A. K. CAPITAL FINANCE LIMITED

BUILDING BONDS

ANNUAL REPORT

2024-2025

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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
(w.e.f. April 01, 2024 to August 05, 2024)
Firm's Registration Number: (000560C/ C400334)

M/s. B G J C & Associates LLP, Chartered Accountants
(w.e.f. August 05, 2024 to March 31, 2025)
Firm's Registration Number: (003304N/N500056)

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; I Fax: +91 22 49220505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Website: https://www.catalysttrustee.com

REGISTRAR & SHARE TRANSFER AGENT

MUFG Intime India Private Limited (formerly known as 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 I Email: ganesh.jadhav@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

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
SBM Bank (India) Limited.
City Union Bank
DCB Bank
Poonawalla Fincorp Limited

REGISTERED OFFICE

601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400 098
Website: www.akgroup.co.in I Tel: + 91-22-66349300/ 67546500I 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 I Tel: + 91-11-47340685 I Fax: +91-11- 43615288

CORPORATE IDENTIFICATION NUMBER

U51900MH2006PLC214277

DIRECTOR'S REPORT

To the Members of

A. K. Capital Finance Limited

601-602, 6th Floor, Windsor Building,

off CST Road, Kalina, Santacruz (East),

Mumbai – 400 098

The Directors of your Company are pleased to present the Nineteenth Annual Report of the Company along with the Audited Standalone & Consolidated Financial Statements for the Financial Year ended March 31, 2025.

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 Tri Party Repo Settlement ("**TREPS**") [earlier known as 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 is Nil Non-Performing Assets as on March 31, 2025.

The Net Worth of the Company as on March 31, 2025 is around INR 81,756.90 lakhs.

Further, SEBI vide notification dated March 27, 2025 has amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"). As per given amendment the term 'High Value Debt Listed Entity' ("**HVDLE**") has been redefined to include entities that has listed its non-convertible debt securities ("**NCDs**") and has an outstanding value of listed NCDs of INR 1,000 Crore and above, which was earlier INR 500 Crore and above.

Pursuant to the aforesaid amendment, the Company is not falling under the definition of HVDLE effective from March 27, 2025.

However, as the Company was an HVDLE for maximum period of the Financial Year, accordingly, the Company had complied with all the requirements applicable to an HVDLE for the period under review.

2. FINANCIAL SUMMARY/ HIGHLIGHTS:

a) Standalone Financial Highlights:

The Company's financial performance for the Financial Year ended March 31, 2025 on a Standalone basis as compared to the previous Financial Year is summarized below:

(INR in Lakh except EPS)

Particulars	F.Y. 2024-25	F.Y. 2023-24
Total Income	33,396.71	31,016.36
Total Expenditure	25,025.17	22,725.46
Profit before tax	8,371.54	8,290.90
Provision for tax	1,589.91	1,983.49
Profit after tax	6,781.63	6,307.41
Add: Surplus brought forward from previous year	33,255.50	28,990.09
Profit available for appropriation	40,037.13	35,297.50
Less: Transfer to special reserve	(1,357.00)	(1,262.00)
Less: Dividend paid on CCPS	(771.45)	(780.00)
Less: Dividend on Equity Shares	(1,247.56)	-
Surplus carried to balance sheet	36,661.12	33,255.50
Earnings per equity share (face value INR 10/- per share)		
Basic (INR)	25.55	23.76
Diluted (INR)	25.55	23.76

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

The revenues from operations for the Financial Year 2024-25 were INR 33,383.18 Lakhs as compared to INR 31,009.04 Lakhs during Financial Year 2023-24. The profit after tax for the Financial Year 2024-25 was INR 6,781.63 Lakhs as compared to INR 6,307.41 Lakhs during Financial Year 2023-24.

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, 2025 is summarized below:

(INR in Lakh except EPS)

Particulars	F.Y. 2024-25	F.Y. 2023-24
Total Income	33,933.78	31,376.94
Total Expenditure	25,408.67	22,988.45
Profit before tax	8,525.11	8,388.49
Provision for tax	1,622.78	2,015.26
Profit after tax	6,902.33	6,373.23
Earnings per equity share (face value INR 10/- per share)		
Basic (INR)	26.00	24.01
Diluted (INR)	26.00	24.01

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

3. DIVIDEND:

The Board of Directors had declared and paid, interim and final dividend for the period under consideration; the specifics are shown below:

Date of declaration	Type of Dividend	Rate of Dividend	Type of Security	Amount (in INR)	Period
August 05, 2024	Final	12%	Compulsorily Convertible Preference Shares	3,88,93,150/-	October 01, 2023 to March 31, 2024
September 27, 2024	1st Interim	12%	Compulsorily Convertible Preference Shares	3,82,52,055/-	April 01, 2024 to September 26, 2024
October 30, 2024	1st Interim	23.5%	Equity Shares	6,23,77,813/-	F.Y. 2024-25
February 03, 2025	2nd Interim	23.5%	Equity Shares	6,23,77,813/-	F.Y. 2024-25

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 B G J C & Associates 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 2024-25.

Annexure B to the Independent Auditors' Report provides a report on Internal Financial Controls over the financial reporting as on March 31, 2025.

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 no longer valid e.g. employees left the organization, change in role, department etc.

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. In addition, "Cyber Security Awareness Course" has been mandated to all employees via HRMS LMS portal for Cyber Security Awareness and education to all users and to meet regulatory and audit compliance.

The Company has successfully completed Cyber Security Risk Assessment of the Company for the financial year 2024-25.

Vulnerability Assessment and Penetration Testing ("**VAPT**") & Information System ("**IS**") Audit of identified information technology assets (data, hardware and software), information systems consisting of set of applications, services or other information handling components related to critical business activities were also conducted for the financial year 2024-25. There were no qualifications or adverse remark made by the auditor in the said report.

Further, the Company has successfully completed the IT DR Drill activity on Business working day (as per regulatory requirement) for F. Y. 2024-25 as part of the Business Continuity Plan of the Company and rolled back the Connect & Tally servers to Mumbai DC Production and checked all the functionality and stated that the same were working fine.

Corrective actions being taken (as per applicability) on Cyber Security Alerts & Advisories shared by Cert-in & RBI CSITE time to time to safe guard the systems and data from known threats and vulnerabilities.

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. DIRECTORS:

a) Composition of the Board:

As on March 31, 2025, the Board of Directors of your Company comprised of five Directors of which two are Executive Directors (including one Woman Executive Director) and three are Non-Executive Independent Directors (including one Woman Independent Director). The Chairperson of the Board is Non-Executive Independent Director. The composition of the Board is in consonance with RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("**Master Direction**"), Companies Act, 2013 ("**Act**") read with rules made thereunder and such other applicable laws, as amended from time to time.

b) Change in Directors:

During the Financial Year under review, the following change has occurred in the Board of the Company:

(i) 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.

In the opinion of the Board, Ms. Bindu Darshan Shah possesses requisite expertise, integrity, experience and proficiency.

Furthermore, during the reviewed period, there were no resignations on the Board.

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, Mr. A. K. Mittal (DIN: 00698377), Managing Director on the Board of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself 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 under Section 149(6) of the Companies Act, 2013. 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.

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, 2025:-

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

There was no change in the Key Managerial Personnel of the Company during the year under review.

10. FIT AND PROPER CRITERIA:

All the Directors meet the fit and proper criteria stipulated by the RBI. Further, all the disclosures in this regard have been obtained from the Directors 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, JOINT VENTURE OR ASSOCIATE COMPANIES:

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.

Further, the Company does not have any Joint Venture or Associate Companies. Additionally, during the year under review, no companies became or ceased to be its associates, joint ventures or subsidiaries.

Highlights of the performance of the subsidiary:

The total revenue from the operation of FHFPL during the year under review is INR 721.51 Lakhs (previous year INR 552.97 Lakhs) and the Net Profit is INR 110.01 Lakhs (previous year INR 109.13 Lakhs).

Report on highlights on performance of Subsidiary and its contribution to overall performance of the company during the period under report:

Sl. No.	Name of Subsidiaries, Associates and Joint Venture Companies	Category	Contribution to the overall performance of the Company (INR in Lakhs)	Contribution to the overall performance of the Company (In %)
1	Family Home Finance Private Limited	Wholly owned subsidiary	110.01	1.59

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. 49 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.

