*	**9,332.00**	8,070.00
Security Premium Account		
At the beginning of the year	27,321.88	27,321.88
Add: Current year transfer	-	-
Closing balance of security premium account (B)	**27,321.88**	**27,321.88**
Other comprehensive income		
At the beginning of the year	(1,690.39)	(1,662.57)
Add: Other comprehensive income for the year	(36.97)	(27.82)
Closing balance of other comprehensive income (C)	**(1,727.36)**	**(1,690.39)**
Retained earnings		
At the beginning of the year	28,990.09	24,916.11
Add: Profit for the year	6,307.41	6,071.05
Less: Dividend paid on CCPS	780.00	780.00
Less: Transfer to special reserve	1,262.00	1,217.07
Closing balance of retained earnings (D)	**33,255.50**	**28,990.09**
Total (A+B+C+D)	**68,182.02**	**62,691.58**

Refer Note - 61

*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, 2024

NOTE - 21
INTEREST INCOME

₹ in Lakhs

Particulars	Current Year 2023-2024			Previous Year 2022-2023		
	On financial assets measured at amortised cost	Interest income on securities classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	Interest income on securities classified at fair value through profit or loss	Total
Interest on loans	6,124.53	-	6,124.53	5,492.47	-	5,492.47
Processing fees income	111.33	-	111.33	70.12	-	70.12
Interest income from investments	2,207.71	4,951.71	7,159.42	4,642.29	3,934.56	8,576.85
Interest income from stock of securities	-	9,223.41	9,223.41	-	3,252.98	3,252.98
Interest on deposits with banks	41.57	-	41.57	14.25	-	14.25
Other interest income	32.49	-	32.49	20.32	-	20.32
Total	**8,517.63**	**14,175.12**	**22,692.75**	**10,239.45**	**7,187.54**	**17,426.99**

₹ in Lakhs

NOTE - 22
FEES AND COMMISSION INCOME

	Current Year 2023-2024	Previous Year 2022-2023
Syndication and other fees	2,283.38	1,269.65
Total	**2,283.38**	**1,269.65**

NOTE - 23
NET GAIN/(LOSS) ON FAIR VALUE CHANGES

Net gain/(loss) on financial instruments at fair value		
-Investments	4,504.60	1,821.03
-Stock of securities	1,456.08	3,891.68
	5,960.68	**5,712.71**
Net gain/(loss) on financial instruments at fair value		
-Realised	4,606.33	5,028.75
-Unrealised	1,354.35	683.96
Total	**5,960.68**	**5,712.71**
Additional Information :		
Profit / (loss) on sale of Investments (actual) (A)	3,195.43	1,721.51
Net gain/(loss) on investments due to fair value change (B)		
-Realised	(30.44)	213.07
-Unrealised	1,339.61	(113.55)
Total (A+B)	**4,504.60**	**1,821.03**
Profit on sale of stock of securities (actual) (C)	1,750.80	3,668.69
Net gain/(loss) on stock of securities due to fair value change (D)		
-Realised	(309.46)	(574.52)
-Unrealised	14.74	797.51
Total (C+D)	**1,456.08**	**3,891.68**

NOTE - 24
NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

On financial instruments measured at amortised cost		
Loans (in form of unlisted debentures)	20.09	392.10
Investments	56.08	88.68
Total	**76.17**	**480.78**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

	Current Year 2023-2024	Previous Year 2022-2023
NOTE - 25		
OTHER INCOME		
Profit on sale of property, plant and equipment (net)	-	0.49
Profit on redemption / repurchase of non-convertible debentures	3.38	-
Other income	-	2.59
Total	**3.38**	**3.08**
NOTE - 26		
FINANCE COSTS (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)		
Interest on borrowings	8,978.45	4,597.78
Interest on debt securities	6,043.55	5,468.49
Interest on income tax	-	3.70
Other interest expense	155.30	79.42
Total	**15,177.30**	**10,149.39**
NOTE - 27		
FEES AND COMMISSION EXPENSE		
Incentive expenses	1,315.48	1,603.15
Total	**1,315.48**	**1,603.15**
NOTE - 28		
IMPAIRMENT OF FINANCIAL INSTRUMENTS		
On financial instruments measured at amortised cost		
Loans (net)	(55.60)	42.01
Investments (Refer note no.39)	(12.98)	(19.50)
Write off - loans*	37.66	5.85
Total	**(30.92)**	**28.36**
* Write off of loans is towards loans acquired through direct assignment.		
NOTE - 29		
EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	4,510.08	3,449.87
Gratuity	45.65	39.61
Employers contribution to provident fund	69.83	54.74
Staff welfare expenses	54.38	36.44
Total	**4,679.94**	**3,580.66**
NOTE - 30		
OTHER EXPENSES		
Rent, taxes and energy costs	67.30	62.49
Travelling expense	193.28	186.44
Repairs and maintenance	34.15	40.46
Advertisement and business promotion expenses	20.40	22.74
Auditor's fees and expenses		
-for audit fees	5.40	4.74
-for tax audit fees	0.76	0.65
-for other services	1.35	1.47
Legal and professional charges	262.64	272.98
Loss on sale of property, plant and equipment (net)	0.01	-
Corporate social responsibilities (Refer note no.34)	136.27	122.50
Insurance expenses	21.89	23.18
Impairment loss on assets held for sale	-	101.29
Communication costs	15.21	14.47
Software expenses	221.21	243.42
Director"s fees, allowances and expenses	13.80	30.34
Miscellaneous expenses	221.06	152.62
Total	**1,214.73**	**1,279.79**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

NOTE - 31
OTHER COMPREHENSIVE INCOME

	Current Year 2023-2024	Previous Year 2022-2023
Items that will not be reclassified to profit or loss		
a. Remeasurement of defined benefit obligation	(49.41)	(37.17)
b. Equity instruments through other comprehensive income	-	-
Total	**(49.41)**	**(37.17)**

NOTE - 32
SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108, the Company operates in a single operating segment i.e. "Financing and Investment Activity" within India. Accordingly, no separate disclosure is required. The Board of Directors of the Company are collectively Chief Operating Decision Makers (CODMs) of the Company.

NOTE - 33

The ratios pertaining to Capital to risk-weighted assets ratio (CRAR), Tier I CRAR and Tier II CRAR have been duly disclosed in Note 53 of the standalone financial statements. Liquidity Coverage Ratio is not applicable to the Company.

NOTE - 34
CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

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.

₹ in Lakhs

Particulars	Amount
Amount required to be spent by the company during the year	136.41
Less: Previous years' excess	(0.14)
Net amount required to be spent by the Company during the financial year	**136.27**
Amount of expenditure incurred	136.30
Short fall / (Excess) in CSR Expenditure	(0.03)
Total of previous year shortfall	Nil
Reason for shorfall	NA
Nature of CSR activities	Contribution to any fund set up by the Central Government for socio-economic development and relief qualifies
Details of related party transaction	NA

NOTE - 35
EARNINGS PER SHARE (EPS)

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Net profit after tax available for equity share holders (Rs in lakhs.) [A]	6,307.41	6,071.05
Weighted average number of equity shares outstanding during the year for basic and diluted earnings per share (Nos.)* [B]	2,65,43,750	2,65,43,750
Basic earnings per share (Rs.) [A/B]	23.76	22.87
Diluted earnings per share (Rs.) [A/B]	23.76	22.87
Nominal value of share (Rs.)	10.00	10.00

*Weighted average number of equity shares outstanding includes weighted average numbers of compulsorily convertibles preference shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 36
LEASE:

(i) Lease commitments as lessee:

The Company has entered into agreements for taking on lease certain guest house and office on lease and licence basis. The lease term is for a period ranging from 36 to 108 months. The Company has contracts which have fixed rentals.

Following are the changes in the carrying value of right-of-use assets (disclosed under note 9 - property, plant and equipment) for the year ended 31 March 2024:

₹ in Lakhs

Particulars	Building Right-of-use
Opening gross block value of account on adoption of Ind AS 116	**1,011.36**
Measurment on account of adoption of Ind AS 116	174.95
Deduction on account of termination of lease	-
Closing gross block value of account on adoption of Ind AS 116	**1,186.31**
Opening accumulated depreciation of account on adoption of Ind AS 116	**298.69**
Depreciation charged for the year	229.97
Deduction on account of termination of lease	-
Closing accumulated depreciation of account on adoption of Ind AS 116	**528.66**
Closing net block value as at 31 March 2024	**657.65**

Carrying value of lease liabilities is disclosed under note 16 - other financial liabilities at Rs. 765.24 Lakhs as at 31-March-2024.

The following is the movement in lease liabilities during the year ended 31 March 2024

₹ in Lakhs

Particulars	As at 31-03-2024
Balance at the beginning of the year	787.74
Additions	170.46
Finance cost accrued during the year	75.86
Gain loss on waiver of rent	-
Payment of lease liabilities	(268.82)
Balance at the end of the year	**765.24**

Contractual maturities of lease liabilities:

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

₹ in Lakhs

Particulars	As at 31-03-2024
Not later than one year	267.70
Later than one year and not later than five years	546.13
More than five years	104.39

The cash outflow of lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year 2023-2024 is Rs.268.82 lakhs.

(ii) Where the Company is lessor:

The future minimum lease payments receivable as per the lease agreements are as follows:

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Not later than one year	-	-
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 financial year 2023-2024 is Rs. Nil and for financial year 2022-2023 is Rs. 98.61 lakhs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 37
RELATED PARTY RELATIONSHIPS:

Related party relationships:

Holding company
A. K. Capital Services Limited

Subsidiary company
Family Home Finance Private Limited

Fellow subsidiary
A. K. Stockmart Private Limited
A. K. Alternative Asset Managers Private Limited

Key managerial personnel
Mr. A. K. Mittal (Managing director)
Mrs.Aditi Mittal (From 02 December 2022) (Executive Director)
Mr. Vinod Kumar Kathuria (From 18 December 2023) (Independent director)
Mr. Deepak Maheshwari (From 06 February 2023) (Independent Director)
Ms. Bindu Darshan Shah (From 28 March 2024) (Independent director)
Mr. Rajiv Kumar Bakshi (Upto 31 March 2024) (Independent director)
Mr. Vikas S Agarwal (From 25 October 2021-Upto 06 February 2023) (Independent director)
Mr. Khimji Shamji Pandav (Upto 18 December 2023) (Independent director)
Ms. Annu Garg (Upto 02 December 2022) (Executive Director)
Mr. Mahesh Bhootra (Chief financial officer)
Mr. Govind Lalwani (Upto 30 October 2023) (Company secretary)
Ms. Shikha Sharma (From 31 October 2023) (Company secretary)

Enterprise controlled by key management personnel
A. K. Services Private Limited
India Bond Private Limited

Notes:

a) The related party relationships have been determined on the basis of the requirements of the Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures'.

b) The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year, except where control exist, in which case the relationships have been mentioned irrespective of transactions with the related party.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 37

RELATED PARTY DISCLOSURES - (CONTD.)

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Brokerage paid		
A. K. Stockmart Private Limited	130.57	88.21
Demat charges paid		
A. K. Stockmart Private Limited	2.72	1.43
Key managerial remuneration *		
Short term benefits	453.37	454.94
Director's sitting fees	12.00	28.00
Rent paid		
Mrs. Aditi Mittal	24.00	24.00
Interest income on loan given		
A. K. Services Private Limited	541.12	686.54
A. K. Alternative Asset Managers Private Limited	10.96	-
Family Home Finance Private Limited	199.22	56.93
Loan given		
A. K. Services Private Limited (Revolving Credit Sanction Limits amounting upto a maximum amount of Rs.10,000 lakhs (Previous Year Rs.10,000 Lakhs))	2,500.00	13,500.00
Family Home Finance Private Limited (Term Loan Sanction Limit amounting to Rs.3,500 lakhs (Previous Year Rs.2,000 lakhs))	1,700.00	1,800.00
A. K. Alternative Asset Managers Private Limited	500.00	-
Repayment of loan given		
A. K. Services Private Limited (Revolving Credit Sanction Limits amounting upto a maximum amount of Rs.10,000 lakhs (Previous Year Rs.10,000 Lakhs))	5,000.00	10,500.00
Family Home Finance Private Limited (Term Loan Sanction Limit amounting to Rs.3,500 lakhs (Previous Year Rs.2,000 lakhs))	408.44	107.14
Purchase of securities (excluding accrued interest)		
A. K. Stockmart Private Limited	6,522.83	1,597.95
A. K. Services Private Limited	-	9,928.57
A. K. Capital Services Limited	492.25	41,108.92
Sale of securities (excluding accrued interest)		
A. K. Stockmart Private Limited	10.09	4,652.77
A. K. Services Private Limited	-	1,051.91
A. K. Capital Services Limited	16,005.86	37,709.13
Investment made in subsidiary company		
Family Home Finance Private Limited (including securites premium of Rs. 555 lakhs)	2,405.00	-
Interest Expenses		
A. K. Services Private Limited	0.68	-
Support services received		
Family Home Finance Private Limited	12.00	6.00
Issuences of Non Convertible Debentures (excluding accrued interest)		
A. K. Services Private Limited	-	7,900.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 37
RELATED PARTY DISCLOSURES - (CONTD.)

₹ in Lakhs

Related party transactions during the year:	Current Year 2023-2024	Previous Year 2022-2023
Incentive expenses		
India Bond Private Limited	511.87	364.57
Commission Expenses on Corporate Guarantee		
A. K. Capital Services Limited	72.88	-
Acquisition of Software		
India Bond Private Limited	25.00	-
Software expenses		
India Bond Private Limited	191.70	176.00

₹ in Lakhs

Related party closing balances:	For the year ended 31-March 2024	For the year ended 31-March 2023
Balances Receivable		
A. K. Stockmart Private Limited (towards Stock Broking Contractual Obligations)	75.00	1,421.28
Trade payable		
A. K. Stockmart Private Limited	0.65	0.23
India Bond Private Limited	47.13	111.53
Non Convertible Debentures held by		
A. K. Services Private Limited	10.00	-
Accrued Interest on Non Convertible Debentures		
A. K. Services Private Limited	0.68	-
Investment in subsidiary company		
Family Home Finance Private Limited	4,521.87	2,116.87
Principal loans outstanding		
A. K. Services Private Limited	5,000.00	7,500.00
Family Home Finance Private Limited	2,984.42	1,692.86
A. K. Alternative Asset Managers Private Limited	500.00	-
Interest accrued but not due on loans outstanding		
Family Home Finance Private Limited	2.88	-
A. K. Alternative Asset Managers Private Limited	9.86	-
Security deposit		
Aditi Mittal	100.00	100.00
Guarantee		
Corporate Guarantee given by holding company to bank for working capital demand loan taken by the Company	27,500.00	27,500.00

Note -

(a) Transaction amount is excluding taxes wherever applicable.

(b) Reimbursement of expenses has not been considered for above disclosure.

* Key managerial remuneration related to retirement benefits (i.e. gratuity) are recognised under employee benefits expenses in statement of profit and loss along with other employees gratuity costs of the Company based on the actuarial valuation carried out by independent actuary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 38
FINANCIAL INSTRUMENTS

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

The carrying value and fair value of financial instrument by categories as of 31 March 2024 were as follows:

₹ in Lakhs

Particulars	At amortised cost	At fair value through profit and loss	At fair value through other comprehensive Income	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	1,663.83	-	-	1,663.83	1,663.83
Bank balances other than (a) above	409.67	-	-	409.67	409.67
Trade Receivables	48.60	-	-	48.60	48.60
Loans	57,200.45	-	-	57,200.45	57,589.58
Investments	3,244.67	1,85,878.45	-	1,89,123.12	1,89,351.64
Stock of securities	-	26,428.45	-	26,428.45	26,428.45
Other financial assets	670.04	3,515.53	-	4,185.57	4,185.57
TOTAL	**63,237.26**	**2,15,822.43**	-	**2,79,059.69**	**2,79,677.34**
Liabilities:					
Trade payables	159.53	-	-	159.53	159.53
Debt Securities	61,824.49	-	-	61,824.49	61,827.00
Borrowings	1,40,247.68	-	-	1,40,247.68	1,40,402.20
Other financial liabilities	6,062.47	-	-	6,062.47	6,062.47
TOTAL	**2,08,294.17**	**-**	-	**2,08,294.17**	**2,08,451.20**

The carrying value and fair value of financial instrument by categories as of 31 March 2023 were as follows:

₹ in Lakhs

Particulars	At amortised cost	At Fair value through profit and loss	At fair value through other comprehensive Income	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	1,533.91	-	-	1,533.91	1,533.91
Bank balances other than (a) above	533.26	-	-	533.26	533.26
Loans	55,091.88	-	-	55,091.88	55,538.07
Investments	31,821.76	94,330.22	-	1,26,151.98	1,26,356.92
Stock of securities	-	47,085.53	-	47,085.53	47,085.53
Other financial assets	1,860.58	1,525.26	-	3,385.84	3,385.84
TOTAL	**90,841.39**	**1,42,941.01**		**2,33,782.40**	**2,34,433.53**
Liabilities:			-		
Trade payables	254.82	-	-	254.82	254.82
Debt Securities	64,731.41	-	-	64,731.41	64,752.00
Borrowings	96,929.48	-	-	96,929.48	97,024.76
Deposits	33.69	-	-	33.69	33.69
Other financial liabilities	4,828.94	-	-	4,828.94	4,828.94
TOTAL	**1,66,778.34**	-		**1,66,778.34**	**1,66,894.21**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 39
RISK MANAGEMENT

Financial risk management

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

Credit Risk

Loans

Credit risk is controlled by analysing the credit limits and creditworthiness of the customer on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. An impairment analysis is performed at each reporting date on a portfolio basis. The Company holds collateral as security against the loans. The impairment of the credit risk on the loan is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 Assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a probability default (PD)X exposure at default (EAD) X (Loss given default X discount rate - LGD)). The Company calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous charateristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of Impaired assets where lifetime PD is applied, the PD is extrapolated to take into account the probability of default over the life time of asset.

a) The following table gives details in respect of fees and income from loans generated from top customer and top 5 customers:

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Revenue from top customer	541.12	686.54
Revenue from top 5 customers	2,277.18	1,791.40

Investments in debt securities measured at amortised cost

Expected credit losses are measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The impairment of the credit risk on the investments is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 Assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a probability default (PD)X exposure at default (EAD) X (Loss given default X discount rate - LGD)). The Company calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous charateristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of Impaired assets where lifetime PD is applied, the PD is extrapolated to take into account the probability of default over the life time of asset.

Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model:

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Financial assets at amortised cost		
Trade receivables	48.60	-
Loans	57,441.09	55,388.12
Investments	3,261.43	31,851.50
Other financial assets	670.04	1,860.58
At end of the year	**61,421.16**	**89,100.20**

The Company's exposure to customers is diversified and no single customer contributes to more than 25% of outstanding loans, investment, and other financial assets which are measured at amortised cost as at 31 March 2024 and 31 March 2023.

The Company has used a practical expedient by computing the expected credit loss allowance for loans and investment taking into account historical credit loss experience.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

Balances with banks:

The Company holds cash and cash equivalents with bank, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 39
RISK MANAGEMENT (CONTD.)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest rate risk exposure mainly from changes in rate of interest on borrowing, loans & securities. The following table analyse the breakdown of the interest bearing financial assets and liabilities by type of interest rate:

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Financial assets		
Interest bearing		
- fixed interest rate		
Bank balances other than cash and cash equivalent	409.67	533.26
Loans	34,274.78	16,022.80
Investments	1,86,971.20	97,618.52
Stock of securities	24,566.58	44,354.23
- floating interest rate		
Loans	23,166.31	39,365.31
Investments	2,168.68	23,339.53
Stock of securities	1,164.99	1,166.40
- non interest bearing		
Cash and cash equivalent	1,663.83	1,533.91
Investment	48.60	-
Stock of securites	4,521.87	7,340.55
Other financial assets	696.87	1,564.90
	4,185.57	3,385.84
Financial Liabilities		
Interest bearing		
- fixed interest rate		
Borrowings	1,19,884.07	95,282.94
Lease liabilities	765.24	787.74
- floating interest rate		
Borrowings	82,188.09	66,377.96
- non interest bearing		
Trade payable	159.53	254.82
Deposits	-	33.69
Other financial liabilities	5,297.23	4,041.20

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Increase in basis points	50.00	50.00
Effect on profit before tax	(278.44)	(12.53)
Decrease in basis points	50.00	50.00
Effect on profit before tax	278.44	12.53

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 39
RISK MANAGEMENT (CONTD.)

Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The Company's maximum exposure to liquidity risk for the components of the balance sheet at 31 March 2024 and 31 March 2023 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The Company's major financial liabilities include term loans and non convertible debentures with maturity profile ranging between 0 to 10 years and short term borrowings are generally payable within one year. The average credit period taken to settle trade payables is about 30 days. The other payables are with short-term durations. The following table analysis undiscounted financial liabilities by remaining contractual maturities:

₹ in Lakhs

Particulars	On demand	Less than 3 months	3 to12 months	1 to 5 years	>5 years	Total
As at 31 March 2024						
Borrowings including debt securities	-	1,13,065.38	49,551.82	50,773.23	-	**2,13,390.43**
Trade and other payables	-	159.53	-	-	-	**159.53**
Other financial liabilities	-	5,103.22	461.71	546.13	104.39	**6,215.45**
	-	**1,18,328.13**	**50,013.53**	**51,319.36**	**104.39**	**2,19,765.41**
As at 31 March 2023						
Borrowings including debt securities	-	61,286.81	23,711.83	90,795.08	-	**1,75,793.72**
Trade and other payables	-	254.82	-	-	-	**254.82**
Deposits	-	33.69	-	-	-	**33.69**
Other financial liabilities	-	2,669.92	491.72	1,809.51	-	**4,971.15**
	-	**64,245.24**	**24,203.55**	**92,604.59**	**-**	**1,81,053.38**

Capital management

"For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The Company manages its capital structure and makes adjustment in light of changes in business condition. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Borrowings including debt securities	2,02,072.17	1,61,660.89
Trade payables	159.53	254.82
Other financial liabilities	6,062.47	4,828.94
Deposits	-	33.69
Less: cash and cash equivalents	(2,073.50)	(2,067.17)
Net debt (A)	**2,06,220.67**	**1,64,711.17**
Equity share capital	8,829.38	8,829.38
Other equity	68,182.02	62,691.58
Total member's capital (B)	**77,011.40**	**71,520.96**
Capital and net debt (C=A+B)	**2,83,232.07**	**2,36,232.13**
Gearing ratio (%) (A/C)	**72.81**	**69.72**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any borrowings in the current year.