Pursuant to notification dated May 30, 2025 the Ministry of Corporate Affairs has amended the Companies (Accounts) Rules, 2014. The additional data required in Form AOC-1 pursuant to the above notification is provided below:

Sl. No.	Particulars		
1	CIN/ any other registration number of subsidiary company		U74999MH2017PTC296737
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From	April 1, 2024
		to	March 31, 2025
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	Reporting Currency	Not applicable
		Exchange Rate	

Names of subsidiaries which are yet to commence operation:

Sl. No.	CIN /any other registration number	Names of subsidiaries which are yet to commence operations
Nil		

Number of subsidiaries which have been liquidated or have ceased to be a subsidiary during the year:

Sl. No.	CIN /any other registration number	Names of subsidiaries which are yet to commence operations
Nil		

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Not Applicable

14. BORROWING:

During the year under review, 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, 2025.

The interest payable on all the debt securities are paid on due dates & no interest was due and unpaid as on March 31, 2025. The Company has not received any grievances from the debt security holders.

The business 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.

The above mentioned debt securities are listed on Wholesale Debt Market ("**WDM**") segment of the BSE Ltd ("**BSE**") and National Stock Exchange of India Limited ("**NSE**").

The aggregate debt outstanding as at March 31, 2025 was INR 2,30,029.02 Lakhs. The Debt / Equity ratio as on March 31, 2025 was 2.81. 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, Financial Institutions and NBFC are being made on their respective due dates.

15. CAPITAL ADEQUACY RATIO:

Capital Adequacy Ratio as at March 31, 2025 was stood at 31.64%, 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, 2025:

Rating Agency	Date	Rating	Rating amount (in Crore)	Nature of Securities
Acuite` Ratings & Research Limited (formerly known as SMERA Ratings Ltd)	25-Sep-24	Acuite`AA	128.52	Non-Convertible Debentures
	25-Sep-24	Acuite`AA-	172.50	Non-Convertible Debentures
	25-Sep-24	Acuite`AA+	101.00	Non-Convertible Debentures
Brickwork Ratings India Pvt. Ltd.	27-Nov-24	BWR AA+ (Stable)	171.00	Non-Convertible Debentures
CARE RATINGS	03-Feb-25	CARE AA-	1,190.00	Bank Facilities
	03-Feb-25	CARE AA-	75.00	Non-Convertible Debentures
	03-Feb-25	CARE AA-	100.00	Non-Convertible Debentures
	03-Feb-25	CARE AA-	100.00	Non-Convertible Debentures
	03-Feb-25	CARE AA-	100.00	Non-Convertible Debentures
	03-Feb-25	CARE AA-	150.00	Non-Convertible Debentures
	03-Feb-25	CARE AA-	70.00	Non-Convertible Debentures
	03-Feb-25	CARE A1+	100.00	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. B G J C & Associates LLP (Firm Registration No. 003304N/N500056), Chartered Accountants were appointed as the Statutory Auditors of the Company by the members at the Annual General Meeting held on September 06, 2024, to hold office for 3 years i.e. till conclusion of the 21st Annual General Meeting of the Company.

M/s. B G J C & Associates LLP (Firm Registration No. 003304N/N500056), 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.

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 2024-25. The Secretarial Audit Report for the Financial Year ended March 31, 2025 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 LODR Regulations, the Company has obtained Annual Secretarial Compliance Report for the Financial Year ended March 31, 2025 from the aforesaid Secretarial Auditor of the Company. The copy of Secretarial Compliance Report is available on the Website of the Company at the below given link:

https://www.akgroup.co.in/docs/ANNUAL%20SECRETARIAL%20COMPLIANCE%20REPORT%20%20MARCH%202025.pdf

Further, pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Regulation 24A and (1A) of the SEBI LODR Regulations (as per the applicable provisions for material subsidiary), the Board of the Company in its meeting held on May 17, 2025 accorded its approval to appoint M/s. Ragini Chokshi & Co., Practising Company Secretary as Secretarial Auditor of the Company for a period of five Financial Years from April 01, 2025 to March 31, 2030, subject to approval of members at the ensuing Annual General Meeting of the Company.

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, 2025 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

Type of Capital	Type of Shares	Number of Shares	Face Value (in INR)
Authorised Share Capital	Equity shares	3,00,00,000	10/-
	Cumulative Convertible Preference shares	65,00,000	100/-
Paid Up Share Capital	Equity shares	2,65,43,750	10/-

During the year under review, the Company has converted 65,00,000 Compulsorily Convertible Preference Shares ("**CCPS**") of INR 100/- each in the ratio 2:1 as per the terms of issuance and issued 32,50,000 Equity Shares of face value of INR 10/- each.

Pursuant to the conversion of CCPS into equity shares, the paid-up share capital of the Company as at March 31, 2025 stands at 2,65,43,750 Equity Shares of INR 10/- fully paid up.

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

As on March 31, 2025, the total equity share capital of the Company was held in 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.

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%20Grievances%20Mechanism%202025.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 19th 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 five 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 twelve 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)
(xi) Fraud Monitoring Committee
(xii) Review Committee

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 (delegated with the role of Identification Committee pursuant to RBI Master Direction on Treatment of Wilful Defaulters and Large Defaulters dated July 20, 2024)

(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.

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. 35 of Notes to Accounts to Standalone Financial Statements and Note No. 36 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%20RPTs%202025.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 LODR Regulations and is forming part of the Note No. 35 of Notes to Accounts to Standalone Financial Statements and Note No. 36 of Notes to Accounts to Consolidated Financial Statements.

27. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY:

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 along with other relevant provisions of the Act, the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications. The Company uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows) except in case of significant uncertainties.

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention 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 unless otherwise specified.

Accounting policies have been consistently applied except where a newly issued accounting standard initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

With effect from April 1, 2017, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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.

28. DECLARATION FROM DIRECTORS AND PRACTISING PROFESSIONAL:

Based on the written representations received from the directors of the Company as on March 31, 2025, none of the directors of the Company is disqualified to act as a Director as on March 31, 2025.

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.

29. 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

30. COMPLIANCE WITH MATERNITY BENEFIT ACT:

The Company complies with respect to the provisions of Maternity Benefit Act, 1961 including:

a) Providing maternity leave and benefits as mandated under the Act;

b) Ensuring job protection during maternity leave;

c) Notifying employees of their rights under the Act;

d) Maintaining necessary records and registers as prescribed.

The company remains committed to supporting the rights and welfare of women employees in accordance with applicable labour laws.

31. GENDER-WISE COMPOSITION OF EMPLOYEES:

In alignment with the principles of diversity, equity, and inclusion (DEI), the Company discloses below the gender composition of its workforce as on March 31, 2025.

Male Employees: 77

Female Employees: 38

Transgender Employees: Nil

The Company promotes an inclusive workplace culture and equal opportunity for all individuals, regardless of gender.

32. 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%202025.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 2024-25.

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%202025.pdf

The Report on CSR activities for the financial year 2024-25 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 LODR Regulations.

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-2025_AKCF.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 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 Chairperson of the Audit Committee.

This vigil mechanism of the Company provides adequate safeguard against victimisation of employees and also provides direct access to the Chairperson 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%202025.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) Employee Stock Option Scheme:

The Company has not granted any stock option to its employees.

i) 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.

j) 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.

k) Non-Acceptance of Public Deposits:

The Company is a Non-Deposit taking Middle Layer Non-Banking Financial Company. Hence it has not accepted any Deposits as per the Companies Act, 2013 during the Financial Year ended March 31, 2025. The Company has passed a Board resolution for non-acceptance of deposits from public.

l) 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.

m) Transfer to reserves:

Pursuant to Section 45-IC of the RBI Act, 1934, the Company is 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 1,357 Lakhs to reserves during the Financial Year ended March 31, 2025.

n) Change in nature of business:

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

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

The details of Share Capital and Issue of Equity Shares with differential voting rights is provided in Point No. 20 above.

p) Prevention of Sexual Harassment:

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and has duly constituted an Internal Complaints Committee (ICC), at group level, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. All employees (permanent, contractual and temporary trainees) are covered under this Policy. The Policy has been widely communicated internally and is placed on the Company's website.

The details of Complaints received during F.Y. 2024-25 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are as below:

Sr. No.	Particulars	Details
1.	Sexual Harassment Complaints received	1
2.	Sexual Harassment Complaints disposed off	1
3.	Number of Sexual Harassment Complaints pending beyond 90 days	Nil

The Annual Report for the calendar year ended December 31, 2024 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.

q) 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, 2025, there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

r) 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.

s) 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.

t) Compliance with SEBI Regulations:

The Company has complied with the SEBI Regulations including SEBI LODR Regulations to the extent applicable.

u) 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 Chairperson) 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 Chairperson 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 Chairperson.

v) 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.

w) General Information for Members and Debenture holders:

The quarterly/ half yearly/ annual Financial Results of the Company during the F.Y. 2024-25, respectively was submitted to the Stock Exchanges, Debenture Trustee and Debenture Holders in accordance with the SEBI LODR Regulations, as applicable. Official news releases including the results are also posted on the Company's website https://www.akgroup.co.in/investor-relation

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 (Equity, CCPS and Debt)
MUFG Intime India Private Limited (formerly known as 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@in.mpms.mufg.com and debtca@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

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;
Fax: +91 22 4922 0505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com

33. 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.

34. 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 A. K. Capital Finance Limited

A. K. Mittal
Managing Director
DIN: 00698377

Vinod Kumar Kathuria
Independent Director (Chairperson)
DIN: 06662559

Date: August 02, 2025
Place: Mumbai

SECRETARIAL AUDIT REPORT

ANNEXURE-1

[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, 2025

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, 2025 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, 2025 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, to the extent applicable;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings); **(Not applicable during the audit period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable 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 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 & National Stock Exchange of India Limited.

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 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 Middle Layer 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 as well as National Stock Exchange of India 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, wherever required, 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 listing of 44,000 Secured, Non-Convertible Debentures, amounting to INR 440 Crores and the listing of said debentures on Wholesale Debt Market Segment of BSE Limited & National Stock Exchange of India Limited.
2) Redemption of Non-Convertible Debentures, amounting to INR 467.27 Crores
3) Change in designation of Ms. Bindu Darshan Shah from Additional Non-Executive Independent Director to Non-Executive Independent Director
4) Declaration and Payment of Final Dividend @12% p.a. per Compulsory Convertible Preference Shares ("CCPS") of INR 100/- each for the period October 1, 2023 to March 31, 2024. The same was approved by the shareholders in the Annual General Meeting held on September 06, 2024
5) Declaration and Payment of Interim Dividend @ 12% p.a. per Compulsory Convertible Preference Shares ("CCPS") of INR 100/- each for the period April 1, 2024 to September 26, 2024. The payment of dividend was duly confirmed and approved by the shareholders in the Extra-Ordinary General Meeting held on September 28, 2024.
6) During the year, 65,00,000 CCPS were converted into Equity Shares in the ratio 2:1 i.e., 2 CCPS is converted into 1 Equity Share of INR 10/- each at a Security Premium of INR 190/- each as per the terms of issuance of CCPS.
7) In the Board meeting held on October 30, 2024 and February 03, 2025, 1st & 2nd Interim Dividend of INR 2.35/- on each fully paid-up Equity Share of INR 10/- each of the Company was declared and approved, respectively.
8) Approval for Public Issuance of Non-Convertible Debentures of the Company up to INR 1000 Crores.
9) 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 up to INR 1,000 Crores.
10) 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.
11) Appointment of M/s.BGJC & Associates LLP,Chartered Accountants as Statutory Auditors of the Company for period of 3 years from conclusion of 18th Annual General Meeting till conclusion of 21st Annual General Meeting.

FOR RAGINI CHOKSHI & CO
Company Secretaries

UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 # CP No- 11161
UDIN: A022133G000342321
ICSI Unique Code: P1988MH056900
Peer Review Certificate No -4166/2023

Date: May 14, 2025
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

FOR RAGINI CHOKSHI & CO
Company Secretaries

UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 # CP No- 11161
UDIN: A022133G000342321
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No -4166/2023

Date: May 14, 2025
Place: Mumbai

ANNEXURE - 2

POLICY ON MATERIALITY & DEALING WITH RELATED PARTY TRANSACTIONS

1. PREAMBLE

A. K. Capital Finance Limited (the "**Company**" or "**AKCFL**") has adopted the following Policy and procedures with regards to Related Party Transactions. This Policy is to regulate transactions between the Company and its Related Parties 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 read with rules made thereunder and pursuant to the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. 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 transactions between the Company and its Related Parties as well as policy concerning transactions with Related Parties shall also form part of the Annual Report. The Policy shall apply to all Related Party Transaction(s), unless the transaction is exempt.

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

(i) Amendments to the Companies Act, 2013;

(ii) Consequential actions taken by the Board of Directors or the Audit Committee of the Company;

3. DEFINITIONS

i. "**Act**" means the Companies Act, 2013 read with rules made thereunder [including any amendments or re-enactments thereof].

ii. "**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.

iii. "**Audit Committee or Committee**" means Committee of Board of Directors of the Company constituted under provisions of Act.

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

v. "**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.

vi. "**Compliance Officer**" means an officer appointed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vii. "**Key Managerial Personnel**" means key managerial personnel as defined under the Act 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.

viii. "**Master Directions**" or "**RBI Master Directions**" shall mean Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 [including any amendments or re-enactments thereof]

ix. "**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.

x. "**Policy**" means Policy on Materiality & Dealing with Related Party Transactions

xi. "**Related Party**" means related party is as follows:

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

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

xii. "**Related Party Transaction**" means any transaction involving any Related Party with respect to:

(a) sale, purchase or supply of any goods or materials;

(b) selling or otherwise disposing of, or buying, property of any kind;

(c) leasing of property of any kind;

(d) availing or rendering of any services;

(e) appointment of any agent for purchase or sale of goods, materials, services or property;

(f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

(g) underwriting the subscription of any securities or derivatives thereof, of the company:

xiii. "**Relative**" means relative as defined under sub-section (77) of section 2 of the Act.

Any term(s) and or expression(s) not defined in this Policy shall have the same meaning as defined under the Act, and other applicable laws and/ or regulation.

Wherever appropriate in this Policy, a singular term shall be construed to mean the plural where necessary and a plural term the singular. Similarly, any masculine term shall also be construed to mean the feminine or any other gender and vice versa.

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

The Company shall follow the following procedure with respect to entering into transactions with related parties:

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 in the other associations/entities, 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 transaction. The notice shall include a description of the transaction, manner of relation and the aggregate amount.

iv. The Compliance Officer shall promptly notify the Chairperson of the Audit Committee of the Board of any such disclosures by the Director or Key Managerial Personnel or any other transactions which are to be entered into with any Related Party.

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

vi. The Company strongly prefers to receive such notice of any potential interest in the proposed 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:

I) Approval of the Audit Committee

All Related Party Transactions must be reported to the Audit Committee and referred for approval of the Audit Committee in accordance with this Policy. All Related Party Transactions shall require prior approval of Audit Committee.

The Company may obtain omnibus approval from the Audit Committee for such transactions proposed to be entered into by the Company 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 contain the following–

(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;

(iii) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction

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 year. While assessing a proposal put up before the Audit Committee for approval, the Audit Committee may review seek the necessary 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.

Omnibus approval cannot be granted for transactions involving selling or disposing of the undertaking of the Company.

ii) 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 shall also be 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;

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 thresholds as per the applicable regulatory provisions, which are intended to be placed before the shareholders for approval.

iii) Approval of the Shareholders of the Company

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 Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for its approval.

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 and placed before the shareholders at the general meeting for approval.

C. RATIFICATION OF RELATED PARTY TRANSACTIONS

The members of the Audit Committee, may ratify Related Party Transactions within three months from the date of the transaction subject to the following conditions:

a. The value of the ratified transaction(s) with a related party, shall not exceed rupees one crore;

b. Rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification; and

c. Any other condition as specified by the Audit Committee or stipulated under law ;

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

D. DISCLOSURES REQUIRED FOR APPROVAL OF RELATED PARTY TRANSACTIONS

a) BOARD / AUDIT COMMITTEE

I. To review a Related Party Transaction, the Board/ Audit 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 Board/ Audit Committee to take a decision on the proposed transaction.

h) Such other information/ disclosures as may be required by statutory provisions to be mandatorily placed before the Board for their consideration.

ii. Factors to be considered for granting 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.

b) SHAREHOLDERS:

i. Name of the Related Party;

ii. Name of the Director or Key Managerial Personnel who is related, if any;

iii. Nature of relationship;

iv. Nature, material terms, monetary value and particulars of the contract or arrangement;

v. Any other information relevant or important for the members to take a decision on the proposed resolution.

vi. Such other information/ disclosures as may be required by statutory provisions to be mandatorily placed before the shareholders for their consideration.