No changes were made in the objectives, policies or processes for managing capital during the aforesaid financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 40

FAIR VALUE HIERARCHY

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets measured at fair value on a recurring basis as of 31 March 2024: ₹ in Lakhs

Particulars	As at 31-03-2024	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments				
Government securities at FVTPL	77,611.16	-	77,611.16	-
Debt instruments at FVTPL	1,08,267.29	-	1,08,267.29	-
Equity instruments at FVTOCI	-	-	-	-
Stock of securities				
Debt instruments at FVTPL	25,731.58	-	25,731.58	-
Exchange Traded funds at FVTPL	696.87	696.87	-	-

The following table presents fair value hierarchy of assets measured at fair value on a recurring basis as of March 31, 2023: ₹ in Lakhs

Particulars	As at 31-03-2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments				
Government securities at FVTPL	37,200.37	-	37,200.37	-
Debt instruments at FVTPL	51,906.17	-	51,906.17	-
Alternative Investment Fund at FVTPL	5,223.68	-	5,223.68	-
Equity instruments at FVTOCI	-	-	-	-
Stock of securities				
Debt instruments at FVTPL	45,520.63	-	45,520.63	-
Exchange Traded funds at FVTPL	1,564.90	1,564.90	-	-

Description of techniques and valuation inputs used for Level II and Level III hierarchy are under:

Assets class	Fair value hierarchy	Valuation techniques and inputs
Debt instruments, Government securities, commercial paper and state development loan measured at FVTPL	Level II	Valuation techniques and inputs in order of first preference are as under: 1. Cost of securities only if the securities are allotted within last 20 days or purchased within 7 days from the measurement date, or Latest traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-7 days, whichever is later 2. Weighted average (appropriate weight considered by the company) of; -Future cash flows which are discounted using a discount rate arrived at by adding the spread provided by FIMMDA and -Latest subsequent traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-7 days 3. Future cash flows are discounted using a discount rate arrived at by adding the spread provided by FIMMDA or other approved agencies and annualised government security yield provided by regulatory authorities.
Alternative Investment Fund (AIF) measured at FVTPL	Level II	The valuation is done based on the rating agency valuation provided by the Alternative Investment Fund (AIF).
Unquoted equity instruments measured at FVOCI	Level III	Based on unobservable inputs which generally approximates to the carrying value of the investments unless significantly impaired. Fair value has been considered Nil for significantly impaired investments. Sensitivity change in the unobservable input does not have a significant impact in its value and accordingly, sensitivity disclosure is not given.

The management assessed that cash and cash equivalents, Trade receivable and other financial asset, trade payables and other financial liabilities approximate their carrying amount largely due to short term maturity of these instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 41
EMPLOYEE BENEFIT OBLIGATION

A. Defined Contribution Plans

The following amount recognized as an expense in statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Contribution to provident fund	69.83	54.74

B. Defined Benefit Plans

The Company has a unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of Rs.20.00 Lacs (31 March 2023 - Rs 20.00 Lacs)

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	31.34	30.41
Past service cost	-	-
Interest cost on defined benefit obligation	14.31	9.20
(Gain) / losses on settlement	-	-
Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)	**45.65**	**39.61**
(b) Amount recorded in Other Comprehensive Income (OCI)		
Opening amount recognised in Other Comprehensive Income outside profit and loss account		
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	(3.88)	(1.19)
Actuarial loss / (gain) arising from change in demographical assumptions	2.27	0.05
Actuarial loss / (gain) arising on account of experience changes	51.02	38.31
Amount recognised in Other Comprehensive Income (B)	**49.41**	**37.17**
Gratuity expense recognised in the statement of profit and loss and Other Comprehensive Income (A+B)	**95.06**	**76.78**
(c) Reconciliation of net liability / asset		
Opening defined benefit liability / (assets)	190.82	125.67
Expense charged to profit & loss account	45.65	39.61
Amount recognised in outside profit and loss account	49.41	37.17
Benefit paid	(75.56)	(11.63)
Closing net defined benefit liability / (asset)	**210.32**	**190.82**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 41
EMPLOYEE BENEFIT OBLIGATION (CONTD.)

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	190.82	125.67
Current service cost	31.34	30.41
Past service cost	-	-
Interest on defined benefit obligation	14.31	9.20
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	(3.88)	(1.19)
Actuarial loss / (gain) arising from change in demographic assumptions	2.27	0.05
Actuarial loss / (gain) arising on account of experience changes	51.02	38.31
Benefits paid / payable	(75.56)	(11.63)
Closing defined benefit obligation [liability / (asset)] recognised in balance sheet	**210.32**	**190.82**
(e) The principal assumptions used in determining gratuity benefit obligation for the company's plans are shown below:		
Discount rate	7.22%	7.50%
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
Upto 30 Years	30.00%	29.00%
Upto 31-44 Years	28.00%	25.00%
Above 45 Years	29.00%	23.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

(f) A quantitative analysis for significant assumption is as shown below:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Indian gratuity plan:

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Assumptions -Discount rate		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation -increase of sensitivity level	(3.10)	(3.16)
Impact on defined benefit obligation -decrease of sensitivity level	3.20	3.27
Assumptions -Future salary escalations rates		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation-increase of sensitivity level	3.25	3.33
Impact on defined benefit obligation-decrease of sensitivity level	(3.18)	(3.25)

The following payments are expected contributions to the defined benefit plant in future years.

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Within 1-2 year	104.80	81.27
2-3 year	123.66	97.03
3-4 year	144.23	122.75
4-5 year	175.63	129.48
5-6 year	204.60	146.29

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.96 years (31 March 2023- 7.21 years)

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 at the end of year and charged to the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 42
INCOME TAX

₹ in Lakhs

	Particulars	Current Year 2023-2024	Previous Year 2022-2023
A	**The major components of income tax expense for the years are:**		
	Current income tax:		
	Current income tax charge	1,835.00	1,948.00
	Adjustments in respect of previous year	(4.79)	(11.35)
	Deferred tax:		
	Relating to origination and reversal of temporary differences	153.28	8.65
	Income tax expense reported in the statement of profit or loss	**1,983.49**	**1,945.30**
B	**The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:**		
	Profit before income tax	8,290.90	8,016.35
	Rate of Income tax	25.17%	25.17%
	Computed expected tax expenses	2,086.65	2,017.55
	Tax effect due to non-deductible items	34.30	35.95
	Tax effect due to deductible items	(39.96)	(10.69)
	Tax effect due to recognition / non recognition of deferred tax assets / (liabilities)	27.73	(87.97)
	Tax effect due to cost indexation benefit	(68.40)	-
	Tax effect due to recognition of previously unrecognised tax losses	(57.20)	-
	Adjustments in respect of current income tax of previous year	(4.79)	(11.35)
	Others	5.16	1.81
	Income tax expense reported in the statement of profit or loss	**1,983.49**	**1,945.30**
C	**The Gross movement in the current income tax asset/(Liability) for the year ended 31 March 2024 and 31 March 2023 is as follows**		
	Net current income tax asset/(liability) at the beginning of the year	(3.77)	13.24
	Income tax paid	2,042.89	1,923.34
	Current tax expenses	(1,835.00)	(1,948.00)
	Interest on tax expenses	-	(3.70)
	Excess provision of earlier year	4.79	11.35
	Net current income tax asset/(liability) at the end of the year	**208.91**	**(3.77)**
D	**The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:**		
	Net deferred tax asset/(liability) at the beginning of the year	**(149.92)**	**(150.64)**
	Property plant and equipments	2.12	(4.90)
	Investment property and assets for sale	(49.08)	29.49
	Gratuity	4.90	16.40
	Impairment allowance on loans and advances	(14.00)	10.58
	EIR on HTM Securities	(5.49)	0.34
	Right-of-use	10.95	49.83
	Lease liabilities	(5.66)	(43.28)
	Impairment allowance on investments	(3.26)	(4.91)
	Fair value gain on investments in debt securities	(255.32)	(81.17)
	Long term capital loss	57.20	-
	Long term capital loss on sale of investment property	117.02	-
	Transaction cost on financial liabilities	0.15	0.58
	Transaction cost on financial assets	(0.57)	27.23
	Gain loss on restructuring of loan	0.20	0.53
	Net deferred tax asset/(liability) at the end of the year	**(290.76)**	**(149.92)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 43
DISAGGREGATED REVENUE INFORMATION

The table below represents disaggregation of company's revenue from contracts with the customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

₹ in Lakhs

Particluars	Current Year 2023-2024	Previous Year 2022-2023
Type of goods or service		
Fees and commission Income	2,283.38	1,269.65
Total revenue from contracts with the customers	**2,283.38**	**1,269.65**
Geographical markets		
-India	2,283.38	1,269.65
-Outside India	-	-
Total revenue from contracts with the customers	**2,283.38**	**1,269.65**
Relation with customer		
-Non related party	2,283.38	1,269.65
-Related Party	-	-
Total revenue from contracts with the customers	**2,283.38**	**1,269.65**
Timing of revenue recognition		
-Service transferred over a period of time	-	-
-Service transferred over a point of time	2,283.38	1,269.65
Total revenue from contracts with the customers	**2,283.38**	**1,269.65**

Geographical revenue is allocated based on the location of the services.

NOTE - 44
SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Company's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Employee benefit plans

The cost of the defined benefit plan and other employment benefits plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the postemployment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates.

Based on periodic review of the demographic assumptions, attrition rate assumption used for actuarial valuation of liability related to gratuity has been re-assessed during the year ended 31 March 2024. For the purpose of assessing the attrition rate, the Company considered the historical attrition trend and expected rate based on such trend/ experience. The change in assumption resulted in a increase of closing gratuity by Rs. 49.41 Lakhs, for the year ended 31 March 2024.

Further details about gratuity obligations are given in Note - 41.

(b) Valuation of financial instruments other than those measured at amortised cost

The Company measures certain financial instruments on fair value basis at each balance sheet date. The details of Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs) are further detailed out in Note - 40

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(c) Impairment allowance for investments and loans

Recognition and measurement of impairment relating to the investments and loans measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are:

- Credit ratings of the investments and loans;
- Investment and loans staging criteria
- Calculation of probability of default / Loss given default
- Consideration of probability weighted scenarios and
- Forward looking macro-economic factors.

The Company considered current and anticipated future economic conditions relating to industries the Company deals. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its investments to estimate the probability of default in future.

(d) Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(e) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

NOTE - 45

CODE ON SOCIAL SECURITY, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and the Rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from the stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account the same once the rules are notified and become effective.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 46

DETAILS OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

A Details of secured redeemable non-convertible debentures as at 31 March 2024

Name of Security	Number	Amount (₹ in lakhs)	Allotment Date	Redemption Date
0.00% Non Convertible Debentures - Series MLD- I	990.00	9,900.00	26-May-22	26-May-24
0.00% Non Convertible Debentures - Series MLD- 2	514.00	5,140.00	27-Jun-22	27-Jun-24
8.00% Non Convertible Debentures - Series S	13,835.00	13,835.00	28-May-21	28-May-24
9.00% Non Convertible Debentures - Series E-II	5,852.00	5,852.00	10-Aug-17	10-Aug-24
9.40% Non Convertible Debentures - Series H	7,000.00	7,000.00	06-Dec-17	06-Dec-24
8.05% Non Convertible Debentures - Series T	500.00	5,000.00	30-Mar-22	30-Mar-25
9.08% Non Convertible Debentures - Series U	5,000.00	5,000.00	17-Jul-23	17-Jul-26
9.75% Non Convertible Debentures - Series K	6,600.00	6,600.00	28-Jun-18	28-Jun-25
9.95% Non Convertible Debentures - Series N	3,500.00	3,500.00	18-Sep-18	18-Sep-25

1. Face value of all the non convertible debentures is Rs.1,00,000 except Series T, Series MLD-1 and MLD-2
2. Face value of Series T,Series MLD-1 and MLD-2 non convertible debentures is Rs.10,00,000.
3. Non convertible debentures Series E, Series K, Series H, Series N, Series S, Series T, Series MLD-1 and Series MLD-2 are redeemable at a call option in the range of 12 months to 48 months.

B Details of secured redeemable non-convertible debentures as at March 31, 2023

Name of Security	Number	Amount (₹ in lakhs)	Allotment Date	Redemption Date
0.00% Non Convertible Debentures - Series MLD- I	1,090.00	10,900.00	26-May-22	26-May-24
0.00% Non Convertible Debentures - Series MLD- 2	530.00	5,300.00	27-Jun-22	27-Jun-24
9.60% Non Convertible Debentures - Series B-I	1,600.00	1,600.00	07-Mar-17	07-Mar-24
9.60% Non Convertible Debentures - Series B-III	2,600.00	2,600.00	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures - Series B-VI	500.00	500.00	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures - Series B-VII	1,500.00	1,500.00	21-Mar-17	21-Mar-24
8.00% Non Convertible Debentures - Series S	14,300.00	14,300.00	28-May-21	28-May-24
9.00% Non Convertible Debentures - Series E-II	5,852.00	5,852.00	10-Aug-17	10-Aug-24
9.40% Non Convertible Debentures - Series H	7,000.00	7,000.00	06-Dec-17	06-Dec-24
8.05% Non Convertible Debentures - Series T	500.00	5,000.00	30-Mar-22	30-Mar-25
9.75% Non Convertible Debentures - Series K	6,700.00	6,700.00	28-Jun-18	28-Jun-25
9.95% Non Convertible Debentures - Series N	3,500.00	3,500.00	18-Sep-18	18-Sep-25

1. Face value of all the non convertible debentures is Rs.1,00,000 except Series T, Series MLD-1 and MLD-2
2. Face value of Series T,Series MLD-1 and MLD-2 non convertible debentures is Rs.10,00,000.
3. Non convertible debentures Series B, Series E, Series K, Series H, Series N, Series S, Series T, Series MLD-1 and Series MLD-2 are redeemable at a call option in the range of 12 months to 48 months.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 47

Disclosure on liquidity risk under RBI Notification no. RBI/DoR/2023-24/106DoR. FIN. REC. No. 45/03 .10.119/2023-24 dated 19 October 2023 on Liquidity Risk Management Framework for Non-Banking Financial Companies as on 31 March 2024

(i) Funding Concentration based on significant counterparty (both deposits and borrowings):

Sr. No.	Number of Significant Counterparties	Amount (₹ in Crores)	% of Total deposits	% of Total Liabilities
1	19	1,708.68	NA	81.75%

Notes:

a. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Systemically Important Non-Deposit taking Non-Banking Finance Company total liabilities.

b. Total liabilities have been computed as Total Assets less Equity share capital less Reserves & Surplus and computed basis extant regulatory ALM guidelines.

(ii) Top 20 large deposits (amount in ₹ crore and % of total deposits): - Not Applicable

(iii) Top 10 borrowings:

Sr. No.	Amount (₹ in Crores)	% of Total Borrowings
1	1,390.40	68.81%

Notes:

a. Total Borrowings have been computed as Gross Total Debt basis extant regulatory ALM guidelines.

(iv) Funding Concentration based on significant instrument/product:

Sr. No.	Name of the instrument/product	Amount (₹ in Crores)	% of Total Liabilities
1	Non-convertible debentures	618.24	29.58%
2	Working Capital	313.82	15.01%
3	Term loans	533.65	25.53%
4	CCIL	555.00	26.55%

(v) Stock Ratios:

Sr. No.	Particulars	% as on 31 March 2024
1	Commercial Paper to Total Liabilities	NA
2	Commercial Paper to Total Assets	NA
3	NCDs (Original Maturity < 1 year) to Total Liabilities	NA
4	NCDs (Original Maturity < 1 year) to Total Assets	NA
5	Other Short Term Liabilities to Total Liabilities	74.69%
6	Other Short Term Liabilities to Total Assets	54.58%

Notes:

a. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Systemically Important Non-Deposit taking Non-Banking Finance Company total liabilities.

b. Total liabilities have been computed as Total Assets less Equity share capital less Reserves & Surplus and computed basis extant regulatory ALM guidelines.

(vi) Institutional set-up for liquidity risk management:

Asset Liability Management and Liquidity Risk Management Policy of the Company is designed to ensure that funding is available to meet all obligations in times of stress, whether caused by market events or issues specific.

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in course of conducting its business. The Board approves the governance structure, policies, strategy for the management of liquidity risk.

The Company also has Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The RMC has the primary responsibility of evaluating overall risks faced by the NBFC including liquidity risk, interest rate risk and market risk. The meetings of RMC are held at periodic intervals. The minutes of RMC are placed before the Board of Directors in its next meeting for its perusal/approval/ratification.

The Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset liability management of the Company from risk-return perspective and within the risk appetite and guardrails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management. ALCO provide guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held at periodic intervals. The minutes of ALCO are placed before the Board of Directors in its next meeting for its perusal/approval/ratification.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 48

Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 as required by notification RBI/DoR/2023-24/106DoR. FIN. REC. No. 45/03 .10.119/2023-24 dated 19 October 2023

₹ in Lakhs

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	57,441.09	240.64	57,200.45	230.36	10.28
	Stage 2	-	-	-	-	-
Subtotal		**57,441.09**	**240.64**	**57,200.45**	**230.36**	**10.28**
Non Performing Assets						
Sub-standard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**-**	**-**	**-**	**-**	**-**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	**Stage 1**	**57,441.09**	**240.64**	**57,200.45**	**230.36**	**10.28**
	Stage 2	**-**	**-**	**-**	**-**	**-**
	Stage 3	**-**	**-**	**-**	**-**	**-**
		57,441.09	**240.64**	**57,200.45**	**230.36**	**10.28**

Note: The assets includes loans and advances only

NOTE - 49

Disclosures as required by RBI Notification No. RBI/2020-21/16DOR.No.BP.BC/3/21.04.048/2020-21dated 6 August 2020 ""Resolution Framework for COVID-19-related Stress"" read with RBI Notification No. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 ""Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses"" (the Notification) are given as under;

₹ in Lakhs

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year
Personal Loans	Nil	Nil	Nil	Nil	Nil
Corporate persons					
- of which, MSMEs	Nil	Nil	Nil	Nil	Nil
- Others	650.00	350.00	Nil	650.00	Nil
Total	**650.00**	**350.00**	**Nil**	**650.00**	**Nil**

NOTE - 50

Disclosures pursuant to Master Direction - Reserve Bank of India (Transfer of loan Exposures) Directions, 2021 In terms of RBI circular RBI/DOA/2021·22/16 OOR.5TR. REC.51/21.04.048/2021·22 dated 24 September, 2021;

(a) (i) Details of loans not in default acquired through direct assignments during the year ended 31 March 2024 - Nil

(a) (ii) Details of loans not in default through assignments transferred during the year ended 31 March 2024 - Nil

(b) Details of stressed loans transferred or acquired, during the year ended 31 March 2024 - Nil

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 51

The Company's existing definition of default i.e. Days Past Due approach is in line with the RBI circular dated 12 November 2021 read with circular dated 15 February 2022. Accordingly the same does not have any impact on the standalone financial statments for the year ended 31 March 2024 as the Company continues to prepare the financial statements in accordance with the applicable IND-AS guidelines and the RBI Circular dated 13 March 2020.

NOTE 52

The following table sets out the disclosure as required by the notification no. RBI/DoR/2023-24/106DoR. FIN. REC. No. 45/03 .10.119/2023-24 dated 19 October 2023 issued by RBI.

₹ in Crores

Annexure VII - Section I

	Current Year 2023-2024	Previous Year 2022-2023
(A) Exposures		
1 Exposures to real estate sector		
a) Direct exposure (including direct investments)		
(i) Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits	-	-
(ii) Commercial Real Estate -		-
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	-	
(iii)Investments in Mortgage Backed Securities (MBS) and securitised exposures -		
a. Residential	-	-
b. Commercial real estate	**32.55**	-
Total Exposure to Real Estate Sector	**32.55**	-
b) Indirect exposure (including indirect investments)		
(i) funded and Non Funded Exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	140.77	242.45
Total Exposure to Real Estate Sector	**173.32**	**242.45**
2. 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;	45.22	21.17
(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;	-	-
(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) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II*	-	-
(iii) Category III	-	-
Total Exposure to Capital Market	**45.22**	**21.17**

*For the year ended 31st March 2023, the Company has an investment amounting to Rs.52 Crores in SEBI Registered Alternative Investment Fund - Category II Debt Fund as defined in Regulation 2(1)(i) of Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 and hence not classified under Capital Market Exposure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

3 Sectoral exposure

		Current Year 2023- 2024			Previous Year 2022- 2023		
Sr No	**Sectors**	**Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in crore)**	**Gross NPAs (₹ in crore)**	**Percentage of Gross NPAs to total exposure in that sector**	**Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in crore)**	**Gross NPAs (₹ in crore)**	**Percentage of Gross NPAs to total exposure in that sector**
1	**Agriculture and Allied Activities**	**-**	**-**	**-**	**-**	**-**	**-**
2	**Industry**						
	2.1 Micro and Small	-	-	0.00%	1.37	0.05	3.65%
	2.2 Medium	-	-	0.00%	0.05	-	0.00%
	2.3 Large	-	-	0.00%	-	-	0.00%
	2.4 Others	-	-	0.00%	-	-	0.00%
	Total of Industry (2.1+2.2+2.3+2.4)	**-**	**-**	**0.00%**	**1.42**	**0.05**	**3.65%**
3	**Services**						
	3.1 Transport Operators	-	-	0.00%	0.07	-	0.00%
	3.2 Computer Software	-	-	0.00%	0.02	-	0.00%
	3.3 Professional Services	-	-	0.00%	0.03	-	0.00%
	3.4 Wholesale Trade (other than Food Procurement)	-	-	0.00%	0.12	-	0.00%
	3.5 Retail Trade	-	-	0.00%	0.61	0.04	6.56%
	3.6 NBFCs	384.00	-	0.00%	363.71	-	0.00%
	3.7 Others	-	-	0.00%	0.11	-	0.00%
	Total of Services (3.1+3.2+3.3+3.4+3.5+3.6+3.7)	**384.00**	**-**	**0.00%**	**364.67**	**0.04**	**6.56%**
4	**Personal Loan**	**-**	**-**	**0.00%**	**-**	**-**	**0.00%**
5	**Others, If any**	**190.41**	**-**	**0.00%**	**187.80**	**-**	**0.00%**

4 Intra-group exposures

₹ in Crores

Particular		**Current Year 2023-2024**	**Previous Year 2022-2023**
i)	Total amount of intra-group exposures	84.97	91.93
ii)	Total amount of top 20 intra-group exposures	84.97	91.93
iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	14.79%	16.60%

5 Unhedged foreign currency exposure

As of balance sheet date, company does not have any Unhedged foreign currency exposure.