5. DISCLOSURE OF RELATED PARTY TRANSACTIONS

I All the related party transactions entered into by the Company within the approved limits shall be placed before the Board/ Audit Committee on a quarterly basis for their noting.

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

iii. Details of all related party transactions shall also be disclosed in the notes to the financial statements as per the applicable account standards.

iv. 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.

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

6. REVIEW/ AMENDMENT OF THE POLICY

The Company may amend this Policy as and when deemed fit. This Policy shall subject to review by the Board, at least on an annual basis.

The Company shall reserve the right to review and make amendment to this Policy from time to time as it deems fit in accordance with the applicable laws, rules and regulations for the time being in force. In the event of any conflict between the provisions of this Policy and the Act, Master Directions or any other statutory enactments, the provisions of such Act, Master Directions, or other statutory enactments shall prevail over this Policy. An interim review and amendment can also be carried out to accommodate minor changes, if any, on regulatory and operating front by the Compliance Officer of the Company.

The Policy shall also be published on the official website of the Company and a web link thereto shall be provided in the Annual Report.

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, 2025, were at arm's length basis.

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

a)	Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	1. L74899MH1993PLC274881 2. U74899MH1986PTC268851 3. U67120MH2006PTC158932 4. U67110MH2022PTC395689 5. U74999MH2017PTC296737 6. U67100MH2008PTC178990 7. U62099MH2023PTC412945
b)	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. IB Future Tech Private Limited (formerly known as Indiabonds Technologies Private Limited) (Enterprise controlled by key management personnel) 8. Ms. Aditi Mittal, Executive Director 9. Mr. A. K. Mittal, Managing Director
c)	Nature of contracts/ arrangements/ transactions	Investment, Lending and other normal Transactions (mentioned in the Notes forming part of the financial statements at Note No. 35)
d)	Duration of the contracts/ arrangements / transactions	On-going basis and depends on the nature of transaction
e)	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. 35
f)	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.
g)	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.
h)	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

A. K. Mittal
Managing Director
DIN: 00698377

Vinod Kumar Kathuria
Independent Director (Chairperson)
DIN: 06662559

Date: August 02, 2025
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 and pursuant to the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 including all other applicable rules, regulations, guidelines and laws (including any amendments thereto or re-enactments thereof for the time being in force) the Nomination and Remuneration Committee ("**NRC**") of the Board formulated and the Board of Directors of the Company have reviewed and approved the Nomination and Remuneration Policy of the Company.

The responsibility of Remuneration Committee as per the Master Directions shall be assigned to the NRC of the Board formed in compliance with the applicable provisions of Section 178 of the Companies Act, 2013.

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, Committees of the Board, Directors (Executive Non Executive and Independent), Chairperson of the Board, KMPs, Senior Management 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 ("**KMPs**"), 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 (as amended from time to time)

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) '***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;

iii. Company Secretary.

iv. Such other officer, not more than one level below the Directors who is in whole-time employment designated as KMP by the Board of Directors of the Company; and

v. such other officer as may be prescribed

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

g) '***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 executive directors, including the functional heads,.

h) "***Scale Based Regulations***" means Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 [including any amendments or re-enactments thereof]

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

Any term(s) and, or expression(s) not defined in this Policy shall have the same meaning as defined in the applicable provisions of the Act, Scale Based Regulations and other applicable laws and/ or regulation.

Wherever appropriate in this Policy, a singular term shall be construed to mean the plural where necessary and a plural term the singular. Similarly, any masculine term shall also be construed to mean the feminine or any other gender and vice versa.

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
e) Official forming part of any committee.

6. NOMINATION AND REMUNERATIONREMUNERATION 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 of which not less than one-half of the members shall be Independent Directors. The Chairperson of the Committee shall be an Independent Director. Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

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) Lay down the criteria for performance evaluation of all Board as whole, Committee of the Board, Directors (including Independent Directors), key managerial personnel senior management personnel and Chairperson of the Board.

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 & rules thereunder, RBI Master Direction/ Guidelines/ Circulars, and such other applicable provisions of any applicable law.

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 Scale Based Regulations.

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 for another five consecutive years 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 MANAGERIAL PERSON, 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, Executive 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:

a) 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.

b) 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.

c) 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.

d) 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.

e) 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. REVIEW / AMENDMENT OF THE POLICY:

The Board may amend this Policy as and when deemed fit. This Policy shall subject to review by the Board, at least on an annual basis.

The Company shall reserve the right to review and make amendment to this Policy from time to time as it deems fit in accordance with the applicable laws, rules and regulations for the time being in force. In the event of any conflict between the provisions of this Policy and the Act, Listing Regulations or Scale Based Regulations or any other statutory enactments, the provisions of such Act, Listing Regulations or Scale Based Regulations or statutory enactments shall prevail over this Policy. An interim review and amendment can also be carried out to accommodate minor changes, if any, on regulatory and operating front by the Compliance Officer of the Company.

The Policy shall also be published on the official website of the Company.

ANNEXURE - 5

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2024 – 25

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 (Appointed as a Member w.e.f. May 19, 2014)	Managing Director	2	2
2	Ms. Vinod Kumar Kathuria (Appointed as Member w.e.f. March 28, 2024)	Non-Executive Independent Director	2	2
3	Ms. Aditi Mittal (Appointed as Member w.e.f. December 18, 2023)	Executive Women Director	2	1

   The CSR Committee met twice during the financial year 2024-25 on May 11, 2024 and August 05, 2024.

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

Composition of CSR committee	https://www.akgroup.co.in/docs/Composition_of_the_Various_Committees_of_the_Board_of_Directors_03032025.pdf
Company's CSR policy	https://www.akgroup.co.in/docs/CSR%20Policy,%20Project%20and%20Committee%202025.pdf
CSR projects	https://www.akgroup.co.in/docs/CSR%20Policy,%20Project%20and%20Committee%202025.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 72,18,61,863/-

   b) Two percent of average net profit of the Company as per section 135(5): INR 1,44,37,237/-

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

   d) Amount required to be set off for the financial year, if any: INR 3,199/-

   e) Total CSR obligation for the financial year (b+c-d): INR 1,44,34,038/-

6.

a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 1,44,35,000/-

b) Amount spent on Administrative Overheads: NIL

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

d) Total amount spent for the Financial Year (a+b+c): INR 1,44,35,000/-

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 1,44,35,000	o	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. 3,199/-)	1,44,34,038
(ii)	Total amount spent for the Financial Year	1,44,35,000
(iii)	Excess amount spent for the Financial year [(ii)]-[(i)]	0
(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)]	0

***Note:**

Details of Amount spent for the Financial Year 2024-25:

Sr No.	Funds as per Schedule VII of Companies Act, 2013	Amount (in INR)
(i)	Clean Ganga Fund	35,00,000/-
(ii)	Swachh Bharat Kosh	34,35,000/-
(iii)	Prime Minister's National Relief Fund	40,00,000/-
(iv)	PM CARES Fund	35,00,000/-
	Total	1,44,35,000/-

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

A. K. Mittal*
Managing Director
DIN: 00698377

Vinod Kumar Kathuria
Independent Director (Chairperson)
DIN: 06662559

Date: August 02, 2025
Place: Mumbai

*** Note:** In the capacity of the Chairperson of the CSR Committee meeting held on August 02, 2025 for approving the said report.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors presents the Company's Report on Corporate Governance for the Financial Year ended March 31, 2025, in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") and RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("**Master Direction**") 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, Key Managerial Personnel's ("**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 19 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.

Further, SEBI vide notification dated March 27, 2025 has amended SEBI LODR Regulations. As per given amendment the term 'High Value Debt Listed Entity' ("**HVDLE**") has been redefined to include entities that has listed its non-convertible debt securities ("**NCDs**") and has an outstanding value of listed NCDs of INR 1,000 Crore and above, which was earlier INR 500 Crore and above.

Pursuant to the aforesaid amendment, the Company is not falling under the definition of HVDLE effective from March 27, 2025.

However, as the Company was an HVDLE for maximum period of the Financial Year, accordingly, the Company had complied with all the requirements applicable to an HVDLE for the period under review.

The Report on Corporate Governance, as per the applicable provisions of the Companies Act, 2013 ("**Act**"), SEBI LODR Regulations, 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 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) category of the Board of Directors as on March 31, 2025 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 06, 2024
			As a member	As a chairperson			
1	Mr. A. K. Mittal (DIN: 00698377) Promoter & Managing Director Date of Appointment: November 30, 2012 No. of Equity Shares held: 12,80,180	3	3	0	5	5	Yes

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 06, 2024
			As a member	As a chairperson			
2	Ms. Aditi Mittal (DIN: 00698397) Executive Woman Director Date of Appointment: December 02, 2022 No. of Equity Shares held: 16,080	5	2	1	5	3	No
3	Mr. Deepak Maheshwari (DIN: 00750047) Independent Director Date of Appointment: February 06, 2023 No. of Shares/ Convertible Securities held: Nil	4	1	0	5	5	Yes
4	Mr. Vinod Kumar Kathuria (DIN: 06662559) Independent Director Date of Appointment: December 18, 2023 No. of Shares/ Convertible Securities held: Nil	11	5	2	5	5	Yes
5	Ms. Bindu Darshan Shah[5] (DIN: 07131459) Independent Director Date of Appointment: March 28, 2024 No. of Shares/ Convertible Securities held: Nil	6	8	3	5	5	Yes

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 as per applicable provisions viz. Audit Committee and Stakeholders' Relationship Committee.
3. During the Financial Year 2024-25, five Meetings of the Board were held on May 11, 2024, August 05, 2024, September 27, 2024, October 30, 2024 and February 03, 2025.
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, Master Direction and other applicable laws for the time being in force.
5. 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.
6. 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.
7. Below mentioned are the changes in the Board composition during the financial year 2023-24:

Name of the Director	Designation	Nature of Change	Effective Date
Mr. Khimji Shamji Pandav	Independent Director	Resignation due to other work commitments	December 18, 2023
Mr. Vinod Kumar Kathuria	Independent Director	Appointment	December 18, 2023
Ms. Bindu Darshan Shah	Independent Director	Appointment	March 28, 2024
Mr. Rajiv Kumar Bakshi	Independent Director	Cessation due to end of tenure	March 31, 2024

During the year under review appointment of Ms. Bindu Darshan Shah (DIN: 07131459) was regularized as an Independent Director on the Board of the Company by the shareholders in their meeting held on June 21, 2024

(ii) Composition of the Board of Directors:

The composition of the Board is in consonance with the applicable provisions of the Act and Master Direction, as amended from time to time. The below mentioned composition of Board as on March 31, 2025:

Total No. of Directors	5
Total No. of Executive Directors	2
Total No. of Non-Executive Directors	3
Out of Total No. of Non-Executive Directors, No. of Independent Directors	3
Woman Director	2

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

All the independent directors of the Company have provided the declarations pursuant to Section 149(7) of the act 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.

(iii) Names of the other listed entities where the director is a director and the category of directorship as on March 31, 2025:

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	Ms. Bindu Darshan Shah (DIN: 07131459) Independent Director	Fineotex Chemical Limited	Independent Director
		Kamadgiri Fashion Limited	Independent Director
		JBF Industries Limited*	Independent Director
		Sunil Industries Limited	Independent Director
3	Mr. Vinod Kumar Kathuria (DIN: 06662559) Independent Director	Jayaswal Neco Industries Limited	Independent Director
		Satia Industries Limited	Independent Director
		A. K. Capital Services Limited	Independent Director
		Deepak Builders and Engineers India Limited	Independent Director
		Sharda Cropchem Limited	Independent Director
		XL Energy Limited	Independent Director
4	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 directors hold position of Director in other listed entity including high value debt listed companies.

(iv) 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, Mr. A. K. Mittal, Managing Director (DIN: 00698377) shall be liable to retire by rotation and being eligible offers himself for re-appointment. The brief profile of Mr. A. K. Mittal is also enclosed along with the notice for convening the 19th Annual General Meeting of the Company.

(v) Details of training program imparted to Board of Directors:

The Company has designed training/ awareness program for its Board of Directors which is imparted from time to time to apprise them about the regulatory developments. The training/ awareness 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 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 Directors' understanding and appreciation of Company's business and thrust areas**.**

(vi) 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 Act, Master Direction and other applicable laws, 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 32 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. Under his leadership and guidance A K Capital Services Limited has been felicitated with the prestigious award of "India Bond House of the Year" at the IFR Asia Awards 2023. Further, under his leadership and guidance A K Capital Services Limited has been awarded "Investment Banker / Merchant Banker of the year" by Associated Chambers of Commerce and Industry of India (ASSOCHAM) at the "5th National Summit & Awards Corporate Bond Market 2022.	Expertise in Bond Market, financial industry
Ms. Aditi Mittal Director	Ms Aditi Mittal is a Chartered Accountant by profession with 21+ 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 21 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. She was awarded the prestigious "Times 40 Under 40" award in 2023. She is a Chairperson of OBPP Association an association of online bond platform providers. She was invited as an esteemed panelist for a panel discussion on the theme "Innovative Solutions for Financing Infrastructure" organized by IIFCL.	Expertise in Financial Sector and Capital Market
Mr. Deepak Maheshwari Independent Director	Mr. Deepak Maheshwari is having over 17 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

Name & Designation of Director	Experience	Skill Set
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 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

(vii) Confirmation:

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

(2) PARTICULARS OF SENIOR MANAGEMENT

As on March 31, 2025, 13 employees were designated as Senior Management of the Company.

There was no change in Senior Management since the close of the previous financial year.

(3) 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 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, Master Direction and other applicable laws.

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 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_03032025.pdf

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 Independent Director	4	4
2	Mr. Deepak Maheshwari (Appointed as a Member w.e.f. February 6, 2023)	Non-Executive Independent Director	4	4
3	Mr. A. K. Mittal (Appointed as a Member w.e.f. December 18, 2023)	Managing Director	4	4

Attendees:

The Internal Auditor, Chief Financial Officer, Company Secretary, Chief Compliance Officer 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 Company Secretary acts as the Secretary to the Audit Committee.

The Chairperson of the Audit Committee was present at the last Annual General Meeting held on September 06, 2024.

(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, Master Direction and other applicable laws.

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 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, Chief Compliance Officer 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_03032025.pdf

Composition of NRC and Meetings held/ attended by members during Financial Year 2024-25:

SN	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1	Mr. Vinod Kumar Kathuria (Appointed as member w.e.f. March 28, 2024)	Non-Executive Independent Director	3	3
2	Mr. Deepak Maheshwari (Appointed as the member and Chairperson of the Committee w.e.f. March 28, 2024)	Non-Executive Independent Director	3	3
3	Ms. Bindu Darshan Shah (Appointed as the Member w.e.f. March 28, 2024)	Non-Executive Independent Director	3	3

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 Company Secretary acts as the Secretary to the Committee.

The Chairperson of the Committee was present at the last Annual General Meeting held on September 06, 2024.

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 chairpersonship of committees, time spent in carrying out their duties, role and functions as envisaged in applicable law 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 paid/ payablefor the Financial Year 2024-25 (Amount in INR)
Mr. Vinod Kumar Kathuria	4,00,000/-
Mr. Deepak Maheshwari	4,00,000/-
Ms. Bindu Darshan Shah	2,00,000/-

Executive Directors

The details of remuneration paid to the Executive Directors during the Financial Year 2024-25 are as under:

(Amount in INR)

Particulars	Mr. A. K. Mittal	Ms. Aditi Mittal
Salary, bonus and allowances	1,92,00,000	1,44,00,000
Perquisites (other benefits)	NIL	NIL
Total (A)	1,92,00,000	1,44,00,000
Value of Stock Option	NIL	NIL
Value of Sweat Equity	NIL	NIL
Others (Retirals)	NIL	NIL
Total (B)	1,92,00,000	1,44,00,000
Total (A+B)	**1,92,00,000**	**1,44,00,000**

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.