(B)Related Party Disclosure

₹ in Crores

Related Party	Parent (as per ownership or control)		Subsidiaries		Directors		Relative of Directors		Key Management Personnel		Relative of Key Management Personnel		Others		Total	
Items	Current Year	Previous year	Current Year	Previous year	Current Year	Previous Year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	0.10	-	**0.10**	**-**
(Maximum o/s during the year)	-	-	-	-	-	-	-	-	-	-	-	-	0.10	-	**0.10**	**-**
Security deposits towards rented premises	-	-	-	-	1.00	1.00	-	-	-	-	-	-	-	-	**1.00**	**1.00**
(Maximum o/s during the year)	-	-	-	-	1.00	1.00	-	-	-	-	-	-	-	-	**1.00**	**1.00**
Advances	-	-	29.84	16.93	-	-	-	-	-	-	-	-	55.00	75.00	**84.84**	**91.93**
(Maximum o/s during the year)	-	-	31.37	16.93	-	-	-	-	-	-	-	-	103.00	100.00	**134.37**	**116.93**
Remuneration	-	-	-	-	4.36	4.40	-	-	0.17	0.15	-	-	-	-	**4.53**	**4.55**
Sitting Fees	-	-	-	-	0.12	0.28	-	-	-	-	-	-	-	-	**0.12**	**0.28**
Investments	-	-	24.05	-	-	-	-	-	-	-	-	-	-	-	**24.05**	**-**
(Maximum o/s during the year)	-	-	45.22	21.17	-	-	-	-	-	-	-	-	-	-	**45.22**	**21.17**
Others transactions:																
Purchase of securities (excluding accrued interest)	4.92	411.09	-	-	-	-	-	-	-	-	-	-	65.23	115.27	**70.15**	**526.35**
Sale of securities (excluding accrued interest)	160.06	377.09	-	-	-	-	-	-	-	-	-	-	0.10	57.05	**160.16**	**434.14**
Interest received	-	-	1.99	0.57	-	-	-	-	-	-	-	-	5.52	6.87	**7.51**	**7.43**
Brokerage paid	-	-	-	-	-	-	-	-	-	-	-	-	1.31	0.88	**1.31**	**0.88**
Demat charges paid	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.01	**0.03**	**0.01**
Rent paid	-	-	-	-	0.24	0.24	-	-	-	-	-	-	-	-	**0.24**	**0.24**
Loan given	-	-	17.00	18.00	-	-	-	-	-	-	-	-	30.00	135.00	**47.00**	**153.00**
Repayment of loan given	-	-	4.08	1.07	-	-	-	-	-	-	-	-	50.00	105.00	**54.08**	**106.07**
Support services received	-	-	0.12	0.06	-	-	-	-	-	-	-	-	-	-	**0.12**	**0.06**
Issuences of Non Convertible Debentures (excluding accrued interest)	-	-	-	-	-	-	-	-	-	-	-	-	-	79.00	**-**	**79.00**
Interest Expenses on Non Convertible Debentures	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	**0.01**	**-**
Incentive expenses	-	-	-	-	-	-	-	-	-	-	-	-	5.12	3.65	**5.12**	**3.65**
Corporate Guarantee Expenses	0.73	-	-	-	-	-	-	-	-	-			-	-	**0.73**	**-**
Acquisition of Software	-	-	-	-	-	-	-	-	-	-			0.25	-	**0.25**	**-**
Software expenses	-	-	-	-	-	-	-	-	-	-	-	-	1.92	1.76	**1.92**	**1.76**
Other closing balances:																
Balances Receivable	-	-	-	-	-	-	-	-	-	-	-	-	0.75	14.21	**0.75**	**14.21**
Trade payable	-	-	-	-	-	-	-	-	-	-	-	-	0.48	1.12	**0.48**	**1.12**
Accrued Interest on Non Convertible Debentures	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	**0.01**	**-**
Interest accrued but not due on loans outstanding	-	-	0.03	-	-	-	-	-	-	-			0.10	-	**0.13**	**-**
Corporate guarantee taken	275.00	275.00	-	-	-	-	-	-	-	-	-	-	-	-	**275.00**	**275.00**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(C) Disclosure of Complaints

1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

S.no	Paticular	Current Year 2023-2024	Previous Year 2022-2023
	Complaints received by the NBFC from its customers	Nil	Nil
1	Number of complaints pending at beginning of the year		
2	Number of complaints received during the year		
3	Number of complaints disposed during the year		
3.1	of which, number of complaints rejected by the company		
4	Number of complaints pending at the end of the year		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman		
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman		
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman		
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC		
6	Number of Awards unimplemented within the stipulated time (other than those appealed)		

2 Top five grounds of complaints received by the NBFCs from customers **As at 31-March-2024**

S.no	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	(1)	(2)	(3)	(4)	(5)	(6)
1	NIL					
2						
3						

As at 31-March-2023

S.no	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	(1)	(2)	(3)	(4)	(5)	(6)
1	NIL					
2						
3						

Annexure VII - Section II

(A) **Corporate Governance**

The disclosure forms a part of Corporate Governance Report of Annual Report for the year ended 31 March 2024.

(B) **Breach of Coveants**

There are no instances of breach of covenant of loan avalied or debt securities issued by the Company.

(C) **Divergence in Asset Classification and Provisioning**

During the year under consideration there was not assessment done by Reserve Bank of India and therefore details of diversions are not required to be disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 53

The following table sets out the disclosure as required by the notification no. RBI/DoR/2023-24/106DoR. FIN. REC. No. 45/03 .10.119/2023-24 dated 19 October 2023 issued by RBI as amended from time to time.

Annexure XXII

I) Capital ₹ In Crores

	Items	Current Year 2023-2024	Previous Year 2022-2023
i)	CRAR (%)	33.30	33.56
ii)	CRAR - Tier I capital (%)	33.18	33.40
iii)	CRAR - Tier II capital (%)	0.12	0.16
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

II) Investments ₹ In Crores

1.	Value of investments	Current Year 2023-2024	Previous Year 2022-2023
i)	Gross value of investments		
	- In India	1,936.62	1,282.99
	- Outside India,	-	-
ii)	Provisions for depreciation		
	- In India	0.17	0.30
	- Outside India,	-	-
iii)	Net Value of Investments		
	- In India	1,936.45	1,282.69
	- Outside India,	-	-

₹ In Crores

2.	Movement of provisions held towards depreciation on investments		
i)	Opening balance	0.30	0.49
ii)	Add : Provisions made during the year	-	-
iii)	Less : Write-off / write-back of excess provisions during the year	(0.13)	(0.19)
iv)	Closing balance	0.17	0.30

iii) Derivatives

The Company did not have any transactions in Derivatives.

iv) **Asset Liability Management**

Maturity pattern of certain items of Assets and Liabilities as at 31 March 2024

₹ In Crores

Particulars	1 day to 7 days	Over 7 days to 14 days	Over 14 days to 30/31 days	Over one 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 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	5.00	1.14	0.02	-	**6.16**
Advances	12.16	0.21	22.87	24.07	21.88	67.37	168.30	195.26	54.58	9.20	**575.90**
Investments	778.42	1.42	0.72	546.69	548.88	4.22	8.77	13.89	7.17	45.22	**1,955.40**
Stock of securities	86.98	79.60	6.95	46.30	46.30	-	-	-	-	-	**266.13**
Borrowings	588.23	3.18	149.79	226.52	188.99	222.74	233.39	436.01	24.21	-	**2,073.06**
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	**-**
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	**-**

Maturity pattern of certain items of Assets and Liabilities as at March 31, 2023

₹ In Crores

Particulars	1 day to 7 days	Over 7 days to 14 days	1 day to 30/31 days (one month)	Over one 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 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	3.55	1.14	0.02	-	**4.71**
Advances	0.16	-	20.70	27.21	19.03	58.49	178.47	184.54	53.56	13.22	**555.38**
Investments	395.29	23.43	14.62	245.75	246.86	25.79	41.84	245.25	36.82	22.69	**1,298.34**
Stock of securities	184.64	175.87	-	53.20	53.20	-	-	-	-	-	**466.91**
Borrowings	248.16	-	5.94	172.02	194.75	75.51	131.31	791.38	36.22	-	**1,655.29**
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, 2024

v) Exposures

₹ in Crores

A. Exposures to real estate sector	Current Year 2023-2024	Previous Year 2022-2023
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	-	-
(iii)Investments in Mortgage Backed Securities (MBS) and securitised exposures -		
a. Residential	-	-
b. Commercial real estate	-	-
Total Exposure to Real Estate Sector	-	-
b) Indirect exposure		
(I) funded and Non Funded Exposures through Housing Finance Companies (HFCs)	**122.67**	**103.25**
Total Exposure to Real Estate Sector	**122.67**	**103.25**
c) Direct Investment		
(i) Commercial Real Estate -	**-**	**-**
(ii) Investments in Mortgage Backed Securities (MBS) and securitised exposures -	**-**	**-**
a. Residential	**32.55**	**-**
b. Commercial real estate	**32.55**	**-**
Total Exposure to Real Estate Sector		
d) Indirect Investment	**-**	**-**
(i) Funded and Non Funded Exposures through Housing Finance Companies (HFCs)	**18.10**	**139.20**
Total Investment Exposure to Real Estate Sector	**50.65**	**139.20**

*Investments Exposure means Investment in Mortgaged Backed Securities and other securitized exposures

₹ in Crores

B. Exposures to Capital Market	Current Year 2023-2024	Previous Year 2022-2023
(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;	45.22	21.17
(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;	-	-
(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	45.22	21.17

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

The Company has an outstanding advances of Rs. 38.76 Crores as unsecured advances as on 31 March 2024.

vi) 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 37 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 - Non-Convertible Debentures - BWR AA+
2 - Non-Convertible Debentures - BWR AA
3 - Non-Convertible Debentures - BWR AA -
4 - Non-Convertible Debentures - ACUITE AA -
5 - Non-Convertible Debentures - ACUITE AA+
6 - Non-Convertible Debentures - ACUITE AA
7 - Long Term / Short Term Bank Facilities - CARE AA-
8 - Non-Convertible Debentures - CARE AA-
9 - Commercial Paper - CARE A1+

E. Remuneration of Directors

During the year, sitting fees has been paid to a non-executive directors amounting to Rs. 0.12 Crores.

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 Standalone Financial Statements.

G. Revenue Recognition

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

H. Indian Accounting Standard 110 - 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 statements are separately presented.

(vii) Additional Disclosures

A. Provisions and Contingencies

₹ in Crores

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		Current Year 2023-2024	Previous Year 2022-2023
i)	Provisions for depreciation on Investments	(0.13)	(0.20)
ii)	Provision towards NPA	(0.09)	0.09
iii)	Provision made towards Income tax (Including Deferred tax and Earlier period tax adjustments)*	19.96	19.55
iv)	Other Provision and Contingencies (Employee Benefits)*	1.07	0.87
v)	Impairment on loans and advances (net)	(0.47)	0.33

* including recognised in other comprehensive income

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

B. Draw Down from Reserves

There have been no drawdown from Reserves.

₹ in Crores

C.	Concentration of Deposits, Advances, Exposures and NPAs	As at 31-03-2024
a.	**Concentration of Deposits (for deposit taking NBFCs)**	
	Total Deposits of twenty largest depositors	Not Applicable
	Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	Not Applicable
b.	**Concentration of Advances**	
	Total Advances to twenty largest borrowers	497.33
	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	86.45%
c.	**Concentration of Exposures**	
	Total Exposure to twenty largest borrowers / customers (Including interest accrued and due)	497.66
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	86.36%
d.	**Concentration of NPAs**	-
	Total Exposure to top four NPA accounts	
e.	**Sector-wise NPAs**	% of NPAs to Total Advances in that Sector
	Sector	
	Agriculture & allied activities	-
	MSME	-
	Corporate borrowers	-
	Services	-
	Unsecured personal loans	-
	Auto Loans	-
	Other personal Loans	

D. Movements of NPAs

Particulars		Current Year 2023-24	Previous Year 2022-2023
(i)	Net NPAs to Net Advances (%)	-	-
(ii)	Movement of NPA (Gross)		
	(a) Opening Balance	0.09	-
	(b) Additions during the year	3.80	0.09
	(c) Reductions during the year	(3.89)	-
	(d) Closing Balance	-	0.09
(iii)	Movement of Net NPA		
	(a) Opening Balance	-	-
	(b) Additions during the year	2.62	-
	(c) Reductions during the year	(2.62)	-
	(d) Closing Balance	-	-
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening Balance	0.09	-
	(b) Provisions made during the year	1.18	0.09
	(c) Write-off / write-back of excess provisions	(1.27)	-
	(d) Closing Balance	-	0.09

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.

The financial information in the above disclosure as required by the notification no. RBI/DoR/2023-24/106DoR. FIN. REC. No. 45/03 .10.119/2023-24 dated 19 October 2023 issued by RBI as amended from time to time except for Assets Liability Management disclosure, are based on the IND AS standalone financial statements for the year ended 31 March 2024 and 31 March 2023. The financial information presented in the Assets Liability Management disclosure are based on carrying value of the assets and liabilities without considering the effects of IND AS adjustments as on 31 March 2024 and 31 March 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 54

In accordance with the instructions in the RBI notification no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated 7 April 2021 all lending institutions shall refund / adjust 'interest on interest' to all borrowers including those who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed or not availed. Pursuant to these instructions, the Indian Bank Association (IBA) in consultation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Company has estimated the said amount and made provision for refund adjustment in the previous year itself.

NOTE - 55

Disclosure of Loans to Directors, Senior Officers and relatives of Directors as required by the notification no. RBI/DoR/2023-24/106DoR. FIN. REC. No. 45/03 .10.119/2023-24 dated 19 October 2023 issued by RBI.

(Rs. in Crores)

Particular	Current Year	Previous Year
Directors and their relatives	-	-
Entities associates with directors and their relatives*	105.00	100.00
Senior Officers and their relatives	-	-

*(a) Revolving Credit Sanction Limits amounting upto a maximum amount of Rs.100 Crores (Previous Year Rs 100 Crores)
(b) Loans in form of unlisted non convertible debentures amounting to Rs.5 Crores (Previous Year Rs. Nil)

NOTE - 56

Disclosure of information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries as required by the notification no. RBI/DoR/2023-24/106DoR. FIN. REC. No. 45/03 .10.119/2023-24 dated 19 October 2023 issued by RBI.

(Rs. in Crores)

Particular	Information
Area	Mumbai and New Delhi
Country	India
Joint ventures	No Joint Ventures
Overseas subsidiaries	No Overseas subsidiaries

NOTE - 57

The Company does not have any capital work in progress and intangible assets under development.

NOTE - 58

The Company does not hold any Benami Property as defined under Benami Transactions (Prohibition) Act (45) of 1988 and rules made thereunder.

NOTE - 59

The Company does not have any transactions with companies struck off under section 248 of Companies Act 2013 or Section 560 of Companies Act 1956, during the financial year ending 31 March 2024 and 31 March 2023

NOTE - 60

The Company has complied with the number of layer prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017.

NOTE - 61

UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

(a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 62
The Company does not have any undisclosed income during the financial year ended 31 March 2024 and 31 March 2023

NOTE - 63
There are no capital / other commitments and contingent liabilities as on 31 March 2024 and 31 March 2023.

NOTE - 64
The Company does not traded or invested in Crypto Currency or Virtual Currency during the financial year ended 31 March 2024 and 31 March 2023

NOTE - 65
There was no impairment loss on the non-financial assets on the basis of review carried out by the management in accordance with Indian Accounting Standard (Ind AS) – 36 'Impairment of Assets'.

NOTE - 66
In the opinion of management, loans, investments and other financial assets 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 - 67
No fraud on or by the Company has been noticed or reported during the year ended 31 March 2024 and 31 March 2023.

NOTE - 68
There is no scheme of arrangement of Company which is approved by the Competant Authority in terms of section 230 to 237 of the Companies Act, 2013.

NOTE - 69
Subsequent events
No subsequent events have been observed which may require an adjustment to the statement of financial position.

NOTE - 70
The disclosure required in terms of paragraph 31 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 is given in Annexure 'A'.

NOTE - 71
Previous year's figure have been regrouped or rearranged, wherever considered necessary, to conform with the current year's presentation.

Signatures to 1 to 71

As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration Number : 000560C/C400334

Rupal Kumbhat
Partner
Membership No. 401084

Place: Jaipur
Dated: May 11, 2024

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

A. K. Mittal
Managing Director
DIN: 00698377

Vinod Kumar Kathuria
Chairman & Independent Director
(DIN : 06662559)

Mahesh Bhootra
Chief Financial Officer

Shikha Sharma
Company Secretary
(ACS : A52558)

Place: Mumbai
Dated : May 11, 2024

SCHEDULE TO THE BALANCE SHEET OF A NON DEPOSIT TAKING NON BANKING FINANCIAL COMPANY AS ON MARCH 31, 2024

Annexure"A"

Disclosure in terms of Paragraph 31 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

₹ In Lakhs

	Particulars		Amount	
	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	66,723.04	NIL
		Unsecured	NIL	NIL
		(Other than falling within the meaning of public deposit*)		
b		Deferred credits	NIL	NIL
c		Term Loans	41,802.49	NIL
d		Inter - corporate loans and borrowings	NIL	NIL
e		Commercial paper	NIL	NIL
f		Working capital demand loan from bank	27,687.76	NIL
g		Loan from NBFC	8,778.97	NIL
h		Clearing Corporation of India limited	55,500.00	NIL
I		Repo Account	0.00	NIL
* Refer note no.1 below				

₹ In Lakhs

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

₹ In Lakhs

	Asset Side		Amount
3	**Break up of loans and advances including bills receivables other than those included in (4) below**		**Amount outstanding**
		Secured	53,564.75
		Unsecured	3,876.34
		(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	Not applicable
b		Stock on the hire including hire charges under sundry debtors	
		Assets on hire	Not applicable
		Repossessed assets	Not applicable
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, 2024

Annexure"A"

Disclosure in terms of Paragraph 19 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

₹ In Lakhs

5	Break up of investments		Amount outstanding
		Investments	
	a	**Quoted**	
		Shares	NIL
		Equity	NIL
		Preference	NIL
		Debentures and bonds	1,10,527.27
		Units of mutual funds	0.00
		Government securities	77,611.16
		Others	0.00
	b	**Unquoted**	
		Shares	NIL
		Equity	4,521.87
		Preference	NIL
		Debentures and bonds	NIL
		Units of mutual funds	NIL
		Government securities	NIL
		Others	1,001.45

₹ In Lakhs

6	Borrowers group wise classification of financed as in (2) above:		Amount outstanding		
	Category		Amount Net of Provisions		
	1	**Related parties**	**Secured**	**Unsecured**	**Total**
	a	Subsidiaries	2,986.48	NIL	2,986.48
	b	Companies in the same group	NIL	494.57	494.57
	c	Other related parties	4,996.57	NIL	4,996.57
	2	**Other than related parties**	45,457.35	3,265.48	48,722.83
		Total	**53,440.40**	**3,760.05**	**57,200.45**
	Refer note no. 2 below				

₹ In Lakhs

7	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**	4,869.51	4,521.87
	b	Companies in the same group	NIL	NIL
	c	Other related parties	NIL	NIL
	2	**Other than related parties**	**1,89,351.64**	**1,89,334.88**
		Total	**1,94,221.15**	**1,93,856.75**

* As per Accounting Standard notified by Central Government of India (Refer note no. 3 below)
** The Net Asset Value for the investment in subsidiary company is the audited networth of the subsidiary company as on 31 March 2024.