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 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_03032025.pdf

(Amount in INR)

Composition of Stakeholders' Relationship Committee and Meetings held/ attended by members of the Committee during Financial Year 2024-25:

SN	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1	Mr. A. K. Mittal (Appointed as a Member w.e.f. December 09, 2021)	Managing Director	4	4
2	Ms. Vinod Kumar Kathuria (Appointed as Member and Chairperson w.e.f. March 28, 2024)	Non-Executive Independent Director	4	4
3	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 Company Secretary acts as the Secretary to the Committee.

The Chairperson of the Committee was present at the last Annual General Meeting held on September 06, 2024.

(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 CSR 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_03032025.pdf

Composition of Corporate Social Responsibility Committee and Meeting held/ attended by members of the Committee during Financial Year 2024-25:

SN	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1	Mr. A. K. Mittal (Appointed as a Member w.e.f. May 19, 2014)	Managing Director	2	2
2	Ms. Vinod Kumar Kathuria (Appointed as Member w.e.f. March 28, 2024)	Non-Executive Independent Director	2	2
3	Ms. Aditi Mittal (Appointed as Member w.e.f. December 18, 2023)	Executive Woman Director	2	1

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

https://www.akgroup.co.in/docs/CSR%20Policy,%20Project%20and%20Committee%202025.pdf

The Report on CSR activities of the Company for the financial year 2024-25 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 06, 2024.

(V) RISK MANAGEMENT COMMITTEE:

The Risk Management Committee ("**RMC**") is constituted in accordance with the 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_03032025.pdf

Composition of Risk Management Committee and Meeting held/ attended by members of the Committee during Financial Year 2024-25:

SN	Name of the Member	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. Deepak Maheshwari (Appointed as a Member w.e.f. March 28, 2024)	Non-Executive Independent Director	4	4
3	Ms. Shilpa Sadani (Appointed as a Member w.e.f. April 02, 2018)	Head Risk	4	4
4	Ms. Aditi Mittal (Appointed as a Member w.e.f. March 28, 2024)	Executive Director	4	2

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 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 06, 2024.

(vi) 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_03032025.pdf

Composition of Asset Liability Management Committee and Meeting held/ attended by members of the Committee during Financial Year 2024-25:

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. Rahul Agarwal (Appointed as a Member w.e.f. April 02, 2018)	Director-Finance	4	3
3	Mr. Mahesh Bhootra (Appointed as a Member w.e.f. January 27, 2021)	Chief Financial Officer	4	4
4	Mr. Urmil Shah (Appointed as a member w.e.f. March 28, 2024)	VP - Treasury-Finance	4	4

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.

(vii) 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_03032025.pdf

Composition of IT Strategy Committee and Meeting held/ attended by members of the Committee during Financial Year 2024-25:

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. May 25, 2018)	Managing Director	5	5
2	Mr. Vinod Kumar Kathuria (Appointed as a member and Chairperson w.e.f. February 03, 2024)	Non-Executive Independent Director	5	5
3	Ms. Aditi Mittal (Appointed as a member w.e.f. February 03, 2024)	Executive Director	5	3
4	Mr. Pratim Tare Invitee (Appointed as permanent invitee w.e.f. February 03, 2024)	CISO	5	4

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.

(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_03032025.pdf

Composition of IT Steering Committee and Meetings held/ attended by members of the Committee during Financial Year 2024-25:

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	5	5
2	Ms. Shilpa Sadani (Appointed as a Member w.e.f. October 28, 2022)	Non-Executive Independent Director	5	5
3	Mr. Sourabh Malpani (Appointed as a member w.e.f February 03, 2024)	Executive Director	5	3
4	Mr. Pratim Tare Permanent Invitee (Appointed w.e.f. February 06, 2023)	CISO	5	4
5	Mr. Nikhil Dharamprakash Gupta Permanent Invitee (Appointed w.e.f. May 11, 2024)	CTO	4	4

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 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_03032025.pdf

Composition of Information Security Committee and Meeting held/ attended by members of the Committee during Financial Year 2024-25:

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	4	4
2	Ms. Aditi Mittal (Appointed as a Member w.e.f. February 03, 2024)	Executive Woman Director	4	2
3	Mr. Pratim Tare (Appointed as a Member w.e.f. February 03, 2024)	CISO	4	3
4	Mr. Nikhil Dharamprakash Gupta Permanent Invitee (Appointed w.e.f. May 11, 2024)	CTO	3	3

(x) FRAUD MONITORING COMMITTEE:

The Company being a Middle Layer (ML) Non-Banking Finance Company has constituted Fraud Monitoring Committee ("**FMC**") in accordance with RBI Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) dated July 15, 2024.

Further, the Board of Directors of the Company in its meeting dated August 05, 2024 has adopted Fraud Risk Management Policy to ensure proper system in place for fraud monitoring and mitigation in pursuance to the aforesaid Master Direction.

Brief Description of Terms of Reference

The purpose of FMC is to assist the Board to put in place a system to ensure early detection of fraud, implement preventive measures and timely reporting of any identified fraud incidents to applicable regulatory authorities and matters connected therewith or incidental thereto.

The terms of reference of this Committee are in line with the regulatory requirements. The key responsibilities of the FMC includes monitoring the effectiveness of the fraud risk management system, review cases of fraud including root cause analysis and suggest ways to improve internal controls, update the Board or relevant committees on fraud issues and measures taken to reduce future cases, discuss fraud incidents thoroughly including issuing show cause notices, reviewing responses from customers and classifying accounts or decisions made, create a clear process for handling whistleblower reports about suspicious activities or potential fraud, ensure these cases are examined and resolved properly following the Whistleblower Policy and Establishment of Vigil Mechanism, identify key early warning signs for monitoring credit and loan accounts, financial transactions and other activities, oversee how well these indicators work and put preventive steps in place, perform any other tasks or activities assigned by the Board or required by laws or regulations concerning fraud detection and prevention.

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_03032025.pdf

Composition of Fraud Monitoring Committee and Meetings held/ attended by members of the Committee during Financial Year 2024-25:

Sr. No	Name of the Members	Category	No. of Meetings held	No. of Meetings attended
1	Ms. Aditi Mittal (Appointed as a Member w.e.f. August 05, 2024)	Executive Woman Director	2	2
2	Mr. Mahesh Bhootra (Appointed as a Member w.e.f. August 05, 2024)	Chief Financial Officer	2	2
3	Ms. Shilpa Sadani (Appointed as a Member w.e.f. August 05, 2024)	Head Risk	2	2

Attendees:

The Company Secretary was invited to attend the Fraud Monitoring Committee. 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.

(xi) REVIEW COMMITTEE:

The Company being a Middle Layer (ML) Non-Banking Finance Company has constituted Review in accordance with RBI Master Directions on Treatment of Wilful Defaulters and Large Defaulters dated July 30, 2024.

Brief Description of Terms of Reference

The Review Committee was established by the Board of Directors of the Company to oversight the examination and review the cases of willful/ large defaulters.

The key responsibilities of the Review Committee includes reviewing cases of willful and large defaulters, as recommended by the Internal Risk Management Committee being the identification committee ("**IRMC**"), authorize officials to issue show cause notices to such defaulters, to discusses the IRMC's recommendations for Non-Performing Assets accounts with outstanding amounts of INR 25 lakh or above, examine the need for criminal proceedings against these defaulters, take appropriate measures and monitor reporting to Credit Information Companies of any such cases, compromise settlements with defaulters, fix accountability of third-party engaged in credit sanction/ disbursement for any negligence or deficiency in their work.

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_03032025.pdf

Composition of Review Committee and Meetings held/ attended by members of the Committee during Financial Year 2024-25:

Sr. No	Name of the Members	Category	No. of Meetings held	No. of Meetings attended
1	Mr. A. K. Mittal (Appointed as a Chairperson w.e.f. October 30, 2024)	Managing Director	-	-
2	Mr. Deepak Maheshwari (Appointed as a Member w.e.f. October 30, 2024)	Non-Executive Independent Director	-	-
3	Ms. Bindu Shah (Appointed as a Member w.e.f. October 30, 2024)	Non-Executive Independent Director	-	-

Note: During the period under review, no cases of wilful andlarge defaulters had been identified/ reported; hence no committee meeting was conducted.

(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 regulatory requirements.