SCHEDULE TO THE BALANCE SHEET OF A NON DEPOSIT TAKING NON BANKING FINANCIAL COMPANY AS ON MARCH 31, 2024

Annexure"A"

Disclosure in terms of Paragraph 19 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

₹ In Lakhs

8 Other information

Sr. No.	Particular	Amount
i)	Gross non- performing assets	
a	Related parties	NIL
b	Other than related parties	NIL
ii)	Net non-performing assets	
a	Related parties	NIL
b	other than related parties	NIL
iii)	Assets acquired in satisfaction of Debts	NIL

Notes:

1. As defined in As defined in paragraph 5.1.26 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023
2. Provisioning norms shall be applicable as prescribed in Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023
3. 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.
4. 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.
5. The financial information in the above disclosure as required in terms of Paragraph 31 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 are based on the IND AS standalone financial statements for the year ended 31 March 2024

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
A. K. Capital Finance Limited

Report on the audit of the Consolidated Financial Statements
Opinion

We have audited the Consolidated Financial statements of A. K. Capital Finance Limited ("the Holding Company") and its subsidiary company (together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of profit and loss (including other comprehensive income), the Consolidated Statement of changes in equity and the Consolidated Statement of cash flows for the year then ended, and notes to the Consolidated Financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 as amended ("Ind AS") and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and its consolidated profit including other comprehensive income, the consolidated changes in equity and their consolidated cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Sr. No.	Key Audit Matter	Auditor's response
1(a)	**Measurement of investments in accordance with Ind AS 109 "Financial Instruments"** (note 1, 5, 6, 39, 40 and 41 to the Consolidated Financial Statements) On initial recognition, investments are recognized at fair value, in case of Investments which are recognised at fair value through profit and loss (FVTPL), subsequently, its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the investments. The Group's investments are subsequently classified into following categories based on the objective of its business model to manage the cash flows and options available in the standard: • Debt instruments at amortised cost • Debt instruments and other instruments at fair value through profit or loss (FVTPL) • Equity instruments measured at fair value through other comprehensive income FVTOCI.	**Principal audit procedures performed by auditors of the subsidiary and us-** • Obtained an understanding of Group's business model assessed in accordance with Ind AS 109; • Evaluated the Group's assessment of business model; • Obtained an understanding of the determination of the measurement of the investments and tested the reasonableness of the significant judgments applied by the management; • Evaluated the design of internal controls relating to the measurement and also tested the operating effectiveness of the aforesaid controls; • Ensured that the Group has used valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs, also checked the reasonableness of judgements & assumptions

Sr. No.	Key Audit Matter	Auditor's response
1(a)	The Group has assessed following two business model: - Held to collect contractual cash flows - Realising cash flows through the sale of investments. The Group makes decisions based on the assets' fair values and manages the assets to realise those fair values. Since valuation of investments at fair value involves critical assumptions, significant risk in valuation and complexity in assessment of business model, the valuation of investments as per Ind AS 109 is determined to be a key audit matter in our audit of the consolidated financial statements.	• Obtained and assessed the valuation certificate of independent valuer in respect of fair value of investments of the holding company; and • Assessed the appropriateness of the disclosure in the consolidated financial statements in accordance with the applicable financial reporting framework.
1(b)	**Impairment loss on investments measured at amortized cost by the Holding Co:** (note 1, 5, 39 and 40 to the Consolidated Financial Statements) Recognition and measurement of impairment relating to the investments measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are: - Credit ratings of the investments; - Investment staging criteria; - Calculation of probability of default rate / Loss given default rate; - Forward looking information. - Days Past Due - Possible recoveries The company has also considered credit reports and other related credit information for its investments to estimate the probability of default in future. There is a large increase in the data inputs required for the computation of ECL of investments. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model and therefore we identified allowance for credit losses of investments as a key audit matter.	**Principal audit procedures performed by us:** • Analysed the methodology for the allowance for credit losses. • For a sample of investments and allowance for the credit loss thereon, we tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. • We also assessed whether the impairment methodology used by the company is in line with Ind AS 109 "Financial Instruments" requirements. Particularly, we assessed the approach of the Company regarding definition of default, probability of default, loss given default and incorporation of forward-looking information for the calculation of ECL. • Verified the computation of the allowance for credit losses and tested the mathematical accuracy; and • Assessed the appropriateness of the disclosure in the financial statements in accordance with the applicable financial reporting framework.
2	**Loans and impairment loss allowance** (note 1, 4, 39 and 40 of the Consolidated Financial Statements) The value of loans as at March 31, 2024 is significant and there is a high degree of complexity and judgment involved for the Group in estimating individual and collective credit impairment provisions and write-offs against these loans. Recognition and measurement of impairment relating to the loans measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. The Group's impairment allowance is computed based on estimates including the historical default and loss ratios. Days Past Due(DPD) & subsequent recoveries. Management exercises judgment in determining the quantum of loss based on a range of factors.	**Principal audit procedures performed by the auditors of the subsidiary and us:** We have started our audit procedures with understanding of the internal control environment related to loans and impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Group. We also assessed whether the impairment methodology used by the Group is in line with Ind AS 109 "Financial instruments" requirements. Particularly, we assessed the approach of the Group regarding definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL. For loans which are assessed for impairment on a portfolio basis we performed particularly the following procedures: • We read and understood the methodology and policy laid down for loans given by the Group; • We have verified loan agreements and related financial and non-financial covenants on sample basis;

Sr. No.	Key Audit Matter	Auditor's response
	The most significant areas are: - Credit ratings of the parties to whom loans have been given; - Loans staging criteria; - Calculation of probability of default rate / Loss given default rate; - Forward looking information. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its loans to estimate the probability of default in future. There is a large increase in the data inputs required for the computation of ECL of loans. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model and therefore we identified allowance for credit losses of loans as a key audit matter.	• We have verified the existence of recovery process plan in the event of default and recovery procedures applied in it. • We have verified the historical trends of repayment of principal amount of loan and repayment of interest; • We tested the reliability of key data inputs and related management controls; • We checked the stage classification as at the balance sheet date as per definition of default of the Group; • We have assessed the assumptions made by the Group in making provision considering forward looking Information and subsequent recoverability.
3	**Related party transactions and disclosures of Holding Company** (as described in note 38 of the Consolidated Financial Statements). The Company has undertaken transactions with its related parties in the normal course of business. We identified the accuracy and completeness of related party transactions, evaluation of arm's length basis, disclosure of such transactions in the consolidated financial statements and regulatory compliance thereon during the year ended March 31, 2024, as a key audit matter.	**Principal audit procedures performed by us:** • Obtained, read and assessed the Company's policies, processes and procedures in respect of identifying related parties, evaluation of arm's length, obtaining necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with the regulations. • We tested, on a sample basis, related party transactions • with the underlying contracts and other supporting documents for appropriate authorization and approval for such transactions. • We read minutes of meeting of the Board and its relevant committee meetings and minutes of meetings of those charged with governance in connection with transactions with related parties affected during the year and Company's assessment of related party transactions being in the ordinary course of business at arm's length and in accordance with the regulations. • Assessed and tested the disclosures made in accordance with the requirements of Ind AS and the applicable regulations.
4	**IT Systems and Controls of Holding Company** The group has significant reliance on the IT system in respect of the following: - Dealing in Debt securities - Management of Loans & Advances The financial accounting and reporting of the Holding Company, especially in relation to debt securities, are fundamentally reliant on IT systems and IT controls for processing significant transaction volumes and other calculations. Also, the subsidiary has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to this software is critical for accurate compilation of financial information, hence we identified IT systems and controls over financial reporting as a key audit matter for the Group. Access management, change management, segregation of duties, reconciliation controls and security controls are key areas of focus regarding financial accounting and reporting.	**Principal audit procedures performed by us and the auditor of the subsidiary:** • Obtained a detailed understanding and assessed whether the general IT controls, IT policies and procedures designed and implemented by the management are adequate and operating effectively. • Broadly reviewed & tested the IT systems and internal controls in place. • Also tested key automated and manual business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests including testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements • Also placed reliance on the work of IT system auditor after observance of the relevant provisions of applicable auditing standards. • Based on our review no material weakness was found in the IT Systems and Controls.

Information Other than the Consolidated financial statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The above referred information is expected to be made available to us after the date of this audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management for Consolidated financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income), consolidated changes in Equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India.

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 the safeguarding the assets of the Group 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 Consolidated 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.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary which are companies incorporated in India, has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

- Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

  We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

  From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of the subsidiary company, whose financial statements reflect total assets of Rs. 8,235.20 Lakhs as at March 31, 2024, total revenues of Rs. 571.80 Lakhs, net profit after tax of Rs. 109.13 Lakhs and net cash outflows amounting to Rs. 21.08 Lakhs for the year 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-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable, as under:

   Based on the Audited Financial Statements provided of the Subsidiary (CIN : U74999MH2017PTC296737), no qualification or adverse remarks has been stated by the subsidiary's auditor in the Companies (Auditor's Report) Order (CARO) report of the subsidiary, Family Home Finance Private Limited, included in the consolidated financial statements.

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 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 aforeasaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Other Comprehensive Income), the Consolidated Statement of changes in equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 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, 2024 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 with reference to these Consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' to this report; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to consolidated financial statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other statutory auditors of the subsidiary, the remuneration paid or provided to its directors during the year by the Holding Company and its subsidiary is in accordance with the provision of Section 197 of the Act;

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

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

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its subsidiary("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective Management of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Companies Act, 2013 have represented to us and other auditors of the subsidiary, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which is a companies incorporated in India, nothing has come to our/other auditor's notice that has caused us/ other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared and paid by the Group during the year and until the date of its audit report is in accordance with section 123 of the Companies Act, 2013.

vi. Based on our examination which included test checks and that performed by the auditor of the subsidiary incorporated in India, both the holding and the subsidiary have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Further, the holding Company is using independent software for debt securities management and payroll processing which are not integrated with the accounting system of the Company.

The subsidiary is also using independent software for loan management and payroll processing which are not integrated with the accounting system of the Company.

Based on the output of these software's as stated above , the Holding and subsidiary company account for the entries related to debt securities, loans and payroll on a timely basis. Accordingly, in our view, the reporting responsibility under Rule 11(g) is not applicable.

As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

For S Bhandari & Co. LLP
Chartered Accountants
(FRN: 000560C/C400334)

(Rupal Kumbhat)
Partner
Membership No. 401084
UDIN: 24401084BKESPA8311

Date: May 11, 2024
Place: Jaipur

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORTS

REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT" OF OUR REPORT ON 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 A.K. Capital Finance Limited ("the Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting with reference to the financial statements of the Holding Company and its subsidiary company which are 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 are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India. 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 internal financial controls of the holding company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over financial reporting (the "Guidance Note") and the Standards on Auditing, issued by The Institute Of Chartered Accountants Of India and deemed to be 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 with reference to consolidated financial statement 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 with reference to consolidated financial statement and their operating effectiveness.

Our audit of internal financial controls with reference to consolidated financial statement included obtaining an understanding of internal financial controls with reference to consolidated financial statement, 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 judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to consolidated financial statement

A company's internal financial control with reference to consolidated financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statement 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 consolidated financial statements in accordance with generally accepted accounting principles and Ind AS, and those 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statement

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 with reference to consolidated financial statement to future periods are subject to the risk that the internal financial control with reference to consolidated financial statement 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 and to the best of our information and according to the explanations given to us and based on the consideration of reporting of other auditors as mentioned in "Other Matter" paragraph, the Holding Company and its subsidiary company, which are 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 March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

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

For S Bhandari & CO LLP

Chartered Accountants

(FRN: 000560C/ C400334)

(Rupal Kumbhat)

Partner

Membership No. 401084

UDIN : 24401084BKESPA8311

Date : May 11, 2024

Place: Jaipur

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

₹ in Lakhs

	Note No.	As at 31-03-2024	As at 31-03-2023
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	2(a)	1,691.34	1,582.50
(b) Bank balances other than (a) above	2(b)	409.67	533.26
(c) Trade Receivables	3	48.60	-
(d) Loans	4	61,443.14	56,767.63
(e) Investments	5	1,89,610.69	1,26,830.56
(f) Other financial assets			
(i) Stock of securities	6	26,428.45	47,085.53
(ii) Other financial assets	7	4,216.68	3,401.05
Total financial assets		**2,83,848.57**	**2,36,200.53**
(2) Non-financial assets			
(a) Current tax assets (net)		208.91	-
(b) Deferred tax assets (net)	8	8.76	5.34
(c) Property, plant and equipment	10	2,434.83	2,264.94
(d) Capital Work in Progress	11	106.15	-
(e) Intangibles assets	12	36.37	6.05
(f) Other non financial assets	13	108.53	250.69
(g) Asset held for sale	9 (d)	-	875.00
Total non-financial assets		**2,903.55**	**3,402.02**
TOTAL ASSETS		**2,86,752.12**	**2,39,602.55**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities	14		
(a) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		180.87	258.66
(b) Debt securities	15	61,824.49	64,731.41
(c) Borrowings (other than debt securities)	16	1,40,247.68	96,929.48
(d) Deposits	17	-	33.69
(e) Other financial liabilities	18	6,402.91	4,831.56
Total financial liabilities		**2,08,655.95**	**1,66,784.80**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)			
(b) Provisions	19	5.97	12.26
(c) Deferred tax liabilities (net)	20	215.84	191.25
(d) Other non-financial liabilities	21	290.76	149.92
Total non-financial liabilities		223.74	645.55
TOTAL LIABILITIES		**736.31**	**998.98**
		2,09,392.26	**1,67,783.78**
EQUITY			
(a) Equity share capital	22(a)	8,829.38	8,829.38
(b) Other equity	22(b)	68,530.48	62,989.39
(c) Non controlling interest		-	-
TOTAL EQUITY		**77,359.86**	**71,818.77**
TOTAL LIABILITIES AND EQUITY		**2,86,752.12**	**2,39,602.55**

Summary of material accounting policies and other explanatory information -See note 1

The accompanying notes (1 to 62) are an integral part of consolidated financial statements
As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration Number : 000560C/C400334

Rupal Kumbhat (Partner)
Membership No. 401084

Place: Jaipur
Dated: May 11, 2024

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

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

Vinod Kumar Kathuria
Chairman & Independent Director
(DIN : 06662559)

Mahesh Bhootra
Chief Financial Officer

Shikha Sharma
Company Secretary
(ACS : A52558)

Place: Mumbai
Dated: May 11, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

	Note No.	Current Year 2023-2024	Previous Year 2022-2023
Revenue from operations			
Interest income	23	23,050.29	17,581.39
Fees and commission income	24	2,271.44	1,263.72
Net gain on fair value changes	25	5,975.66	5,742.00
Net gain on derecognition of financial instruments under amortised cost category	26	76.17	480.78
Rental income		-	98.61
Total revenue from operations		**31,373.56**	**25,166.50**
Other income	27	3.38	3.14
Total income		**31,376.94**	**25,169.64**
EXPENSES			
Finance costs	28	15,186.40	10,150.08
Fees and commission expenses	29	1,315.87	1,603.32
Impairment on financial instruments (net)	30	24.17	(9.67)
Employee benefits expenses	31	4,773.65	3,620.67
Depreciation and amortization expense	10 (b)	369.17	334.16
Other expenses	32	1,319.19	1,298.56
Total expenses		**22,988.45**	**16,997.12**
Profit before exceptional items and tax		**8,388.49**	**8,172.52**
Exceptional items		-	-
Profit before tax		**8,388.49**	**8,172.52**
Tax expense:			
Current tax		1,866.26	1,978.50
Prior period tax adjustments		(4.69)	(11.89)
Deferred tax expense/ (credit)		153.69	5.71
Profit for the year [A]		**6,373.23**	**6,200.20**
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit and loss		(49.41)	(37.17)
Less: Income tax expense on above		12.44	9.35
Other comprehensive income for the year [B]		**(36.97)**	**(27.82)**
Total comprehensive Income for the year [A+B]		**6,336.26**	**6,172.38**
Profit for the year attributable to			
Owner of the Company		6,373.23	6,200.20
Non controlling interest		-	-
Other comprehensive income for the year attributable to			
Owner of the Company		(36.97)	(27.82)
Non controlling interest		-	-
Total comprehensive income for the year attributable to			
Owner of the Company		6,336.26	6,172.38
Non controlling interest		-	-
Earnings per equity share (Rs.)	**36**		
Basic earnings per share		24.01	23.36
Diluted earnings per share		24.01	23.36

Summary of material accounting policies and other explanatory information -See note 1

The accompanying notes (1 to 62) are an integral part of consolidated financial statements
As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration Number : 000560C/C400334

Rupal Kumbhat (Partner)
Membership No. 401084

Place: Jaipur
Dated: May 11, 2024

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

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

Vinod Kumar Kathuria
Chairman & Independent Director
(DIN : 06662559)

Mahesh Bhootra
Chief Financial Officer

Shikha Sharma
Company Secretary
(ACS : A52558)

Place: Mumbai
Dated: May 11, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

	Current Year 2023-2024	Previous Year 2022-2023
Cash flow from/(used in) operating activities		
Profit before tax	8,388.49	8,172.52
Adjustment for:		
Depreciation and amortisation	369.17	334.16
Loss / (Profit) on sale of property, plant and equipment	0.01	(0.49)
Expected Loss on sale of Assets held for sale	-	101.29
Amortisation of processing fees income	(2.28)	108.22
Loss / (Profit) on modification due to restructuring of loan	(3.38)	-
Rental income	-	(98.61)
Unwinding Income	(15.92)	(14.31)
Net gain on fair value changes on investments	(4,519.58)	(1,850.32)
Net (gain) / loss on derecognition of financial instruments under amortised cost category	(76.17)	(480.78)
Net gain on fair value changes on stock of securities - unrealised	(14.74)	(797.51)
Effective interest rate on held till maturity securities	(21.82)	1.38
Interest Reversal on restructuring of loan	0.81	2.11
Interest income on investments	(7,192.48)	(8,603.36)
Impairment on financial instruments	24.17	(9.67)
Finance cost	15,186.40	10,150.08
Movement in working capital:		
Increase/(decrease) in trade payable and other financial liabilities	(137.69)	257.33
(Increase)/decrease in trade receivables and other financial assets	1,212.85	(597.55)
(Increase)/decrease in loans	(4,738.88)	(16,319.36)
(Increase)/decrease in stock of securities	20,671.82	21,090.57
(Increase)/decrease in other non financial assets	100.42	15.78
Increase/(decrease) in provision	(25.06)	28.41
Increase/(decrease) in deposits	(33.69)	0.75
Increase/(decrease) in other non financial liabilities	(421.81)	441.23
Cash generated from/(used in) operations	**28,750.64**	**11,931.87**
Income tax paid	(2,077.69)	(1,950.44)
Cash generated from/(used in) operations [A]	**26,672.95**	**9,981.43**
Cash flow from/(used in) investing activities		
Proceeds from sale / (payment for purchases) of investments (net)	(58,171.42)	(29,384.95)
Payment for acquisition of property, plant and equipments including capital advances	(99.64)	(273.00)
Payment for acquisition of intangible assets	(43.01)	-
Proceeds from redemption / (payment) of fixed deposit	123.59	(516.26)
Proceeds from sale of Property, plant and equipments	-	-
Proceeds from sale of Property, plant and equipments and asset held for sale	875.03	0.49
Rent received	-	98.61
Interest received	5,164.63	8,242.21
Cash generated from/(used in) investing activities [B]	**(52,150.82)**	**(21,832.90)**
Cash flow from/(used in) financing activities		
Proceeds from long-term borrowings	38,000.00	41,100.00
Repayment of long-term borrowings	(22,574.78)	(26,924.50)
Proceeds from / (repayment) of short-term borrowings (net)	25,030.61	9,152.70
Repayment of lease liabilities	(209.73)	(171.96)
Dividends paid	(780.00)	(780.00)
Share issue expenses	(19.00)	
Interest paid	(13,860.39)	(10,055.14)
Cash generated from/(used in) financing activities [C]	**25,586.71**	**12,321.10**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**108.84**	**469.63**
Add: Cash and cash equivalents at the beginning of the year	1,582.50	1,112.87
Cash and cash equivalents at the end of the year	1,691.34	1,582.50

Reconciliation of liabilities arising from financing activities

₹ in Lakhs

Particulars	Long-term borrowings	Short-term borrowings	Lease liabilities	Interest on above borrowings
As at 31 March 2023	**99,788.94**	**61,871.95**	**787.74**	**3,752.67**
Cash Flows	15,425.22	25,030.61	(293.77)	(13,860.39)
Transaction cost	(24.29)	(20.26)	492.43	84.04
Interest accrual	-	-	84.04	15,100.85
As at 31 March 2024	**1,15,189.87**	**86,882.30**	**1,070.44**	**5,077.17**

Summary of material accounting policies and other explanatory information -See note 1

The accompanying notes (1 to 62) are an integral part of consolidated financial statements
As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration Number : 000560C/C400334

Rupal Kumbhat (Partner)
Membership No. 401084

Place: Jaipur
Dated: May 11, 2024

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

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

Vinod Kumar Kathuria
Chairman & Independent Director
(DIN : 06662559)

Mahesh Bhootra
Chief Financial Officer

Shikha Sharma
Company Secretary
(ACS : A52558)

Place: Mumbai
Dated: May 11, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. EQUITY SHARE CAPITAL

EQUITY SHARES	Number of shares	₹ in Lakhs Amount
At 31 March 2022	2,32,93,750	2,329.38
Changes in equity share capital due to prior period errors	-	-
Restated balance at 31 March 2022	**2,32,93,750**	**2,329.38**
Issue of share capital	-	-
At 31 March 2023	**2,32,93,750**	**2,329.38**
Changes in equity share capital due to prior period errors	-	-
Restated balance at 31 March 2023	**2,32,93,750**	**2,329.38**
Issue of share capital	-	-
At 31 March 2024	**2,32,93,750**	**2,329.38**
Total equity share capital		

COMPULSORY CONVERTIBLE PREFERENCE SHARES	Number of shares	₹ in Lakhs Amount
At 31 March 2022	65,00,000	6,500.00
Changes in compulsory convertible preference share capital due to prior period errors	-	-
Restated balance at 31 March 2022	**65,00,000**	**6,500.00**
Issue of share capital	-	-
At 31 March 2023	**65,00,000**	**6,500.00**
Changes in compulsory convertible preference share capital due to prior period errors	-	-
Restated balance at 31 March 2023	**65,00,000**	**6,500.00**
Issue of share capital	-	-
At 31 March 2024	**65,00,000**	**6,500.00**
Total equity share capital		**8,829.38**

B. OTHER EQUITY

₹ in Lakhs

Particulars	Reserves and surplus			Items of other comprehensive income		Non controlling interest	Total
	Special reserve	Securities premium	Retained earnings	Acturial gain/ (loss) on defined benefits obligations	Equity instruments through other comprehensive income		
Balance at 31 March 2022	**6,884.45**	**27,321.88**	**25,053.25**	**(34.33)**	**(1,628.24)**	**-**	**57,597.01**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance at 31 March 2022	**6,884.45**	**27,321.88**	**25,053.25**	**(34.33)**	**(1,628.24)**	**-**	**57,597.01**
Profit for the year	-	-	6,200.20	-	-	-	**6,200.20**
Other comprehensive income net of tax for the year	-	-	-	(27.82)	-	-	**(27.82)**
Transfer (to) /from reserves	1,236.55	-	(1,236.55)	-	-	-	-
Dividend paid on CCPS	-	-	(780.00)	-	-	-	**(780.00)**
Balance at 31 March 2023	**8,121.00**	**27,321.88**	**29,236.90**	**(62.15)**	**(1,628.24)**	**-**	**62,989.39**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance at 31 March 2023	**8,121.00**	**27,321.88**	**29,236.90**	**(62.15)**	**(1,628.24)**	**-**	**62,989.39**
Profit for the year	-	-	6,373.23	-	-	-	**6,373.23**
Other comprehensive income net of tax for the year	-	-	-	(36.97)	-	-	**(36.97)**
Share issue exenses		(15.17)	-				**(15.17)**
Transfer (to) /from reserves	1,284.00	-	(1,284.00)	-	-	-	-
Dividend paid on CCPS	-	-	(780.00)	-	-	-	**(780.00)**
Balance at 31 March 2024	**9,405.00**	**27,306.71**	**33,546.13**	**(99.12)**	**(1,628.24)**	**-**	**68,530.48**

Summary of material accounting policies and other explanatory information (refer note 1)

The accompanying notes (1 to 62) are an integral part of consolidated financial statements
As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration Number : 000560C/C400334

Rupal Kumbhat (Partner)
Membership No. 401084

Place: Jaipur
Dated: May 11, 2024

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

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

Mahesh Bhootra
Chief Financial Officer

Vinod Kumar Kathuria
Chairman & Independent Director
(DIN : 06662559)

Shikha Sharma
Company Secretary
(ACS : A52558)

Place: Mumbai
Dated: May 11, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 1

CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

CORPORATE INFORMATION

The consolidated financial statements comprise of financial statements of A. K. Capital Finance Limited ('the Company' or 'the Holding Company' or 'Parent') and its subsidiaries (collectively, 'the Group'). 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 Group is primarily involved in Debt Market and is into trading of Debt securities (Non-SLR) and Investment in government securities (SLR) and other securities. The Group provides funding to the Corporates and other entities, thereby catering to the diversified needs of the clients and funding to individuals towards housing finance. The Group also offers multitude of fee-based financial services to its Corporate and Institutional clients, across various business sectors. It also The registered address of the Company is situated at 601-602, 6th Floor, Windsor, Off CST road, Kalina, Santacruz East, Mumbai - 400098. These financial statements of the Group for the year ended 31 March 2024 were authorized for issue by the Board of Directors on 11 May 2024.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1.01 Basis of preparation and presentation of financial statements

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and on the basis of accounting principle of a going concern in accordance with generally accepted accounting principles (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Financial Statements are presented in Lakhs or decimal thereof.