(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
2023-24	September 06, 2024	11.00 a.m.	601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (E),Mumbai – 400 098	Yes
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

*Pursuant to 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 (collectively referred to as "**MCA Circulars**") and the SEBI vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/ HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05,2023 (collectively referred to as "**SEBI Circulars**") and in compliance with the provisions of the Act and the SEBI LODR Regulations, the last Three AGM's (16th, 17th and 18th) 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 (16th, 17th and 18th) was the Registered Office of the Company.

Further, Two 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
2024-25	June 21, 2024	04:00 p.m	601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (E),Mumbai – 400 098	Yes
2024-25	September 28, 2024	11.15 a.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 06, 2024 - Annual General Meeting	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.
June 21, 2024 - Extra-ordinary General Meeting	To appoint Ms. Bindu Darshan Shah (DIN: 07131459) as Non-Executive Independent Director of the Company
September 28, 2024 - Extra-ordinary General Meeting	To declare Interim Dividend at the rate of 12% p.a. per Compulsory Convertible Preference Shares ("**CCPS**") of INR 100/- each for the period April 1, 2024 to September 26, 2024

No postal ballot was conducted during the Financial Year 2024-25.

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 ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"), where the Non-Convertible Debentures of the Company are listed in accordance with the SEBI LODR Regulations and are generally published in an English newspaper (Financial Express and Pratahkal).

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 19th Annual General Meeting of the Company

The 19th Annual General Meeting of the Company will be held on Saturday, September 06, 2025 at 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 Debt Listed entity 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	Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex, Mumbai – 400 051

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 2024-25.

ix. Distribution of Shareholding

Shareholding Pattern of the Company as on March 31, 2025:

EQUITY SHAREHOLDING			
Sr. No.	**Name of Shareholder**	**No. of equity shares held**	**Percentage**
1.	A. K. Capital Services Limited	2,52,47,486	95.12
2.	Mr. A. K. Mittal	12,80,180	4.82
3.	Ms. Aditi Mittal	16,080	0.06
4.	Ms. Shraddha Gaurav Joshi Kute	1*	0.00
5.	Mr. Brajender Kumar	1*	0.00
6.	Mr. Mitesh Kapadia	1*	0.00
7.	Ms. Annu Garg	1*	0.00
	Total	**2,65,43,750**	**100.00**

*Nominee Shareholders of A K Capital Services Limited

The following change in the Nominee Shareholders occurred during the financial year under review

Name of the out-going nominee shareholder	Name of the in-coming nominee shareholder
Mr. Sanjiv Kumar	Mr. Brajender Kumar
Ms. Kavita Garg	Ms. Shraddha Gaurav Joshi Kute

The aforesaid change in nominee shareholding is effective from March 28, 2025.

x. Dematerialization of shares and liquidity

As on March 31, 2025, the total equity 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

The Company had converted 65,00,000 Compulsory Convertible Preference Shares ("**CCPS**") of INR 100 each fully paid-up in the ratio of 2: 1.

The details of the same are provided in Directors' Report.

As on March 31, 2025, the Company did not have any outstanding GDRs/ ADRs/ Warrants/Compulsory Instruments.

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 debt listed entity, 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 ddresses:

Registrar to an Issue and Share Transfer Agent
MUFG Intime India Private Limited (formerly known as 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
Fax: +91 22 49186060
E-mail: ganesh.jadhav@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

Company Secretary
A. K. Capital Finance Limited
601-602, 6th Floor, Windsor, Off CST Road, Kalina,
Santacruz - (East), Mumbai – 400098
Tel: +91 22 67546500
Fax: +91 22 66100594
E-mail: csakcfl@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

Fax: +91 22 66100594

E-mail: akmumbai@akgroup.co.in

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 2024-25 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 2024-25 are disclosed in Note No. 35 of Notes to the Standalone Financial Statements and Note No. 36 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 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 SEBI LODR 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 SEBI LODR 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 are as follows:

a) The Board:

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

b) Shareholder Rights:

The Company's quarterly, half-yearly and yearly financial results are furnished to BSE Limited, National Stock Exchange of India 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, 2025, 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

SEBI vide notification dated March 27, 2025 has amended SEBI LODR Regulations. As per given amendment the term 'High Value Debt Listed Entity' ("**HVDLE**") has been redefined to include entities that has listed its non-convertible debt securities ("**NCDs**") and has an outstanding value of listed NCDs of INR 1,000 Crore and above, which was earlier INR 500 Crore and above.

Pursuant to the aforesaid amendment, the Company is not falling under the definition of HVDLE effective from March 27, 2025 and the provisions w.r.t. adoption of Policy on determining Material Subsidiary is not applicable to the Company.

ix. Policy on dealing with Related Party Transactions

In accordance with the provisions of Act, Master Direction and other applicable laws, the Company has formulated a Policy on 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%20RPTs%202025.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] was the Statutory Auditor of the Company. The remuneration paid to the Statutory Auditors for the Services rendered during the period from April 01 upto August 05, 2024 is disclosed in the Financial Statements of the Company. Further, M/s B G J C & Associates LLP, Chartered Accountants (Firm Registration No. 003304N), are the Statutory Auditors of the Company appointed for a term of 3 (three) consecutive years from August 05, 2024. The remuneration paid to the Statutory Auditors for the Services rendered during the period from August 05, 2024 to March 31, 2025 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**:

(Rs. In Lakhs)

Particulars	By the Company	By the Subsidiaries	Total Amount
Statutory Audit	5.40	-	5.40
Tax Audit	-	-	-
Other Services	1.35	-	1.35
Total	**6.75**	**-**	**6.75**

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.

The details of Complaints received during F.Y. 2024-25 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are as below:

Sr. No.	Particulars	Details
1	Sexual Harassment Complaints received	1
2	Sexual Harassment Complaints disposed off	1
3	Number of Sexual Harassment Complaints pending beyond 90 days	Nil

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. 35 of the Standalone Financial Statement of the Company and Note No. 36 of the Consolidated Financial Statement of the Company.

xvii. Details of material subsidiaries of the listed entity in the financial year 2024-25; 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, 2025, 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 SEBI LODR 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 is not applicable to the Company pursuant to SEBI notification dated March 27, 2025.

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

SEBI vide notification dated March 27, 2025 has amended SEBI LODR Regulations.

Pursuant to amendment of SEBI LODR Regulations, the Company is not falling under the definition of HVDLE effective from March 27, 2025 and the provisions of Regulation 15 to 27 of SEBI LODR shall not be applicable to the Company.

However, as the Company was an HVDLE for maximum period of the Financial Year, accordingly, had submitted all the intimations/ reports applicable to an HVDLE for the quarter/ period ended March 31, 2025.

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

As per SEBI LODR 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 SEBI LODR 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, 2025. The said certificate is annexed to and forms part of this Report.

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

A. K. Mittal
Managing Director
DIN: 00698377

Vinod Kumar Kathuria
Independent Director (Chairperson)
DIN: 06662559

Date: August 02, 2025
Place: Mumbai

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 2024-25.

For A. K. Capital Finance Limited

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

Place: Mumbai
Date: May 13, 2025

CERTIFICATE FROM THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To,

The Board of Directors

A. K. Capital Finance Limited

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

Santacruz - (East), Mumbai – 400 098

We, the undersigned, in the capacity of Managing Director of A. K. Capital Finance Limited ("**Company**"), certify that:

A. We have reviewed the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2025 and certify that:

   1. The Financial Statements do not contain any untrue statement or omit any fact or contain statements that might be misleading;
   2. The Financial Statements present a true and fair view of the Company's affairs. Further, the Financial Statements are prepared and maintained in compliance with applicable Indian Accounting Standards (IND AS) and other applicable laws and regulations.

B. No transaction entered into by the Company during the year which is fraudulent, illegal or violate of the Company's code of conduct.

C. Company has efficient internal controls for financial reporting and that regular evaluation of the effectiveness of internal control systems of the Company pertaining to financial reporting has been ensured and there has been no deficiency in the design or operation of such internal controls of which I am aware.

D. We have indicated to the auditors and the Audit Committee that there are:

   1. No significant change in internal control over financial reporting during the year;
   2. Pursuant to the applicable law for the time being in force, the Company has adopted IND AS for preparations of the financial statements and that requisite disclosure with respect to accounting policies have been disclosed in the notes to the financial statements; and
   3. There has been no instance of significant fraud.