The consolidated financial statements have been presented in accordance with Schedule III-Division III General Instructions for Preparation of financial statements of a Non-Banking Financial Company (NBFC) that is required to comply with Ind AS.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary (" the Group") as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) The contractual arrangement with the other vote holders of the investee

b) The ability to use its power over the investee to affect its returns

c) The Group's voting rights and potential voting rights

d) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

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

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full) except as stated in point no (d). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(e) **Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in Consolidated Statement of Profit and Loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to Consolidated Statement of Profit and Loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(f) The excess of cost to the Parent Company of its investment in the subsidiary over the Parent Company's portion of equity of the subsidiary is recognised in the Consolidated Financial Statements as Goodwill. This Goodwill is tested for impairment at the end of the financial year. The excess of Parent Company's portion of equity over the cost of investment as at the date of its investment is treated as Capital Reserve.

(g) The financial statements of the subsidiary used in consolidation are drawn upto the same reporting date as that of the Parent Company.

(h) Following company is consolidated

Name of Company	Nature of principal activity	% of holding	
		As at March 31, 2024	As at March 31, 2023
Family Home Finance Private Limited	Housing Finance activity	100	100

The aforesaid subsidiary company has been incorporated on 29 June 2017 under the Companies Act, 2013.

1.02 Functional and presentation currency

Items included in the financial statements of Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). Indian rupee is the functional currency of the Group. All amounts are rounded to two decimal places to the nearest lakh, unless otherwise stated

1.03 Use of estimates

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the financial statements are:

- Valuation of financial instruments
- Measurement of defined employee benefit obligation
- Useful life of property, plant and equipment
- Useful life of investment property
- Provisions

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1.04 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.05 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Ind AS 115"Revenue from contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

A) Identify the contract(s) with a customer;

B) Identify the performance obligations;

C) Determine the transaction price;

D) Allocate the transaction price to the performance obligations;

E) Recognise revenue when or as an entity satisfies performance obligation.

Fees and commission income

Revenue from fee-based activities are recognized when the services are rendered. Fees earned from contract with customer is recognised as and when performance obligation is satisfied. Fees or compnents of fees that are linked to certain performance are recognised after fulfilling the corresponding criteria.

Interest income

Under Ind AS 109, Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through Profit and loss (FVTPL).

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instruments in estimating the cash flows

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premium or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTL and debt instruments measured at Fair value through Other Comprehensive Income (""FVOCI"") is recognised in net gain\loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised is presented separately under the respective head in the Statement of Profit and Loss.

Dividend income

Dividend income is recognised

a. When the right to receive the payment is established.

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

1.06 Taxes

The tax expense for the period comprises of current tax and deferred tax. Tax is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised in the other comprehensive income or equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Current income taxes are recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions, where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised , based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exist to set-off current tax assets and current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.07 Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation

Depreciation is calculated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Derecognition of assets

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

1.08 Investment property

Property that is held for long term rental yield or for capital appreciation or both , and that is not occupied by the Group, is classified as Investment property. Investors properties measured initially at cost including related transactions cost and where applicable borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is incurred the carrying amount of replaced part is derecognised.

Investment properties other than land are depreciated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 i.e. 60 years for office premises.

1.09 Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. In accordance with Ind AS 105, the Group is committed to sell these assets. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell.

1.10 Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

Derecognition of assets

An item of intangible asset and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognized.

Intangible assets comprising of Software are amortised on a straight line basis over its estimated useful life or maximum 5 years, whichever is shorter.

1.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.12 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The contingent liability is not recognized in books of account but its existence is disclosed in financial statements.

A contingent assets, where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in Ind AS 37.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1.13 Impairment of assets

a) Financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The Group applies a simplified approach in calculating Expected Credit Losses (ECLs) on trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of profit or loss."

Financial assets (and the related impairment allowances) are written off in full, when there is no realistic prospect of recovery. The Group may apply enforcement activities to certain qualifying financial assets written off.

b) Non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset. unless the asset does not generate cash inflows that are largely independent of those from other assets.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

(a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel

(b) The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed

(c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

(d) The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

Fair value through profit and loss (FVTPL): A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, except interest income and dividend income if any, recognized as 'Net gain on fair value changes ' in the Statement of Profit and Loss.

Fair value through other comprehensive income (FVOCI): Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

Trade receivables and loans:

Trade receivables and loans are initially recognized at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss.

(c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, except interest income and dividend income if any, recognized as 'Net gain on fair value changes ' in the Statement of Profit and Loss. Interest income /dividend income on financial assets measured at FVTPL is recognised separately from ""net gain on fair value changes in the statement of profit and loss.

Equity instruments:

All investments in equity instruments other than investments in subsidiary companies classified under financial assets are initially measured at fair value , the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and in the case of borrowings trade payables and other financial liabilities, net of directly attributable transaction costs. The Group's financial liabilities include borrowings, trade payables, deposits and other financial liabilities.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(a) Borrowings: Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(b) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(c) Deposits:

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method"

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

1.15 Investments in equity instruments of subsidiaries

Investments in equity instruments of subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in the Statement of Profit and Loss.

1.16 Segment reporting:

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments.

Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

Segment information

Group's whole business is being considered as one segment.

1.17 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

1.18 Retirement benefits

i) Defined contribution plans (Provident fund)

In accordance with Indian Law, eligible employees receive benefits from Provident Fund and Labour welfare fund which is defined contribution plan. In case of Provident fund, both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Group has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Group provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumsump payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Group. The Group's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Group's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Group recognises all remeasurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

iii) Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

iv) Compensated absences

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 at the end of year and charged to the Statement of Profit and Loss.

1.19 Lease

As a lessee:

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

As a lessor:

Leases under which the Group does not transfer substantially all the risks and rewards of ownership are classified as operating leases. Rental income arises from operating leases is accounted for on straight-line basis over the lease term, and is included in rental income in Statement of Profit and Loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms. Contingent rents are recognised as revenue in the period in which they are earned.

1.20 Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

1.21 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

	As at 31-03-2024	As at 31-03-2023
NOTE - 2		
a) CASH AND CASH EQUIVALENTS		
Cash on hand	2.48	4.68
Balances with banks	1,688.86	1,577.82
	1,691.34	**1,582.50**
(b) Bank balances other than cash and cash equivalents		
Fixed deposits with bank*	409.67	533.26
	409.67	**533.26**

* Lien against overdraft accounts with banks and term loan accounts with financial institutions

NOTE - 3		
TRADE RECEIVABLES		
Undisputed trade receivables considered good - unsecured	48.60	-
	48.60	**-**
Undisputed trade receivable - considered good		
Outstanding for following periods from due date of payment		
Less than 6 months	48.60	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-

a) There are no disputed receivables as on 31 March 2024 and 31 March 2023.
b) There are no unbilled revenues as on 31 March 2024 and 31 March 2023.

₹ in Lakhs

	As at 31-03-2024	As at 31-03-2023
NOTE - 4		
LOANS (AT AMORTISED COST)		
(A) **Loans**		
(i) Loans repayable on demand	5,000.00	7,500.00
(ii) Term loans	56,704.28	49,529.28
Total (A) -Gross	**61,704.28**	**57,029.28**
Less: Impairment loss allowance	261.14	261.65
Total (A) - Net	**61,443.14**	**56,767.63**
(B)		
(i) Secured by tangible and other assets	57,827.94	52,483.96
(ii) Unsecured	3,876.34	4,545.32
Total (B)-Gross	**61,704.28**	**57,029.28**
Less: Impairment loss allowance	261.14	261.65
Total (B)-Net	**61,443.14**	**56,767.63**
(C)		
(I) Loans in India		
(i) Public sector	-	-
(ii) Others	61,704.28	57,029.28
(II) Loans outside India	-	-
Total (C)- Gross	**61,704.28**	**57,029.28**
Less: Impairment loss allowance	261.14	261.65
Total(C)-Net	**61,443.14**	**56,767.63**
	61,443.14	**56,767.63**

Refer note no. - 38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

NOTE - 4 (CONTD.)

4 (a) Summary of Effecitve interest rate impact on loans

Particular	As at 31-03-2024	As at 31-03-2023
Gross loans	61,866.99	57,187.03
Less: Effective interest rate impact	162.71	157.75
	61,704.28	**57,029.28**

4 (b) Disclosure in relation to loans or advances in the natuure of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are;

(a) Repayble on demand

Repayble on demand	As at 31-March-2024	
	Amount of loan or advance in the nature of loans outstanding (Rs. In lakhs)	Percentage to the loan or advance in the nature of loans outstanding
Promoters	-	-
Directors	-	-
KMPs	-	-
Related parties	5,000.00	8.10%

Type of Borrower	As at 31-March-2023	
	Amount of loan or advance in the nature of loans outstanding (Rs. In lakhs)	Percentage to the loan or advance in the nature of loans outstanding
Promoters	-	-
Directors	-	-
KMPs	-	-
Related parties	7,500.00	13.15%

(b) The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are without specifying any terms or period of repayment as on 31 March 2024 and 31 March 2023

4 (c) (a) Credit quality of assets

Particulars	As at 31-March-2024	As at 31-March-2023
Stage 1	61,623.11	56,960.25
Stage 2	81.17	60.08
Stage 3	-	8.95

(b) (i) An analysis of changes in gross carrying amount and corresponding Impairment Loss allowances in relation to lending as at 31 March 2024 is as follows;

Particulars	Stage 1		Stage 2		Stage 3	
	Gross carrying amount	Impairment allowances	Gross carrying amount	Impairment allowances	Gross carrying amount	Impairment allowances
Gross carrying amount opening balance	**56,960.25**	**231.88**	**60.08**	**20.82**	**8.95**	**8.95**
New assets orginated / repaid (excluding write offs)	5,147.15	94.05	(83.00)	32.28	(351.49)	(89.18)
Transfer (to) / from Stage 1	-	-	484.29	65.60	380.20	-
Transfer (to) / from Stage 2	(484.29)	(65.60)	-	-	-	117.89
Transfer (to) / from Stage 3	-	-	(380.20)	(117.89)	-	-
Amount written off	-	-	-	-	(37.66)	(37.66)
Gross carrying amount closing balance	**61,623.11**	**260.33**	**81.17**	**0.81**	**-**	**-**

(b) (ii) An analysis of changes in gross carrying amount and corresponding Impairment Loss allowances in relation to lending as at 31 March 2023 is as follows

Particulars	Stage 1		Stage 2		Stage 3	
	Gross carrying amount	Impairment allowances	Gross carrying amount	Impairment allowances	Gross carrying amount	Impairment allowances
Gross carrying amount opening balance	**40,841.49**	**257.67**	**-**	**-**	**-**	**-**
New assets orginated / repaid (excluding write offs)	16,210.79	9.83	-	-	(17.15)	-
Transfer (to) / from Stage 1	-	-	92.03	35.62	8.95	-
Transfer (to) / from Stage 2	(92.03)	(35.62)	-	-	17.15	8.95
Transfer (to) / from Stage 3	-	-	(26.10)	(8.95)	-	-
Amount written off	-	-	(5.85)	(5.85)	-	-
Gross carrying amount closing balance	**56,960.25**	**231.88**	**60.08**	**20.82**	**8.95**	**8.95**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 5

INVESTMENTS

₹ in Lakhs

As at 31-03-2024					
Particulars	**Amortised cost**	**At fair value**		**Subtotal**	**Total**
		Through other comprehensive Income*	**Through profit or loss**		
(I) Units of Mutual Funds	**-**	**-**	**185.14**	**185.14**	**185.14**
i) Quoted	-	-	185.14	185.14	185.14
(II) Government securities	**-**	**-**	**77,611.16**	**77,611.16**	**77,611.16**
i) Quoted	-	-	77,611.16	77,611.16	77,611.16
(III) Debt securities	**2,259.98**	**-**	**1,08,267.29**	**1,08,267.29**	**1,10,527.27**
i) Quoted	2,259.98	-	1,08,267.29	1,08,267.29	1,10,527.27
(IV) Pass through certificates	**1,001.45**	**-**	**-**	**-**	**1,001.45**
i) Unquoted	1,001.45	-	-	-	1,001.45
(V) Alternative Investment Fund	**-**	**-**	**302.43**	**302.43**	**302.43**
i) Unquoted	-	-	302.43	302.43	302.43
(Vi) Equity instruments	**-**	**-**	**-**	**-**	-
i) Unquoted					
- in other companies	-	-	-	-	-
221,000 Equity shares of Neesa Leisure Limited of ₹ 10 each*	-	-	-	-	-
Total – Gross (A)	**3,261.43**	**-**	**1,86,366.02**	**1,86,366.02**	**1,89,627.45**
(i) Investments outside India	-	-	-	-	-
(ii) Investments in India	3,261.43	-	1,86,366.02	1,86,366.02	1,89,627.45
Total (B)	**3,261.43**	**-**	**1,86,366.02**	**1,86,366.02**	**1,89,627.45**
Less: Allowance for Impairment loss (C)	**16.76**	**-**	**-**	**-**	**16.76**
Total – Net D= (A)-(C)	**3,244.67**	**-**	**1,86,366.02**	**1,86,366.02**	**1,89,610.69**

As at 31-03-2023					
Particulars	**Amortised cost**	**At fair value**		**Subtotal**	**Total**
		Through other comprehensive Income*	**Through profit or loss**		
(I) Units of Mutual Funds	**-**	**-**	**235.12**	**235.12**	**235.12**
i) Quoted	-	-	235.12	235.12	235.12
(II) Government securities	**-**	**-**	**37,200.37**	**37,200.37**	**37,200.37**
i) Quoted	-	-	37,200.37	37,200.37	37,200.37
(III) Debt securities	**21,131.47**	**-**	**52,049.63**	**52,049.63**	**73,181.10**
i) Quoted	21,131.47	-	52,049.63	52,049.63	73,181.10
(IV) Pass through certificates	**10,720.03**	**-**	**-**	**-**	**10,720.03**
i) Quoted	10,387.72	-	-	-	10,387.72
ii) Unquoted	332.31	-	-	-	332.31
(V) Alternative Investment Fund	**-**	**-**	**5,523.68**	**5,523.68**	**5,523.68**
i) Unquoted	-	-	5,523.68	5,523.68	5,523.68
(Vi) Equity instruments					
i) Unquoted		-	-	-	-
- in other companies	-				
221,000 Equity shares of Neesa Leisure Limited of ₹ 10 each*	-	-	-	-	-
		-	-	-	-
Total – Gross (A)	**31,851.50**	**-**	**95,008.80**	**95,008.80**	**1,26,860.30**
(i) Investments outside India	-	-	-	-	-
(ii) Investments in India	31,851.50	-	95,008.80	95,008.80	1,26,860.30
Total (B)	**31,851.50**	**-**	**95,008.80**	**95,008.80**	**1,26,860.30**
Less: Allowance for Impairment loss (C)	**29.74**	**-**	**-**	**-**	**29.74**
Total – Net D= (A)-(C)	**31,821.76**	**-**	**95,008.80**	**95,008.80**	**1,26,830.56**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

NOTE - 6
STOCK OF SECURITIES (MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS)

	As at 31-03-2024	As at 31-03-2023
(I) Debt securities		
Quoted	25,731.58	45,520.63
(II) Exchange traded funds		
Quoted	696.87	1,564.90
Total – Gross (A)	**26,428.45**	**47,085.53**
(i) Stock of securities outside India		
(ii) Stock of securities in India	26,428.45	47,085.53
Total – Gross (B)	**26,428.45**	**47,085.53**

NOTE - 7
OTHER FINANCIAL ASSETS

Deposits		
Earnest money deposits	3.00	3.00
Rental deposits -		
i) with relatives and directors	98.57	90.41
ii) with other parties	120.95	82.86
Other deposits	390.92	254.42
Interest accrued but not due on Investments / stock of securities	3,515.53	1,465.82
Receivable from/Balance with stock broker	75.00	1,421.28
Income Receivable From alternative investment fund	3.31	62.83
Other receivables	9.40	20.43
Total	**4,216.68**	**3,401.05**

NOTE - 8
DEFERRED TAX (ASSETS) / LIABILITIES

Deferred tax liabilities:-		
On account of:-		
Depreciation	0.08	0.30
Impairment allowance on investments	5.37	2.40
Transaction cost on financial assets	3.58	1.96
Expenses allowable on payment basis (gratuity)	0.34	0.11
Right-of-use	75.62	-
Disallowance of share issue expenses	4.79	1.44
Less: Deferred tax assets:-		
Fair value gain on investments in debt securities	(0.61)	(0.87)
Timing difference arising on Section 36 on Income Tax Act 1961	(3.60)	-
Lease liabilities	(76.81)	-
Deferred tax (assets) / liabilities (net)	**8.76**	**5.34**

₹ in Lakhs

NOTE - 9
INVESTMENT PROPERTIES

	Building under lease	Total
Gross block		
As at 31 March 2022	1,070.00	1,070.00
Additions	-	-
Disposals	-	-
Transfer to assets held for sale	1,070.00	1,070.00
As at 31 March 2023	-	-
Additions	-	-
Disposals	-	-
Transfer to assets held for sale	-	-
As at 31 March 2024	**-**	**-**
Accumulated depreciation		
As at 31 March 2022	77.82	77.82
Additions	15.89	15.89
Disposals	-	-
Impairment loss on assets held for sale	101.29	101.29
Transfer to assets held for sale	195.00	195.00
As at 31 March 2023	-	-
Additions	-	-
Disposals	-	-
As at 31 March 2024	**-**	**-**
Net Block	**-**	**-**
As at 31 March 2023	**-**	**-**
As at 31 March 2024	**-**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

9 (a) RECONCILIATION OF CHANGES IN THE FAIR VALE OF INVESTMENT PROPERTIES

As on 31st March 2023, the Holding Company had entered into Agreement To Sell (ATS), to sell the aforesaid investment property (comprising of two units) on 11th January 2023 and 27th March, 2023 for an agreed total consideration of Rs. 875 lakhs for both the units, out of which Rs. 370 lakhs had been received upto 31st March 2023 and remaining amount received subsequently before execution of Sale Deed. The Sale deed for the said property has been executed on 6th April 2023. Accordingly, the asset value has been impaired to the agreed sale consideration and transferred to Asset held for Sale.

₹ in Lakhs

Particular	Building under lease	Total
As at 31 March 2022	**1,330.15**	**1,330.15**
Changes in the fair value	(455.15)	(455.15)
Closing balance as on 31 March 2023	**875.00**	**875.00**
Disposed during the year	(875.00)	(875.00)
Closing balance as on 31 March 2024	**-**	**-**

9 (b) DIRECT OPERATING EXPENSES ARISING FROM INVESTMENT PROPERTIES

₹ in Lakhs

Particular	Current Year 2023-2024	Previous Year 2022-2023
Rental income derived from investment properties	-	98.61
Less: Direct operating expenses (including repairs & maintenance) generating rental income	-	0.91
Less: Direct operating expenes (including repairs & maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation & indirect expenses	**-**	**97.70**
Less: Depreciation	-	15.89
Profit arising from investment properties before indirect expenses	**-**	**81.81**

9 (c) THE GROUP DOES NOT HAVE ANY INVESTMENT PROPERTY AS ON 31ST MARCH 2024

9 (d) ASSETS HELD FOR SALE

₹ in Lakhs

Particular	Current Year 2023-2024	Previous Year 2022-2023
Building under lease	-	875.00
Total	**-**	**875.00**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 10
PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Computers	Office equipments	Furniture and fixtures	Vehicles	Building owner-occupied property	Leasehold Improvements	Building Right-of-use (Refer note 35)	Total
Cost								
As at 31 March 2022	**97.04**	**22.62**	**53.83**	**86.46**	**1,238.05**	**-**	**1,011.36**	**2,509.36**
Additions	23.56	17.70	24.13	35.60	96.59	208.59	-	**406.17**
Disposals	-	0.49	-	-	-	-	-	**0.49**
As at 31 March 2023	**120.60**	**39.83**	**77.96**	**122.06**	**1,334.64**	**208.59**	**1,011.36**	**2,915.04**
Additions	14.05	17.58	8.43	-	-	-	508.63	**548.69**
Disposals	-	0.27	-	-	-	-	-	**0.27**
As at 31 March 2024	**134.65**	**57.14**	**86.39**	**122.06**	**1,334.64**	**208.59**	**1,519.99**	**3,463.46**
Depreciation:								
As at 31 March 2022	57.03	14.09	27.15	53.44	104.03	-	85.11	**340.85**
Additions	20.35	4.37	7.86	13.26	21.83	28.49	213.58	**309.74**
Disposals	-	0.49	-	-	-	-	-	**0.49**
As at 31 March 2023	**77.38**	**17.97**	**35.01**	**66.70**	**125.86**	**28.49**	**298.69**	**650.10**
Additions	24.19	6.60	8.82	14.76	22.95	49.19	252.25	**378.76**
Disposals	-	0.23	-	-	-	-	-	**0.23**
As at 31 March 2024	**101.57**	**24.34**	**43.83**	**81.46**	**148.81**	**77.68**	**550.94**	**1,028.63**
Net Block								
As at 31 March 2023	**43.22**	**21.86**	**42.95**	**55.36**	**1,208.78**	**180.10**	**712.67**	**2,264.94**
As at 31 March 2024	**33.08**	**32.80**	**42.56**	**40.60**	**1,185.83**	**130.91**	**969.05**	**2,434.83**

1) Building include premises hypothecated against loan taken having net block of as at 31 March 2024 Rs. 641.76 lakhs (as at 31 March 2023 Rs.654.64 lakhs).
2) Building include premises situated at Chennai mortgaged against non convertible debentures issued having net block as at 31 March 2024 of Rs. 9.31 lakhs (as at 31 March 2023 Rs. 9.48 lakhs).
3) The Group has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets).

NOTE - 10 (a) THE TITLE DEED OF ALL IMMOVABLE PROPERTIES ARE HELD IN THE NAME OF THE GROUP

Description of item of property	Building	Building	Building	Building	Total
Gross carrying value	731.70	10.50	495.85	96.59	1,334.64
Title deeds held in the name of	Holding Company	Holding Company	Holding Company	Holding Company	Holding Company
Whether title deed holder is relative of promoter/director or employee of promoter/director	No	No	No	No	No
Property held since which date	28-Mar-14	13-Jun-17	13-Jul-17	23-Nov-22	-
Reason for not being held in the name of the Group	NA	NA	NA	NA	NA

₹ in Lakhs

NOTE - 10 (b) RECONCILIATION OF DEPRECIATION

	Current Year 2023-2024	Previous Year 2022-2023
Depreciation charged during the year		
Depreciation on Investment properties	-	15.89
Depreciation on Property, Plant and equipment	378.76	309.74
Depreciation on Intangible Assets	12.69	8.53
Less: Depreciation capitalised to Capital Work in Progress	(22.28)	-
Depreciation charged to Profit and Loss Account	**369.17**	**334.16**

NOTE - 11
CAPITAL-WORK-IN-PROGRESS (CWIP)

Leasehold improvements and other capital expenditure	83.87	-
Add: Project development expenditure (Depreciation on Right of use asset)	22.28	-
Total	**106.15**	**-**
(a) (i) CWIP aging schedule-Projects in progress		
Less than 1 year	106.15	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**106.15**	**-**

(a) (ii) There is no capital-work-in-progress which are temporarily suspended as on 31 March 2024 and 31 March 2023.
(b) There is no capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 12
INTANGIBLE ASSETS

₹ in Lakhs

	Software	Total
Cost		
As at 31 March 2022	71.44	71.44
Additions	-	-
Disposals	-	-
As at 31 March 2023	**71.44**	**71.44**
Additions	43.01	43.01
Disposals	-	-
As at 31 March 2024	**114.45**	**114.45**
Accumulative amortisation:		
As at 31 March 2022	43.86	43.86
Additions	13.00	13.00
Disposals	-	-
As at 31 March 2022	**56.86**	**56.86**
Additions	8.53	8.53
Disposals	-	-
As at 31 March 2023	**65.39**	**65.39**
Additions	12.69	12.69
Disposals	-	-
As at 31 March 2024	**78.08**	**78.08**
Net book value:		
As at 31 March 2023	**6.05**	**6.05**
As at 31 March 2024	**36.37**	**36.37**

1) The Group has not revalued any of its Intangible Assets

NOTE - 13
OTHER NON-FINANCIAL ASSETS

₹ in Lakhs

	As at 31-03-2024	As at 31-03-2023
Balance with government authorities	26.53	189.62
Prepaid expenses	78.80	58.06
Other advances	3.20	3.01
Total	**108.53**	**250.69**

NOTE - 14
TRADE PAYABLES

Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	180.87	258.66
Total	**180.87**	**258.66**

Following disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 has been made to the extent information available with the Group and the same have been relied upon by the auditors:

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Outstanding of Undisputed Trade Payable from due date of payment;

Particulars	As at 31-03-2024 Others	As at 31-03-2023 Others
Unbilled	20.86	8.89
Less than 1 year	155.60	249.14
1-2 years	2.85	0.63
2-3 years	1.56	-
More than 3 years	-	-
Total	**180.87**	**258.66**

(i) There are no outstanding of disputed trade payable from due date of payment as on 31 March 2024 and 31 March 2023

(ii) There are no outstanding of undisputed or disputed trade payable from micro, medium and small enterprises from due date of payment as on 31 March 2024 and 31 March 2023.

(iii) There are no unbilled disputed dues as on 31 March 2024 and 31 March 2023

NOTE - 15
DEBT SECURITIES (AT AMORTISED COST)

Non-convertible debentures (Refer note no. 47)	61,824.49	64,731.41
Total (A)	**61,824.49**	**64,731.41**
Debt securities in India	61,824.49	64,731.41
Debt securities outside India	-	-
Total (B)	**61,824.49**	**64,731.41**

(Secured by a first charge over the identified "business assets" i.e. securities/receivables of the Group and a Pari-passu charge over the immovable properties of the Group situated at Chennai.)

15 a The Group has registered all the charges towards outstanding secured debt securities issued outstanding as on 31 March 2024 and 31 March 2023. There is no satisfaction of charge pending on secured debt securities issued which are matured or repurchased during the financial year ended 31 March 2024 and 31 March 2023.

₹ in Lakhs

NOTE - 16
BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

	As at 31-03-2024	As at 31-03-2023
(a)Term loans		
(i) from banks*	41,715.77	24,802.63
(ii) from public sector undertaking - public financial institution**	6,657.08	9,890.41
(iii) from NBFC***	4,992.53	364.49
(b) Loans repayable on demand		
(i) from banks****	27,682.30	30,871.95
(ii) from NBFC*****	3,700.00	6,500.00
(c) Other loans		
Collaterlised Borrowing and Lending Obligation (CCIL)******	55,500.00	24,500.00
Total (A)	**1,40,247.68**	**96,929.48**
Borrowings in India	1,40,247.68	96,929.48
Borrowings outside India	-	-
Total (B)	**1,40,247.68**	**96,929.48**
Secured	1,40,247.68	96,929.48
Unsecured	-	-
Total (C)	**1,40,247.68**	**96,929.48**

* (a) Loan from banks are repayable in 6 semi-annually, 8 to 20 quarterly and 33 to 36 monthly installments along with interest from the date of loan. The loans are secured by Pari- passu first charge by way of hypothecation / assignment over the identfied business assets including current and future receivables of the Group, in favour of the security trustee.

* (b) Housing loan from bank 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.

** Loan from public sector undertaking - public financial institution is repayable in 31 equated monthly installments after a principal moratorium period of 6 months along with interest from each tranche of disbursement. The loans are secured by exclusive charge by way of hypothecation on the identified book debts and receivables of the loans provided by the Group.

*** Loan from NBFC is repayable in 14 quarterly installments after a principal moratorium period of 6 months along with interest from each tranche of disbursement. The loans are secured by first pari passu charge by way of hypothecation over the identified "business assets" i.e. securities/receivables of the Company, in favour of the security trustee.

****(a) Loan repayable on demand from bank is secured against pledge/lien on government securities and other debt securities and demand promissory note. The Holding Company, A. K. Capital Services Limited has given corporate guarantee on loan taken by Group from banks as disclosed in Note 38- Related Party Disclosure.

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

***** Loan from NBFCs is secured against pledge on approved list of debt securities of the NBFCs.

****** Loan from Collaterlised Borrowing and Lending Obligation (CCIL) is secured against lien on government securities and deposit.

16 (a) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

16 (b) The quarterly returns and / or statements of current assets filed by the Group with banks or financial institutions are in agreement with books of accounts and there is no discrepancies in the same.

16 (c) The Group is not declared a wilful defaulter by any bank or financial institution or other lender.

16 (d) The Group has registered all the charges towards secured borrowings outstanding as on 31 March 2024 and 31 March 2023. There is no satisfaction of charge pending on secured borrowings which are repaid during the financial year ended 31 March 2024 and 31 March 2023.

16 (e) There are no instances of breach of any covenant and security cover towards loan avalied or debt securities issued by the Group.

16 (e) Refer Note - 54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

NOTE - 17 DEPOSITS (AT AMORTISED COST)	As at 31-03-2024	As at 31-03-2023
Rental deposits	-	33.69
Total	**-**	**33.69**

NOTE - 18 OTHER FINANCIAL LIABILITIES		
Interest accrued but not due on borrowings	5,077.17	3,752.67
Creditors for capital goods	34.40	10.11
Lease liabilities	1,070.44	787.74
Employee dues	219.22	272.99
Other payables	1.68	8.05
Total	**6,402.91**	**4,831.56**

NOTE - 19 PROVISIONS		
Provision for employee benefits		
Gratuity (Refer note no.42)	211.67	191.25
Leave encashment	4.17	-
Total	**215.84**	**191.25**

NOTE - 20 DEFERRED TAX (ASSETS) / LIABILITIES (NET)		
Deferred tax liabilities -		
On account of:		
Depreciation	154.67	156.79
Fair value gain on investments in debt securities	501.06	245.74
Right of use	158.84	169.79
Gain on modification due to restructuring of loan	-	0.20
Less: Deferred tax assets:		
Depreciation on Investment property and assets held for sale	-	(49.08)
Impairment allowance on loans and advances	(60.56)	(74.56)
EIR on HTM Securities	(1.58)	(7.07)
Impairment allowance on investments	(4.22)	(7.48)
Long Term Capital Loss	(57.20)	-
Long Term Capital Loss on sale of investment property	(117.02)	-
Lease liabilities	(192.60)	(198.26)
Transaction cost on financial liabilities	(0.33)	(0.18)
Expenses allowable on payment basis (gratuity)	(52.93)	(48.03)
Transaction cost on financial assets	(37.37)	(37.94)
Deferred tax (assets) / liabilities (net)	**290.76**	**149.92**

NOTE - 21 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues	223.52	275.55
Advance for sale of capital assets	-	370.00
Others	0.22	-
Total	**223.74**	**645.55**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 22

(a) EQUITY SHARE CAPITAL

(i) Equity shares

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number of Shares	Amount ₹ in Lakhs	Number of Shares	Amount ₹ in Lakhs
Authorized:				
Equity shares of Rs. 10 each	3,00,00,000	3,000.00	3,00,00,000	3,000.00
Preference shares of Rs.100 each	65,00,000	6,500.00	65,00,000	6,500.00
		9,500.00		**9,500.00**
Issued, subscribed and paid-up:				
Equity shares of Rs. 10 each fully paid up	2,32,93,750	2,329.38	2,32,93,750	2,329.38
Compulsorily convertible preference shares of Rs.100 each fully paid up	65,00,000	6,500.00	65,00,000	6,500.00
		8,829.38		**8,829.38**

Details of the shares held by its holding company (i.e. A. K. Capital Services Limited):

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
Equity shares of ₹10 per share	2,29,97,490	98.73%	2,29,97,490	98.73%
Preference shares of ₹ 100 per share	45,00,000	69.23%	45,00,000	69.23%

Details of shareholders holding more than 5% equity shares in the Holding Company:

Name of Shareholder	As at 31-03-2024		As at 31-03-2023	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Services Limited	2,29,97,490	98.73%	2,29,97,490	98.73%

Details of shares held by promoters in the Holding Company :

Name of Shareholder	As at 31-03-2024		As at 31-03-2023	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Services Limited	2,29,97,490	98.73%	2,29,97,490	98.73%
A. K. Mittal	2,80,180	1.20%	2,80,180	1.20%
Aditi Miital	16,080	0.07%	16,080	0.07%

The is no percentage change in the shareholding of promoters during the financial year ended 31 March 2024 and 31 March 2023

The reconciliation of the number of shares outstanding in the Holding Company:

Particulars	As at 31-03-2024	As at 31-03-2023
Shares at the beginning of the year	2,32,93,750	2,32,93,750
Add :Shares issued during the year	-	-
Shares at the end of the year	**2,32,93,750**	**2,32,93,750**

(ii) Compulsory convertible preference shares

Details of shareholders holding more than 5% compulsory convertible preference shares in the Holding Company on reporting date:

Name of the holder	As at 31-03-2024		As at 31-03-2023	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Services Limited	45,00,000	69.23%	45,00,000	69.23%
A. K. Mittal	20,00,000	30.77%	20,00,000	30.77%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Details of shares held by promoters in the Holding Company :

Name of the holder	As at 31-03-2024		As at 31-03-2023	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Services Limited	45,00,000	69.23%	45,00,000	69.23%
A. K. Mittal	20,00,000	30.77%	20,00,000	30.77%

The is no percentage change in the shareholding of promoters during the financial year ended 31 March 2024 and 31 March 2023

The reconciliation of the number of Compulsory convertible preference shares outstanding in the Holding Company:

Particulars	As at 31-03-2024	As at 31-03-2023
Shares at the beginning of the year	65,00,000	65,00,000
Add :Shares issued during the year	-	-
Shares at the end of the year	**65,00,000**	**65,00,000**

Rights, preferences and restrictions attached to equity shares

The Holding Company has only one class of equity shares having a par value of Rs.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.

Rights, preferences and restrictions attached to Non Cumulative Compulsory Convertible Preference Shares

The Holding Company has issued 6,500,000 Compulsory Convertible Preference Shares (CCPS) of Rs 100 each fully paid-up. The Holding Company has only one class of CCPS fully participating with equity having par value of Rs.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 Holding Company,subject to the approval of the Board of Directors and Shareholders of the Holding 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 Rs. 100 each shall be convertible into 1 Equity Share of face value of Rs. 10 each and Security Premium of Rs.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 (i.e.28 September 2017) 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.

₹ in Lakhs

(b) Other equity	As at 31-03-2024	As at 31-03-2023
Special reserve		
At the beginning of the year	8,121.00	6,884.45
Add: Current year transfer	1,284.00	1,236.55
Closing balance of special reserve (A)*	**9,405.00**	**8,121.00**
Security Premium Account		
At the beginning of the year	27,321.88	27,321.88
Add: Current year transfer	-	-
Less: Share Issue Expenses	(15.17)	
Closing balance of security premium account (B)	**27,306.71**	**27,321.88**
Other comprehensive income		
At the beginning of the year	(1,690.39)	(1,662.57)
Add: Other comprehensive income for the year	(36.97)	(27.82)
Closing balance of other comprehensive income (C)	**(1,727.36)**	**(1,690.39)**
Retained earnings		
At the beginning of the year	29,236.90	25,053.25
Add: Profit for the year	6,373.23	6,200.20
Less: Dividend paid on CCPS	780.00	780.00
Less: Transfer to special reserve	1,284.00	1,236.55
Closing balance of retained earnings (D)	**33,546.13**	**29,236.90**
Total (A+B+C+D)	**68,530.48**	**62,989.39**

Refer Note - 54

*Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act") and the National Housing Bank Act, 1987 ("the NHB Act"). In terms of Section 45-IC of the RBI Act and Section 29C(1) of the NHB Act, the Group is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Further for this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. Appropriation from this Reserve Fund is permitted only for the purpose specified by the RBI .

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 23
INTEREST INCOME

₹ in Lakhs

Particulars	Current year 2023-2024			Previous year 2022-2023		
	On financial assets measured at amortised cost	Interest income on securities classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	Interest income on securities classified at fair value through profit or loss	Total
Interest on loans	6,442.72	-	6,442.72	5,620.09	-	5,620.09
Processing fees income	113.19	-	113.19	70.39	-	70.39
Interest income from investments	2,207.71	4,984.77	7,192.48	4,642.29	3,961.07	8,603.36
Interest income from stock of securities	-	9,223.41	9,223.41	-	3,252.98	3,252.98
Interest on deposits with banks	41.57	-	41.57	14.25	-	14.25
Other interest income	36.92	-	36.92	20.32	-	20.32
Total	**8,842.11**	**14,208.18**	**23,050.29**	**10,367.34**	**7,214.05**	**17,581.39**

₹ in Lakhs

NOTE - 24
FEES AND COMMISSION INCOME

	Current year 2023-2024	Previous year 2022-2023
Syndication and other fees	2,271.44	1,263.72
Total	**2,271.44**	1,263.72

NOTE - 25
NET GAIN/(LOSS) ON FAIR VALUE CHANGES

Net gain/(loss) on financial instruments at fair value		
-Investments	4,519.58	1,850.32
-Stock of securities	1,456.08	3,891.68
Total	**5,975.66**	**5,742.00**
Net gain/(loss) on financial instruments at fair value		
-Realised	4,618.88	5,054.58
-Unrealised	1,356.78	687.42
Total	**5,975.66**	**5,742.00**
Additional Information :		
Profit / (loss) on sale of Investments (actual) (A)	3,211.44	1,747.40
Net gain/(loss) on investments due to fair value change (B)		
-Realised	(33.90)	213.01
-Unrealised	1,342.04	(110.09)
Total (A+B)	**4,519.58**	**1,850.32**
Profit on sale of stock of securities (actual) (C)	1,750.80	3,668.69
Net gain/(loss) on stock of securities due to fair value change (D)		
-Realised	(309.46)	(574.52)
-Unrealised	14.74	797.51
Total (C+D)	**1,456.08**	**3,891.68**

NOTE - 26
NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

On financial instruments measured at amortised cost		
Loans (in form of unlisted debentures)	20.09	392.10
Investments	56.08	88.68
Total	**76.17**	**480.78**

NOTE - 27
OTHER INCOME

Profit on sale of property, plant and equipment (net)	-	0.49
Profit on redemption / repurchase of non-convertible debentures	3.38	-
Other income	-	2.65
Total	**3.38**	**3.14**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

NOTE - 28
FINANCE COSTS (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)

	Current year 2023-2024	Previous year 2022-2023
Interest on borrowings	8,978.45	4,597.78
Interest on debt securities	6,043.55	5,468.49
Interest on income tax	0.92	4.39
Other interest expense	163.48	79.42
Total	**15,186.40**	**10,150.08**

NOTE - 29
FEES AND COMMISSION EXPENSE

Incentive expenses	1,315.87	1,603.32
Total	**1,315.87**	**1,603.32**

NOTE - 30
IMPAIRMENT OF FINANCIAL INSTRUMENTS (NET)

On financial instruments measured at amortised cost		
Loans (net)	(0.51)	3.98
Investments (Refer note no.40)	(12.98)	(19.50)
Write Off - loans*	37.66	5.85
Total	**24.17**	**(9.67)**

* Write off of loans is towards loans acquired through direct assignment.

NOTE - 31
EMPLOYEE BENEFITS EXPENSE

Salaries and wages	4,598.41	3,487.68
Gratuity	46.57	40.04
Employers contribution to provident fund	74.15	56.49
Staff welfare expenses	54.52	36.46
Total	**4,773.65**	**3,620.67**

NOTE - 32
OTHER EXPENSES

Rent, taxes and energy costs	70.89	62.58
Travelling expense	198.97	193.28
Repairs and maintenance	34.15	40.46
Advertisement and business promotion expenses	20.40	22.74
Auditor's fees and expenses		
-for audit fees	7.05	6.24
-for tax audit fees	1.85	0.65
-for other services	1.35	1.47
Legal and professional charges	277.22	281.52
Loss on sale of property, plant and equipment (net)	0.01	-
Corporate social responsibilities (Refer note no.35)	136.27	122.50
Insurance expenses	21.89	23.18
Impairment loss on assets held for sale	-	101.29
Communication costs	15.24	14.50
Collection and sourcing fees	16.68	0.07
Software expenses	274.62	243.42
Director"s fees, allowances and expenses	15.44	30.34
Miscellaneous expenses	227.16	154.32
Total	**1,319.19**	**1,298.56**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

	Current year 2023-2024	Previous year 2022-2023
NOTE - 33		
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
a. Remeasurement of defined benefit obligation	(49.41)	(37.17)
b. Equity instruments through other comprehensive income	-	-
Total	**(49.41)**	**(37.17)**

NOTE - 34
SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108, the Group operates in a single operating segment i.e. "Financing and Investment Activity" within India. Accordingly, no separate disclosure is required. The Board of Directors of the Company are collectively Chief Operating Decision Makers (CODMs) of the Group.

NOTE - 35
CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Group. 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.

₹ in Lakhs

Particulars	As at 31-03-2024
Amount required to be spent by the Group during the year	136.41
Less: Previous years' excess	(0.14)
Net amount required to be spent by the Group during the financial year	**136.27**
Amount of expenditure incurred	136.30
Short fall / (Excess) in CSR Expenditure	(0.03)
Total of previous year shortfall	Nil
Reason for shorfall	NA
Nature of CSR activities	Contribution to any fund set up by the Central Government for socio-economic development and relief qualifies
Details of related party transaction	NA

NOTE - 36
EARNINGS PER SHARE (EPS)

Particulars	As at 31-03-2024	As at 31-03-2023
Net profit after tax available for equity share holders (Rs in lakhs.) [A]	6,373.23	6,200.20
Weighted average number of equity shares outstanding during the year for basic and diluted earnings per share (Nos.)* [B]	2,65,43,750	2,65,43,750
Basic earnings per share (Rs.) [A/B]	24.01	23.36
Diluted earnings per share (Rs.) [A/B]	24.01	23.36
Nominal value of share (Rs.)	10.00	10.00

*Weighted average number of equity shares outstanding includes weighted average numbers of compulsorily convertibles preference shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 37
LEASES

(i) Lease commitments as lessee:

The Group has entered into agreements for taking on lease certain guest house and office on lease and licence basis. The lease term is for a period ranging from 36 to 108 months. The Group has contracts which have fixed rentals.

Following are the changes in the carrying value of right-of-use assets (disclosed under note 10 - property, plant and equipment) for the year ended 31 March 2024:

₹ in Lakhs

Particulars	Building Right-of-use
Opening gross block value of account on adoption of Ind AS 116	**1,011.36**
Measurment on account of adoption of Ind AS 116	508.63
Deduction on account of termination of lease	-
Closing gross block value of account on adoption of Ind AS 116	**1,519.99**
Opening accumulated depreciation of account on adoption of Ind AS 116	**298.69**
Depreciation charged for the year	252.25
Deduction on account of termination of lease	-
Closing accumulated depreciation of account on adoption of Ind AS 116	**550.94**
Closing net block value as at 31 March 2024	**969.05**

Carrying value of lease liabilities is disclosed under note 18 - other financial liabilities at Rs. 1,070.44 Lakhs as at 31-March-2024.

The following is the movement in lease liabilities during the year ended 31 March 2024

₹ in Lakhs

Particulars	As at 31-03-2024
Balance at the beginning of the year	787.74
Additions	492.43
Finance cost accrued during the year	84.04
Gain loss on waiver of rent	-
Payment of lease liabilities	(293.77)
Balance at the end of the year	**1,070.44**

Contractual maturities of lease liabilities:

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

₹ in Lakhs

Particulars	As at 31-03-2024
Not later than one year	325.10
Later than one year and not later than five years	858.72
More than five years	104.39

The cash outflow of lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year 2023-2024 is Rs.293.77 lakhs.

(ii) Where the Group is lessor:

The future minimum lease payments receivable as per the lease agreements are as follows:

Particulars	As at 31-03-2024	As at 31-03-2023
Not later than one year	-	-
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 financial year 2023-2024 is Rs. Nil and for financial year 2022-2023 is Rs. 98.61 lakhs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 38
RELATED PARTY TRANSACTIONS

Holding company

A. K. Capital Services Limited

Fellow subsidiary

A. K. Stockmart Private Limited

A. K. Alternative Asset Managers Private Limited

Key managerial personnel

Mr. A. K. Mittal (Managing director)

Mrs.Aditi Mittal (Executive Director)

Ms. Annu Garg (Executive Director)

Mr. Vikas Jain (Non- Exucutive director)

Mr. Vinod Kumar Kathuria (Independent director)

Mr. Deepak Maheshwari (Independent Director)

Ms. Bindu Shah (Independent Director)

Mr. Ashish Vyas (Independent Director)

Mr. Rajiv Kumar Bakshi (Upto 31 March 2024) (Independent director)

Mr. Khimji Shamji Pandav (Upto 18 December 2023) (Independent director)

Mr. Vikas S Agarwal (From 25 October 2021-Upto 06 February 2023) (Independent director)

Mr. Ajay Tendulkar (CEO of Family Home Finance Private Limited)

Mr. Mahesh Bhootra (Chief financial officer)

Mr. Govind Lalwani (Upto 30 October 2023) (Company secretary)

Ms. Shikha Sharma (From 31 October 2023) (Company secretary)

Enterprise controlled by key management personnel

A. K. Services Private Limited

India Bond Private Limited

Notes:

a) The related party relationships have been determined on the basis of the requirements of the Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures'.

b) The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year, except where control exist, in which case the relationships have been mentioned irrespective of transactions with the related party.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

NOTE - 38 RELATED PARTY TRANSACTIONS (CONTD.) Related party transactions during the year:	Current Year 2023-2024	Previous Year 2022-2023
Brokerage paid		
A. K. Stockmart Private Limited	130.57	88.21
Demat charges paid		
A. K. Stockmart Private Limited	2.74	1.46
Key managerial remuneration *		
Short term benefits	506.21	489.17
Director's sitting fees	13.50	28.00
Rent paid		
Mrs. Aditi Mittal	24.00	24.00
Interest income on loan given		
A. K. Services Private Limited	541.12	686.54
A. K. Alternative Asset Managers Private Limited	10.96	-
Loan given		
A. K. Services Private Limited (Revolving Credit Sanction Limits amounting upto a maximum amount of Rs.10,000 lakhs (Previous Year Rs.10,000 Lakhs))	2,500.00	13,500.00
A. K. Alternative Asset Managers Private Limited	500.00	-
Repayment of loan given		
A. K. Services Private Limited (Revolving Credit Sanction Limits amounting upto a maximum amount of Rs.10,000 lakhs (Previous Year Rs.10,000 Lakhs))	5,000.00	10,500.00
Purchase of securities (excluding accrued interest)		
A. K. Stockmart Private Limited	6,522.83	1,597.95
A. K. Services Private Limited	-	9,928.57
A. K. Capital Services Limited	492.25	41,108.92
Sale of securities (excluding accrued interest)		
A. K. Stockmart Private Limited	10.09	4,652.77
A. K. Services Private Limited	-	1,051.91
A. K. Capital Services Limited	16,005.86	37,709.13
Interest Expenses		
A. K. Services Private Limited	0.68	-
Issuences of Non Convertible Debentures (excluding accrued interest)		
A. K. Services Private Limited	-	7,900.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

NOTE - 38 RELATED PARTY TRANSACTIONS (CONTD.)	Current Year 2023-2024	Previous Year 2022-2023
Incentive expenses		
India Bond Private Limited	511.87	364.57
Commission Expenses on Corporate Guarantee		
A. K. Capital Services Limited	72.88	-
Acquisition of Software		
India Bond Private Limited	25.00	-
Software expenses		
India Bond Private Limited	191.70	176.00
Balances Receivable		
A. K. Stockmart Private Limited (towards Stock Broking Contractual Obligations)	75.00	1,421.28
Trade payable		
A. K. Stockmart Private Limited	0.65	0.23
India Bond Private Limited	47.13	111.53
Non Convertible Debentures held by		
A. K. Services Private Limited	10.00	-
Accrued Interest on Non Convertible Debentures		
A. K. Services Private Limited	0.68	-
Loans outstanding		
A. K. Services Private Limited	5,000.00	7,500.00
A. K. Alternative Asset Managers Private Limited	500.00	-
Interest accrued but not due on loans outstanding		
A. K. Alternative Asset Managers Private Limited	9.86	-
Security deposit		
Aditi Mittal	100.00	100.00
Guarantee		
Corporate Guarantee given by holding company to bank for working capital demand loan taken by the Group	27,500.00	27,500.00

Note -
(a) Transaction amount is excluding taxes wherever applicable.
(b) Reimbursement of expenses has not been considered for above disclosure.
* Key managerial remuneration related to retirement benefits (i.e. gratuity) are recognised under employee benefits expenses in statement of profit and loss along with other employees gratuity costs of the Group based on the actuarial valuation carried out by independent actuary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 39
FINANCIAL INSTRUMENTS

The risk management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Management has overall responsibility for the establishment and oversight of the Group's risk management framework. In performing its operating, investing and financing activities, the Group is exposed to the Credit risk, Liquidity risk and Market risk.

The carrying value and fair value of financial instrument by categories as of 31 March 2024 were as follows: ₹ in Lakhs

Particulars	At amortised cost	At fair value through profit and loss	At fair value through other comprehensive Income	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	1,691.34	-	-	1,691.34	1,691.34
Bank balances other than (a) above	409.67	-	-	409.67	409.67
Trade receivables	48.60	-	-	48.60	48.60
Loans	61,443.14	-	-	61,443.14	61,862.81
Investments	3,244.67	1,86,366.02	-	1,89,610.69	1,89,839.21
Stock of securities	-	26,428.45	-	26,428.45	26,428.45
Other financial assets	697.84	3,518.84	-	4,216.68	4,216.68
TOTAL	**67,535.26**	**2,16,313.31**	**-**	**2,83,848.57**	**2,84,496.76**
Liabilities:					
Trade payables	180.87	-	-	180.87	180.87
Debt Securities	61,824.49	-	-	61,824.49	61,827.00
Borrowings	1,40,247.68	-	-	1,40,247.68	1,40,402.20
Other financial liabilities	6,402.91	-	-	6,402.91	6,402.91
TOTAL	**2,08,655.95**	**-**	**-**	**2,08,655.95**	**2,08,812.98**

The carrying value and fair value of financial instrument by categories as of 31 March 2023 were as follows: ₹ in Lakhs

Particulars	At amortised cost	At fair value through profit and loss	At fair value through other comprehensive Income	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	1,582.50	-	-	1,582.50	1,582.50
Bank balances other than (a) above	533.26	-	-	533.26	533.26
Loans	56,767.63	-	-	56,767.63	57,187.03
Investments	31,821.76	95,008.80	-	1,26,830.56	1,27,035.51
Stock of securities	-	47,085.53	-	47,085.53	47,085.53
Other financial assets	1,872.40	1,528.65	-	3,401.05	3,401.05
TOTAL	**92,577.55**	**1,43,622.98**	-	**2,36,200.53**	**2,36,824.88**
Liabilities:					
Trade payables	258.66	-	-	258.66	258.66
Debt Securities	64,731.41	-	-	64,731.41	64,752.00
Borrowings	96,929.48	-	-	96,929.48	97,024.76
Deposits	33.69	-	-	33.69	33.69
Other financial liabilities	4,831.56	-	-	4,831.56	4,831.56
TOTAL	**1,66,784.80**	**-**	-	**1,66,784.80**	**1,66,900.67**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 40
RISK MANAGEMENT

Financial risk management

The risk management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Management has overall responsibility for the establishment and oversight of the Group's risk management framework. In performing its operating, investing and financing activities, the Group is exposed to the Credit risk, Liquidity risk and Market risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

Credit risk

Loans

Credit risk is controlled by analysing the credit limits and creditworthiness of the customer on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. An impairment analysis is performed at each reporting date on a portfolio basis. The Group holds collateral as security against the loans. The impairment of the credit risk on the loan is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 Assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a probability default (PD)X exposure at default (EAD) X (Loss given default X discount rate - LGD)). The Group calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous charateristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of Impaired assets where lifetime PD is applied, the PD is extrapolated to take into account the probability of default over the life time of asset.

a) The following table gives details in respect of fees and income from loans generated from top customer and top 5 customers:

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Revenue from top customer	541.12	686.54
Revenue from top 5 customers	2,277.18	1,791.40

Investments in debt securities measured at amortised cost

Expected credit losses are measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The impairment of the credit risk on the investments is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 Assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a probability default (PD)X exposure at default (EAD) X (Loss given default X discount rate - LGD)). The Group calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous charateristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of Impaired assets where lifetime PD is applied, the PD is extrapolated to take into account the probability of default over the life time of asset.

Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model:

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Financial assets at amortised cost		
Trade receivables	48.60	-
Loans	61,704.28	57,029.28
Investments	3,261.43	31,851.50
Other financial assets	697.84	1,872.40
At end of the year	**65,712.15**	**90,753.18**

The Group exposure to customers is diversified and no single customer contributes to more than 25% of outstanding loans, investment, and other financial assets which are measured at amortised cost as at 31 March 2024 and 31 March 2023.

The Group has used a practical expedient by computing the expected credit loss allowance for loans and investment taking into account historical credit loss experience.

For other financial assets, the Group assesses and manages credit risk based on reasonable and supportive forward looking information. The Group does not have significant credit risk exposure for these items.

Balances with banks

The Group holds cash and cash equivalents with bank, which are having highest safety ratings based on ratings published by various credit rating agencies. The Group considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 40
RISK MANAGEMENT (CONTD.)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has interest rate risk exposure mainly from changes in rate of interest on borrowing, loans & securities. The following table analyse the breakdown of the interest bearing financial assets and liabilities by type of interest rate:

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Financial assets		
Interest bearing		
- fixed interest rate		
Bank balances other than cash and cash equivalent	409.67	533.26
Loans	40,030.95	17,434.42
Investments	1,86,971.20	97,761.98
Stock of securities	24,566.58	44,354.23
- floating interest rate		
Loans	21,673.33	39,594.85
Investments	2,168.69	23,339.53
Stock of securities	1,164.99	1,166.40
- non interest bearing		
Cash and cash equivalent	1,691.34	1,582.50
Trade receivables	48.60	-
Investment	487.57	5,758.80
Stock of securites	696.87	1,564.90
Other financial assets	4,216.68	3,401.05
Financial Liabilities		
Interest bearing		
- fixed interest rate		
Borrowings	1,19,884.07	95,282.94
Lease liabilities	1,070.44	787.74
- floating interest rate		
Borrowings	82,188.10	66,377.96
- non interest bearing		
Trade payable	180.87	258.66
Deposits	-	33.69
Other financial liabilities	5,332.47	4,043.81

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Increase in basis points	50.00	50.00
Effect on profit before tax	(285.91)	(11.39)
Decrease in basis points	50.00	50.00
Effect on profit before tax	285.91	11.39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 40

RISK MANAGEMENT (CONTD.)

Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The Group's maximum exposure to liquidity risk for the components of the balance sheet at 31 March 2024 and 31 March 2023 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The Group's major financial liabilities include term loans and non convertible debentures with maturity profile ranging between 0 to 10 years and short term borrowings are generally payable within one year. The average credit period taken to settle trade payables is about 30 days. The other payables are with short-term durations. The following table analysis undiscounted financial liabilities by remaining contractual maturities:

₹ in Lakhs

Particulars	On demand	Less than 3 months	3 to12 months	1 to 5 years	>5 years	Total
As at 31 March 2024						
Borrowings including debt securities	-	1,13,065.38	49,551.82	50,773.23	-	**2,13,390.43**
Trade and other payables	-	180.87	-	-	-	**180.87**
Other financial liabilities	-	5,154.48	483.80	816.34	104.39	**6,559.01**
	-	**1,18,400.73**	**50,035.62**	**51,589.57**	**104.39**	**2,20,130.31**
As at 31 March 2023						
Borrowings including debt securities	-	61,286.81	23,711.83	90,795.08	-	**1,75,793.72**
Trade and other payables	-	258.66	-	-	-	**258.66**
Deposits	-	33.69	-	-	-	**33.69**
Other financial liabilities	-	2,672.54	491.72	1,809.51	-	**4,973.77**
	-	**64,251.70**	**24,203.55**	**92,604.59**	**-**	**1,81,059.84**

Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Grop's capital management is to maximise the shareholder value. The Group manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The Group manages its capital structure and makes adjustment in light of changes in business condition. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep optimum gearing ratio. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Borrowings including debt securities	2,02,072.17	1,61,660.89
Trade payables	180.87	258.66
Other financial liabilities	6,402.91	4,831.56
Deposits	-	33.69
Less: cash and cash equivalents	(2,101.01)	(2,115.76)
Net debt (A)	**2,06,554.94**	**1,64,669.04**
Equity share capital	8,829.38	8,829.38
Other equity	68,530.48	62,989.39
Total member's capital (B)	**77,359.86**	**71,818.77**
Capital and net debt (C=A+B)	**2,83,914.80**	**2,36,487.81**
Gearing ratio (%) (A/C)	**72.75**	**69.63**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any borrowings in the current year.

No changes were made in the objectives, policies or processes for managing capital during the aforesaid financial year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 41
FAIR VALUE HIERARCHY

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets measured at fair value on a recurring basis as of 31 March 2024:

₹ in Lakhs

Particulars	As at 31-03-2024	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments				
Mutual fund at FVTPL	185.14	185.14	-	-
Government securities at FVTPL	77,611.16	-	77,611.16	-
Debt instruments at FVTPL	1,08,267.29	-	1,08,267.29	-
Alternative investment Fund at FVTPL	302.43	-	302.43	-
Equity instruments at FVTOCI	-	-	-	
Stock of securities				
Debt instruments at FVTPL	25,731.58	-	25,731.58	-
Exchange Traded funds at FVTPL	696.87	696.87	-	-

The following table presents fair value hierarchy of assets measured at fair value on a recurring basis as of 31 March 2023:

₹ in Lakhs

Particulars	As at 31-03-2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments				
Mutual fund at FVTPL	235.12	235.12	-	-
Government securities at FVTPL	37,200.37	-	37,200.37	-
Debt instruments at FVTPL	52,049.63	-	52,049.63	-
Alternative investment Fund at FVTPL	5,523.68	-	5,523.68	
Equity instruments at FVTOCI	-	-	-	-
Stock of securities				
Debt instruments at FVTPL	45,520.63	-	45,520.63	-
Exchange Traded funds at FVTPL	1,564.90	1,564.90	-	-

Description of techniques and valuation inputs used for Level II and Level III hierarchy are under:

Assets class	Fair value hierarchy	Valuation techniques and inputs
Debt instruments, Government securities, commercial paper and state development loan measured at FVTPL	Level II	Valuation techniques and inputs in order of first preference are as under: 1.Cost of securities only if the securities are allotted within last 20 days or purchased within 7 days from the measurement date., or Latest traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-7 days whichever is later 2. Weighted average (appropriate weight considered by the Group) of; -Future cash flows which are discounted using a discount rate arrived at by adding the spread provided by FIMMDA and -Latest subsequent traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-7 days 3. Future cash flows are discounted using a discount rate arrived at by adding the spread provided by FIMMDA or other approved agencies and annualised government security yield provided by regulatory authorities.
Alternative Investment Fund (AIF) measured at FVTPL	Level II	The valuation is done based on the rating agency valuation provided by the Alternative Investment Fund (AIF).
Unquoted equity instruments measured at FVOCI	Level III	Based on unobservable inputs which generally approximates to the carrying value of the investments unless significantly impaired. Fair value has been considered Nil for significantly impaired investments. Sensitivity change in the unobservable input does not have a significant impact in its value and accordingly, sensitivity disclosure is not given.

The management assessed that cash and cash equivalents, Trade receivable and other financial asset, trade payables and other financial liabilities approximate their carrying amount largely due to short term maturity of these instruments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 42

EMPLOYEE BENEFIT OBLIGATION

A. Defined Contribution Plans

The following amount recognized as an expense in statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Contribution to provident fund	74.15	56.49

B. Defined Benefit Plans

The Group has a unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of Rs.20.00 Lacs (31 March 2023 - Rs 20.00 Lacs)

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	32.23	30.68
Past service cost	-	0.16
Interest cost on defined benefit obligation	14.34	9.20
(Gain) / losses on settlement	-	-
Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)	**46.57**	**40.04**
(b) Amount recorded in Other Comprehensive Income (OCI)		
Opening amount recognised in Other Comprehensive Income outside profit and loss account		
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	(3.83)	(1.19)
Actuarial loss / (gain) arising from change in demographical assumptions	2.27	0.05
Actuarial loss / (gain) arising on account of experience changes	50.97	38.31
Amount recognised in Other Comprehensive Income (B)	**49.41**	**37.17**
Gratuity expense recognised in the statement of profit and loss and Other Comprehensive Income (A+B)	**95.98**	**77.21**
(c) Reconciliation of net liability / asset		
Opening defined benefit liability / (assets)	191.25	125.67
Expense charged to profit & loss account	46.57	40.04
Amount recognised in outside profit and loss account	49.41	37.17
Benefit paid	(75.56)	(11.63)
Closing net defined benefit liability / (asset)	**211.67**	**191.25**
(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	191.25	125.67
Current service cost	32.23	30.68
Past service cost	-	0.16
Interest on defined benefit obligation	14.34	9.20
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	(3.83)	(1.19)
Actuarial loss / (gain) arising from change in demographic assumptions	2.27	0.05
Actuarial loss / (gain) arising on account of experience changes	50.97	38.31
Benefits paid / payable	(75.56)	(11.63)
Closing defined benefit obligation [liability/(asset)] recognised in balancesheet	**211.67**	**191.25**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
(e) The principal assumptions used in determining gratuity benefit obligation for the company's plans are shown below:		
Discount rate	7.22%	7.50%
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
Upto 30 Years	30.00%	29.00%
Upto 31-44 Years	28.00%	25.00%
Above 45 Years	29.00%	23.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

(f) A quantitative analysis for significant assumption is as shown below:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Indian gratuity plan:

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Assumptions -Discount rate		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation -increase of sensitivity level	(3.18)	(3.18)
Impact on defined benefit obligation -decrease of sensitivity level	3.28	3.29
Assumptions -Future salary escalations rates		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation-increase of sensitivity level	3.33	3.35
Impact on defined benefit obligation-decrease of sensitivity level	(3.26)	(3.27)

The following payments are expected contributions to the defined benefit plant in future years.

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Within 1-2 year	104.87	81.28
2-3 year	123.76	97.05
3-4 year	144.38	122.77
4-5 year	175.82	129.50
5-6 year	207.64	146.33

The average duration of the defined benefit plan obligation at the end of the reporting period is 1.79 years to 7.96 years (31 March 2023- 1.59 year to 7.21 years)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 43
INCOME TAX

₹ in Lakhs

Particulars		Current Year 2023-2024	Previous Year 2022-2023
A	**The major components of income tax expense for the years are:**		
	Current income tax:	1,866.26	1,978.50
	Current income tax charge	(4.69)	(11.89)
	Adjustments in respect of previous year		
	Deferred tax:		
	Relating to origination and reversal of temporary differences	153.69	5.71
	Income tax expense reported in the statement of profit or loss	**2,015.26**	**1,972.32**
B	**The reconciliation between the provision of income tax of the Group and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:**		
	Profit before income tax	8,388.49	8,172.52
	Rate of Income tax	25.17%	25.17%
	Computed expected tax expenses	2,111.22	2,056.86
	Tax effect due to non-deductible items	45.57	25.04
	Tax effect due to deductible items	(40.92)	(10.70)
	Tax effect due to recognition / non recognition of deferred tax assets / (liabilities)	24.52	(88.84)
	Tax effect due to cost indexation benefit	(68.40)	-
	Tax effect due to recognition of previously unrecognised tax losses	(57.20)	-
	Adjustments in respect of current income tax of previous year	(4.69)	(11.90)
	Others	5.16	1.86
	Income tax expense reported in the statement of profit or loss	**2,015.26**	**1,972.32**
C	**The Gross movement in the current income tax asset/(Liability) for the year ended 31 March 2024 and 31 March 2023 is as follows**		
	Net current income tax asset/(liability) at the beginning of the year	(12.26)	8.30
	Income tax paid	2,077.69	1,950.44
	Current tax expenses	(1,866.26)	(1,978.50)
	Interest on tax expenses	(0.92)	(4.39)
	Excess provision of earlier year	4.69	11.89
	Net current income tax asset/(liability) at the end of the year	**202.94**	**(12.26)**
D	**The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:**		
	Net deferred tax asset/(liability) at the beginning of the year	**(144.58)**	**(148.24)**
	Property plant and equipments	1.90	(5.09)
	Investment property and assets held for sale	(49.08)	29.49
	Gratuity	5.13	16.51
	Disallowance of share issue expenses	3.35	(0.49)
	Impairment allowance on loans and advances	(11.02)	12.97
	EIR on HTM Securities	(5.49)	0.35
	Right-of-use	86.57	49.84
	Lease liabilities	(82.47)	(43.28)
	Impairment allowance on investments	(3.26)	(4.91)
	Fair value gain on investments in debt securities	(255.06)	(82.04)
	Long term capital loss	57.20	-
	Long term capital loss on sale of investment property	117.02	-
	Transaction cost on financial liabilities	0.15	0.58
	Transaction cost on financial assets	1.04	29.20
	Timing difference arising on Section 36 on Income Tax Act 1961	(3.60)	-
	Gain loss on restructuring of loan	0.20	0.53
	Net deferred tax asset/(liability) at the end of the year	**(282.00)**	**(144.58)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 44
DISAGGREGATED REVENUE INFORMATION

The table below represents disaggregation of Group's revenue from contracts with the customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Type of goods or service		
Fees and commission Income	2,271.44	1,263.72
Total revenue from contracts with the customers	**2,271.44**	**1,263.72**
Geographical markets		
-India	2,271.44	1,263.72
-Outside India	-	-
Total revenue from contracts with the customers	**2,271.44**	**1,263.72**
Relation with customer		
-Non related party	2,271.44	1,263.72
-Related Party	-	-
Total revenue from contracts with the customers	**2,271.44**	**1,263.72**
Timing of revenue recognition		
-Service transferred over a period of time	-	-
-Service transferred over a point of time	2,271.44	1,263.72
Total revenue from contracts with the customers	**2,271.44**	**1,263.72**

Geographical revenue is allocated based on the location of the services.

NOTE - 45
SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Group's assumptions and estimates are based on parameters available at the time of preparation of consolidated financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Employee benefit plans

The cost of the defined benefit plan and other employment benefits plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the postemployment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates.

Based on periodic review of the demographic assumptions, attrition rate assumption used for actuarial valuation of liability related to gratuity has been re-assessed during the year ended 31 March 2024. For the purpose of assessing the attrition rate, the Group considered the historical attrition trend and expected rate based on such trend/ experience. The change in assumption resulted in a increase of closing gratuity by Rs. 49.41 Lakhs, for the year ended 31 March 2024.

Further details about gratuity obligations are given in Note - 42.

(b) Valuation of financial instruments other than those measured at amortised cost

The Group measures certain financial instruments on fair value basis at each balance sheet date. The details of Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs) are further detailed out in Note - 41

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(c) Impairment allowance for investments and loans

Recognition and measurement of impairment relating to the investments and loans measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are:

- Credit ratings of the investments and loans;
- Investment and loans staging criteria
- Calculation of probability of default / Loss given default
- Consideration of probability weighted scenarios and
- Forward looking macro-economic factors.

The Group considered current and anticipated future economic conditions relating to industries the Group deals. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its investments to estimate the probability of default in future.

(d) Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(e) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

NOTE - 46
CODE ON SOCIAL SECURITY, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and the Rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from the stakeholders which are under active consideration by the Ministry. The Group will evaluate the rules, assess the impact, if any, and account the same once the rules are notified and become effective.

NOTE - 47
DETAILS OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

A Details of secured redeemable non-convertible debentures as at March 31, 2024

₹ in Lakhs

Name of Security	Number	Amount (₹ in lakhs)	Allotment Date	Redemption Date
0.00% Non Convertible Debentures - Series MLD- I	990.00	9,900.00	26-May-22	26-May-24
0.00% Non Convertible Debentures - Series MLD- 2	514.00	5,140.00	27-Jun-22	27-Jun-24
8.00% Non Convertible Debentures - Series S	13,835.00	13,835.00	28-May-21	28-May-24
9.00% Non Convertible Debentures - Series E-II	5,852.00	5,852.00	10-Aug-17	10-Aug-24
9.40% Non Convertible Debentures - Series H	7,000.00	7,000.00	06-Dec-17	06-Dec-24
8.05% Non Convertible Debentures - Series T	500.00	5,000.00	30-Mar-22	30-Mar-25
9.08% Non Convertible Debentures - Series U	5,000.00	5,000.00	17-Jul-23	17-Jul-26
9.75% Non Convertible Debentures - Series K	6,600.00	6,600.00	28-Jun-18	28-Jun-25
9.95% Non Convertible Debentures - Series N	3,500.00	3,500.00	18-Sep-18	18-Sep-25

1. Face value of all the non convertible debentures is Rs.1,00,000 except Series T, Series MLD-1 and MLD-2
2. Face value of Series T,Series MLD-1 and MLD-2 non convertible debentures is Rs.10,00,000.
3. Non convertible debentures Series E, Series K, Series H, Series N, Series S, Series T, Series MLD-1 and Series MLD-2 are redeemable at a call option in the range of 12 months to 48 months.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

B Details of secured redeemable non-convertible debentures as at March 31, 2023

Name of Security	Number	Amount (₹ in lakhs)	Allotment Date	Redemption Date
0.00% Non Convertible Debentures - Series MLD- I	1,090.00	10,900.00	26-May-22	26-May-24
0.00% Non Convertible Debentures - Series MLD- 2	530.00	5,300.00	27-Jun-22	27-Jun-24
9.60% Non Convertible Debentures - Series B-I	1,600.00	1,600.00	07-Mar-17	07-Mar-24
9.60% Non Convertible Debentures - Series B-III	2,600.00	2,600.00	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures - Series B-VI	500.00	500.00	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures - Series B-VII	1,500.00	1,500.00	21-Mar-17	21-Mar-24
8.00% Non Convertible Debentures - Series S	14,300.00	14,300.00	28-May-21	28-May-24
9.00% Non Convertible Debentures - Series E-II	5,852.00	5,852.00	10-Aug-17	10-Aug-24
9.40% Non Convertible Debentures - Series H	7,000.00	7,000.00	06-Dec-17	06-Dec-24
8.05% Non Convertible Debentures - Series T	500.00	5,000.00	30-Mar-22	30-Mar-25
9.75% Non Convertible Debentures - Series K	6,700.00	6,700.00	28-Jun-18	28-Jun-25
9.95% Non Convertible Debentures - Series N	3,500.00	3,500.00	18-Sep-18	18-Sep-25

1. Face value of all the non convertible debentures is Rs.1,00,000 except Series T, Series MLD-1 and MLD-2
2. Face value of Series T,Series MLD-1 and MLD-2 non convertible debentures is Rs.10,00,000.
3. Non convertible debentures Series B, Series E, Series K, Series H, Series N, Series S, Series T, Series MLD-1 and Series MLD-2 are redeemable at a call option in the range of 12 months to 48 months.

NOTE - 48

(a) Additional information as required under Schedule III to the Companies act 2013, of enterprises consolidated as Subsidiary Company:

Name of the parent : A. K. Capital Finance Limited
Name of the Indian subsidiary : Family Home Finance Private Limited

₹ in Lakhs

Particulars	Parent	Subsidiary	Non Controlling Interest	Adjustment due to Consolidation	Total
Net assets	77,011.40	4,869.51	-	(4,521.05)	77,359.86
As a percentage of consolidated net assets (%)	99.55 %	6.29 %	0.00 %	(5.84)%	100.00 %
Share in profit or loss	6,307.41	109.13	-	(43.31)	6,373.23
As a percentage of consolidated profit or loss (%)	98.97 %	1.71 %	0.00 %	(0.68)%	100.00 %
Share in other comprehensive income	(36.97)	-	-	-	(36.97)
As a percentage of consolidated other comprehensive income (%)	100.00 %	0.00 %	0.00 %	0.00 %	100.00 %
Share in total comprehensive income	6,270.44	109.13	-	(43.31)	6,336.26
As a percentage of consolidated total comprehensive income (%)	98.96 %	1.72 %	0.00 %	(0.68)%	100.00 %

(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

₹ in Lakhs

Particulars	Amount
Reporting Currency	Indian Rupees
Share Capital	3,850.00
Reserves & Surplus	1,019.51
Total Assets	8,235.20
Total Liabilities	3,365.69
Investments	487.57
Turnover/Total Income	571.80
Profit before taxation	140.90
Provision for taxation	31.77
Profit after taxation	109.13
Proposed dividend	-
% of Shareholding	100.00

1. Name of subsidiaries which are yet to commence operations : **None**
2. Names of subsidiaries which have been liquidated or sold during the year : **None**

Part "B": Associates and Joint Ventures
The Group doesn't have any Associates and Joint ventures

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 49

The Group does not have any intangible assets under development.

NOTE - 50

There are no capital / other commitments and contingent liabilities as on 31 March 2024 and 31 March 2023.

NOTE - 51

The Group does not hold any Benami Property as defined under Benami Transactions (Prohibition) Act (45) of 1988 and rules made thereunder.

NOTE - 52

The Group does not have any transactions with companies struck off under section 248 of Companies Act 2013 or Section 560 of Companies Act 1956, during the financial year ending 31 March 2024 and 31 March 2023

NOTE - 53

The Group has complied with the number of layer prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017.

NOTE - 54

UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

(a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE - 55

The Group does not have any undisclosed income during the financial year ended 31 March 2024 and 31 March 2023.

NOTE - 56

The Group does not traded or invested in Crypto Currency or Virtual Currency during the financial year ended 31 March 2024 and 31 March 2023.

NOTE - 57

There was no impairment loss on the non-financial assets on the basis of review carried out by the management in accordance with Indian Accounting Standard (Ind AS) – 36 'Impairment of Assets'.

NOTE - 58

In the opinion of management, loans, investments and other financial assets 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 - 59

No fraud on or by the Group has been noticed or reported during the year ended 31 March 2024 and 31 March 2023.

NOTE - 60

There is no scheme of arrangement of any company in the Group which is approved by the Competant Authority in terms of section 230 to 237 of the Companies Act, 2013.

NOTE - 61

Subsequent events

No subsequent events have been observed which may require an adjustment to the statement of financial position.

NOTE - 62

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

Signatures to 1 to 62

As per our report of even date attached

For S. Bhandari & Co. LLP
Chartered Accountants
Firm's Registration Number : 000560C/C400334

Rupal Kumbhat
Partner
Membership No. 401084

Place: Jaipur
Dated : 11 May 2024

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

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

Vinod Kumar Kathuria
Chairman & Independent Director
(DIN : 06662559)

Mahesh Bhootra
Chief Financial Officer

Shikha Sharma
Company Secretary
(ACS : A52558)

Place: Mumbai
Dated : 11 May 2024

BUILDING BONDS

REGISTERED OFFICE:

601-602, 6th Floor, Windsor Building, Off CST Road, Kalina, Santacruz (East), Mumbai – 400 098 (India)

Tel.: +91 (022) 6634 9300 | Fax: +91 (022) 6610 0594

A. K. CAPITAL FINANCE LIMITED

(**CIN:** U51900MH2006PLC214277)
Registered Office: 601-602, 6th Floor, Windsor, Off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098.
Tel: +91 (022) 6754 6500 I **Fax:** +91 (022) 6610 0594 I **Website:** www.akgroup.co.in

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Eighteenth (18th) Annual General Meeting ("AGM")** of the members of A. K. Capital Finance Limited ("the **Company**") will be held on **6th day of September, 2024 at 11:00 A.M.** (IST) through Video Conferencing ("VC") facility or Other Audio Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024 including notes and schedule to financial statements, together with the Report of the Board of Directors' and the Auditors' thereon; and
   b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 including notes and schedule to financial statements, together with the Report of Auditors' thereon.
2. To declare a Final Dividend of INR 12/- (Indian Rupees Twelve) per Compulsory Convertible Preference Shares (CCPS) of INR 100/- (Indian Rupees Hundred) each and to confirm the Interim Dividend already paid for the financial year ended March 31, 2024.
3. To appoint a Director in place of Ms. Aditi Mittal (DIN: 00698397), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers herself for re-appointment.
4. To appoint Statutory Auditors of the Company and to fix their remuneration.

"RESOLVED THAT subject to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014 and 'Guidelines for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' issued by the Reserve Bank of India ("RBI") vide circular dated April 27, 2021 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. B G J C & Associates LLP (Firm Registration No. 003304N/N500056), Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company to hold office for period of three years i.e. from the conclusion of Eighteenth Annual General Meeting ("AGM") till the conclusion of the Twenty-First AGM.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) of the Company be and are hereby authorised to fix the remuneration plus out of pocket expenses, if any of Statutory Auditors as may be mutually agreed upon by them for the purpose of audit of the Company.

RESOLVED FURTHER THAT any one Director or Chief Financial Officer of the Company or the Company Secretary be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things and execute, sign all such deeds, documents and writings, on an ongoing basis, as may be necessary, proper or expedient for the purpose of giving effect to the above resolution.

RESOLVED FURTHER THAT any one Executive Director of the Company or Chief Financial Officer of the Company or the Company Secretary be and is hereby severally authorized to furnish a certified true copy of the resolution as and when required."

SPECIAL BUSINESS:

5. Issuance of Commercial Paper of nominal value aggregating up to INR 500 Crores (Indian Rupees Five Hundred Crores) within the borrowing limits set forth under Section 180 of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and subject to regulations, guidelines, provisions laid down by the Reserve Bank of India, Securities and Exchange Board of India (in force from time to time), subject to the provisions of the Memorandum and Articles of Association of the Company and other applicable regulations as may be amended and applicable from time to time, approval of the shareholders of the Company be and is hereby accorded to borrow from time to time, by way of issuance of Commercial Papers ("CPs") of nominal value aggregating up to INR 500 Crores (Indian Rupees Five Hundred Crores), in one or more tranche(s) on such terms and conditions as the Board of Directors (including any Committee thereof) of the Company may deem fit and appropriate from time to time.

RESOLVED FURTHER THAT the said limit of up to INR 500 Crores (Indian Rupees Five Hundred Crores) shall be within the overall borrowing limit approved by the members as per section 180(1) (c) of the Companies Act, 2013 and borrowing policy of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company or any other Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution, be and is hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of CPs, including but not limited to number of issue(s)/ tranche(s), face value, issue price, discount on issue, size, timing, amount, yield, arrangement fee, listing, allotment, dematerialization and other terms and conditions of issue of CPs as they may, in their absolute discretion, deemed necessary.

RESOLVED FURTHER THAT any one executive Director of the Company or the Company Secretary or Chief Financial Officer (CFO) of the Company be and is hereby authorized severally to do all acts and take all such steps to give effect to this resolution including but not limited to filing e-forms, for the purpose of compliance under the Companies Act, 2013 and to furnish a certified true copy of the resolution as and when required."

For and on behalf of the Board
A. K. Capital Finance Limited
Sd/-
A. K. Mittal
Managing Director
DIN: 00698377
Registered Office: 601-602, 6th floor,
Windsor Off CST Road, Kalina, Santacruz - (East) Mumbai – 400 098

Date: August 05, 2024

NOTES:

1. Ministry of Corporate Affairs ("MCA") vide its General Circular Nos.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 05, 2020, Circular No.02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023 ("MCA Circulars") has permitted to conduct the Annual General Meeting through video conferencing ("VC") or other audio-visual means ("OAVM") up to September 30, 2024 , without the physical presence of the Members at a common venue. In compliance with the above MCA Circulars and SEBI Circulars, the provisions of the Companies Act, 2013 ("hereinafter referred as "Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("hereinafter referred to as "LODR Regulations"), the AGM of the Company is being held through VC / OAVM.

2. In terms of the MCA circulars, the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), shall be sent only by email to the Members, trustees for the debenture- holder issued by the Company and to all other persons so entitled. Further, the notice for AGM shall be given only through emails registered with the Company or with the depository participant / depository.

3. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, the deemed venue of the 18th AGM will be Board Room, 601-602, 6th floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai – 400 098.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. The dividend, if declared at the Annual General Meeting, would be paid/dispatched as per regulatory timeline from the date of declaration to those CCPS shareholder:

   a. whose names appear as Beneficial Owners as at the end of the business hours on August 30, 2024 in the list of Beneficial Owners to be furnished by National Securities Depository Limited in respect of the shares held in electronic form; and

   b. whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before August 30, 2024.

6. As per the provisions of Clause 3 A II of the MCA General Circular No. 20/ 2020 dated May 5, 2020, the matter of Special Business as appearing at Item No. 5 of the accompanying Notice, is considered to be unavoidable by the Board and hence, is forming part of this Notice.

7. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at e-AGM in respect of Item No. 5 is annexed hereto and forms part of the Notice.

8. Institutional/Corporate shareholder intending to authorize their representatives pursuant to Sections 112 and 113 of the Act, as the case may be, are requested to e-mail a scanned copy (PDF/JPG format) of the duly certified copy of the Board Resolution/authorization etc. authorizing their representative/(s) to attend and vote on their behalf at e-AGM to the Company at the e-mail Id: csakcfl@akgroup.co.in.

9. The attendance of the Members attending the e-AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

10. In line with relevant MCA Circular and SEBI Circular copy of the Notice of the 18th AGM along with Annual Report for the financial year 2023-24 is being sent only through electronic mode to all the members whose E-mail IDs with the Depository Participants in case of holding shares in demat mode for communication purposes and to the trustees of the debenture holders at their designated E-mail ID as available in the records of the Company. The notice convening the 18th AGM of the Company and the Annual Report for the Financial Year 2023-24 has also been uploaded on the website of the Company at www.akgroup.co.in.

11. Instructions for attending the AGM through VC/OAVM:

   i. The Members will be provided with a facility to attend the e-AGM through VC/OAVM.

   ii. The Members can join the e-AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.

   iii. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuations in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

   iv. Members, who need any technical assistance before or during the AGM, can contact by sending an email to csakcfl@akgroup.co.in

   v. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at csakcfl@akgroup.co.in. The same will be replied by the company suitably.

12. The members may further note that voting on all resolutions placed at the e-AGM will be done through Show of Hands, unless a poll is demanded pursuant to Section 109 of the Act.

13. Members desirous of getting any information about the accounts and/or operations of the Company are encouraged to submit the details of information required in advance with regard to the financial statements or any other matter to be placed at the 18th AGM, from their registered e-mail address, mentioning their Name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at csakcfl@akgroup.co.in before 3.00 p.m. (IST) on Wednesday, September 04, 2024. Such information as requested by the Members shall be suitably kept ready by the Company and furnished to the Members at the AGM.

14. All documents referred to in the accompanying Notice and Explanatory Statement will be available for inspection electronically by the Members on the website of the Company www.akgroup.co.in during the time of AGM.

The Company has been maintaining statutory registers i.e. Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 at its registered office of the Company and in accordance with the MCA Circulars, the said registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting.

15. Since the AGM will be held through VC/OAVM facility, the Route Map is not annexed to this notice.

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

Sd/-
A. K. Mittal
Managing Director
DIN: 00698377
Registered Office: 601-602, 6th floor,
Windsor Off CST Road, Kalina, Santacruz - (East) Mumbai – 400 098

Date: August 05, 2024

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statements set out all the material facts relating to the Ordinary Business /Special Business mentioned in the accompanying Notice:

Item No. 5

In order to augment resources inter alia, to expand its operations and its working capital requirements, the Company may offer or invite subscription for issuance of Commercial Papers ("CPs") of nominal value aggregating up to INR 500 Crores (Indian Rupees Five Hundred Crores), in one or more tranche(s) on such terms and conditions as the Board may deem fit and appropriate from time to time.

The Board of Directors of the Company at its meeting held on May 11, 2024 has approved the same, subject to the approval of shareholders in the general meeting proposed to issue CPs on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any and as may be finalized by the Board and/or Committee of Directors thereof. The issue price of CP shall be determined by the Board keeping into consideration various economic factors, tenure and other relevant factors.

Accordingly, consent of the shareholders is sought for passing a **Special Resolution** as set out under this item no. 5 of the Notice.

This resolution enables the Board of Directors of the Company or any other Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution to offer or invite subscription for CPs aggregating up to INR 500 Crores (Indian Rupees Five Hundred Crores), in one or more series or tranche(s), as deemed fit, and within the overall borrowing limits of the Company, as approved by the shareholders from time to time and as per the details specified in the said special resolution. The Board of Directors of the Company or any other Committee thereof shall decide, inter alia, other terms and conditions for such fund raising.

The Board of Directors of the Company recommends the Special Resolution as set out in Item no. 5 of this Notice for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, except to the extent of their respective shareholding in the Company, concerned or interested, financially or otherwise, in the proposed special resolution.

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

Sd/-
A. K. Mittal
Managing Director
DIN: 00698377
Registered Office: 601-602, 6th floor,
Windsor Off CST Road, Kalina, Santacruz - (East) Mumbai – 400 098

Date: August 05, 2024

BRIEF RESUME OF MS. ADITI MITTAL SEEKING APPOINTMENT/RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING (IN PURSUANCE WITH SECRETERIAL STANDARD 2)

Name of the Director and DIN	Ms. Aditi Mittal (DIN: 00698397)		
Category	Executive Director		
Age	42 Years (August 31, 1982)		
Nationality	Indian		
Date of Appointment on the Board	December 02, 2022		
Shares held in the Company as on March 31, 2024	Equity Shares: 16,080 (0.07%)		
Qualification/s	Chartered Accountant		
Brief resume including experience	Aditi Mittal started her career with A. K. Capital Services Limited, the flagship company of the AK Group in the Finance & Accounts Department as an Assistant Manager. Having overall experience of 20 plus years in the financial sector. Presently holding Directorship positions at various AK Group Companies. She was a Director of A.K. Capital Finance Limited (NBFC-ND-SI) from 22/04/2008 to 13/10/2010 and a Director of holding Company A.K. Capital Services Limited and many other group Companies which are largely into financial sector. Additionally she is a Co-Founder of online bond platform, India Bond Private Limited, a fintech debt online platform.		
Expertise in specific functional areas	Expertise in Debt Market, Investment Advisory, Financial Services, Fund and Fee based activities.		
Terms and Condition of re-appointment along with Remuneration	As per terms & conditions and remuneration mentioned in the special resolution passed by the members of the Company at the 18th AGM of the Company.		
Last Remuneration Drawn	INR 1,94,00,000/- for FY 2023-24		
Directorships held in other companies	A. K. Capital Services Limited – Non-Executive Director A.K. Wealth Management Private Limited – Director Family Home Finance Private Limited – Director A. K. Capital Singapore Pte. Limited - Director		
Member/ Chairman of the Committees of Board/ other Companies	**Name of the Company**	**Name of Committee**	**Member/Chairman**
	A. K. Capital Finance Limited	Corporate Social Responsibility (CSR) Committee	Member
		Risk Management Committee	Member
		Stakeholders' Relationship Committee	Member
	A. K. Capital Services Limited	Corporate Social Responsibility (CSR) Committee	Chairman
		Nomination and Remuneration Committee	Member
Number of Meetings of the Board attended during the Financial Year 2023-24	02		
Relationship with other Director, Manager & KMP	Ms. Aditi Mittal, Director is daughter of Mr. A. K. Mittal		
Listed companies from which the Director has resigned in the past 3 (three) years	Mr. Aditi Mittal has not resigned from any listed company in the past 3 years.		

The proposal for re-appointment of Ms. Aditi Mittal, Executive Director has been approved by the Board pursuant to the recommendation of the Nomination and Remuneration Committee considering their skills, experience and knowledge and positive outcome of performance evaluation, wherever applicable.

Ms. Aditi Mittal is not disqualified from being appointed as a director in terms of Section 164 of the Act, BSE circular dated June 20, 2018 and Schedule V of Companies Act, 2013. Further Ms. Aditi Mittal does not attract any disqualifications as contained under Section 196(3) and fulfills all the conditions as contained in Part I of Schedule V.

None of the directors or key managerial personnel of the Company or their relatives, except Mr. A. K. Mittal (DIN: 00698377) and Ms. Aditi Mittal (DIN: 00698397) are, directly or indirectly concerned or interested, financially or otherwise in the Company.

The Board recommends the Resolution as mentioned under Item No. 3 of the Notice for your approval.

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

Sd/-
A. K. Mittal
Managing Director
DIN: 00698377
Registered Office: 601-602, 6th floor,
Windsor Off CST Road, Kalina, Santacruz - (East) Mumbai – 400 098

Date: August 05, 2024