For A. K. Capital Finance Limited

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

sd/-
Mahesh Bhootra
Chief Financial Officer

Place: Mumbai
Date: May 13, 2025

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 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, 2025 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. Vinod Kumar Kathuria	Non-Executive Independent Director & Chairperson	18-12-2023	06662559
2	Ms. Aditi Mittal	Executive Director	02-12-2022	00698397
3	Mr. A.K. Mittal	Managing Director	30-11-2012	00698377
4	Ms. Bindu Darshan Shah	Non-Executive Independent Director	28-03-2024	07131459
5	Mr. Deepak Maheshwari	Non-Executive Independent Director	06-02-2023	00750047

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: A022133G000342772
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No -4166/2023

Place: Mumbai
Date: May 14, 2025

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
A.K. Capital Finance Limited
601-102, 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 March 31, 2025 stipulated under Regulations 16 to 27 to the extent applicable, Regulation 62 and para A 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 to the extent applicable for the year ended on March 31, 2025.

FOR RAGINI CHOKSHI & CO,
Company Secretaries
Sd/-
UMASHANKAR K HEGDE
PARTNER
M. No- A22133 # C.P NO- 11161
UDIN: A022133G000342684
ICSI Unique Code: P1988MH056900
Peer Review Certificate No -4166/2023

Place: Mumbai
Date: May 14, 2025

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW OF INDIAN ECONOMY:

India has displayed steady and robust economic growth while facing global challenges and geopolitical concerns and it continues to maintain its position as the fastest-growing major economy. India is estimated to clock in a GDP growth of 6.2 and 6.3 per cent in FY25 and FY26, respectively, backed by strong domestic demand, substantial infrastructure development initiatives, a spike in rural demand and effective government policy measures.

Against the backdrop of a steady global growth amidst multiple headwinds, the Indian economy remained resilient during 2024-25, supported by robust macroeconomic fundamentals, proactive policy measures and sustained government capital expenditure. Although real gross domestic product (GDP) growth moderated to 6.5 per cent in 2024-25 compared to 7.6 per cent in 2023-24, India remained the fastest growing major economy. Economic activity was supported by an improvement in consumption demand and net exports on the expenditure side, and buoyant services sector and recovery in agricultural production on the supply side.

With gross fixed capital formation (GFCF) moderated to 6.1 per cent in 2024-25 from 8.8 per cent in the previous year. The softening in GFCF was mirrored in its key coincident indicators, including steel consumption, cement production, and production and imports of capital goods. With exports growth outpacing that of imports, net exports contributed positively to GDP growth.

Inflation converged closer towards the target during 2024-25 aided by easing input cost pressures, proactive supply management measures by the government and continuing transmission of past monetary policy actions. Headline inflation moderated to an average of 4.6 per cent during 2024-25 from 5.4 per cent in the previous year, largely driven by a moderation in core (CPI excluding food and fuel) inflation to 3.5 per cent and deflation in fuel at 2.5 per cent. Deflation in fuel was driven by reduction in liquefied petroleum gas (LPG) and kerosene prices on the back of softer global energy prices. Food inflation remained elevated at 6.7 per cent in 2024-25, with intermittent spikes due to overlapping supply shocks emanating from weather anomalies imparting volatility to headline inflation.

The provision coverage ratio (PCR) as well as profitability indicators, viz., return on asset (RoA) and return on equity (RoE) remained robust, while the net interest margin (NIM) softened. The credit growth of urban cooperative banks (UCBs) improved as at end-December 2024. The financial performance of UCBs also improved on the back of strengthened capital buffers and lower GNPA ratio as compared to the corresponding period of the previous year.

Source: *Reserve Bank of India and KPMG – Decoding Indian Economy*

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.

*As per RBI, aggregate credit extended by NBFCs expanded in double digits as at end-December 2024 although growth in unsecured lending moderated. Profitability indicators and NPA ratios continued to improve further during this period, while capital adequacy ratio remained robust. Risk weights on bank credit to NBFCs were reduced effective April 1, 2025 to facilitate credit offtake and support economic growth.

Several regulatory and supervisory guidelines were issued during the year in line with global best practices towards strengthening governance, risk management practices and operational resilience. These, inter alia, relate to: (a) principles for management of model risks in credit; (b) eligibility criteria for voluntary transition of small finance banks (SFBs) to universal banks; (c) harmonisation of regulations applicable to housing finance companies (HFCs) and NBFCs and (d) enhancing operational risk management and operational resilience.

Source: Reserve Bank of India

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 brand name.
- Experienced senior management team and stability at the senior management level.
- Well-defined and scalable organizational structure based on product, territory and process knowledge.
- Consistent financial track record with moderate growth in AUM.
- Strong relationships with public, private as well as various banks, institutions and investors.

b) Weakness:

- Business and growth directly linked with the GDP growth of the country.
- Adverse impact in financial stability of client will directly affect the performance of the Company.

c) Opportunities:

The Company anticipates steady and consistent growth in its loans book. Further, Company is also focusing on companies which are

facing challenges to extend loans to unrated/ lower rated entities which are facing challenges to avail financial assistance from the banks/ other financial institutions. The Company believes based on various surveys that these entities have potential and business ideas to grow; this will benefit the Company in increasing its loan book and provide finances to all these entities in timely manner. However, to secure the Company's interest against the risks associated with these lending, we will ensure imposing stringent covenants and close monitoring of loan book.

Company has greater focus on asset quality, automated processes, effective utilization of structured financing and strengthening of capital base amongst others will hold the Company in good stead as we navigate towards a more benign economic environment going forward.

d) Threats:

- Inflation
- Geopolitical crisis
- Competition from captive finance companies, small banks
- Evolution of regulatory landscape with stricter norms may have impact in terms of increased reporting

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 2024-25 were INR 24,915.96 Lakhs and (ii) lending of funds to Indian corporates and individuals segments in FY 2024-25 were INR 8,407.33 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 as on March 31, 2025.

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

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 2024-25	Financial Year 2023-24
1.	Debt Equity Ratio	2.81	2.62
2.	Net profit margin %	20.31	20.34
3.	Return on net worth1	8.29	8.19
Sector specific equivalent ratios			
4.	Gross Stage 3 (%)	NIL	NIL
5.	Net Stage 3 (%)	NIL	NIL
6.	Capital to risk-weighted assets ratio (%)	31.64	33.30

Notes: 1. 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:

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 along with other relevant provisions of the Act, the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications. The Company uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows) except in case of significant uncertainties.

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention 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 unless otherwise specified.

Accounting policies have been consistently applied except where a newly issued accounting standard initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

With effect from April 1, 2017, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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.

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 2024-25, the Company demonstrated a steady trend. The revenues for the FY 2024-25 were INR 33,396.71 Lakhs as compared to INR 31,016.36 Lakhs during FY 2023-24. The profit after tax for the FY 2024-25 was INR 6,781.63 as compared to INR 6,307.41 Lakhs during FY 2023-24.

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, 2025, the Company had 115 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. 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, FY2026 should be at least as good as FY2025.

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 A. K. Capital Finance Limited

A. K. Mittal
Managing Director
DIN: 00698377

Vinod Kumar Kathuria
Independent Director (Chairperson)
DIN: 06662559

Date: August 02, 2025
Place: Mumbai

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 Ind AS financial statements of A.K. Capital Finance Limited ("the Company") which comprise the Balance Sheet as at March 31, 2025, 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 standalone 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 Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit, total 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 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 Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's response
1	**Measurement of investments in accordance with Ind AS 109 "Financial Instruments"** 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 issued by Independent Chartered Accountant in practice in respect of fair value of investments; and • Assessed the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.

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. Refer Note 1, 5, 6, 36, 37 and 40 to the Standalone financial statements.	
2	**IT systems and control** Financial accounting and reporting processes, especially in the financial services sector are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.	**Principal Audit Procedures** • We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration, and other identified application controls. • We tested IT general controls (logical access changes management and aspects of IT operational controls). • We tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

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. Other information comprises of the information included in the Management Discussion and Analysis Report, Board's Report including Annexures to the Board's Report and Shareholders' Information but does not include the financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, if we conclude that there is a material misstatement of this other information then we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and the Board of Directors are 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 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 safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively forensuring 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, the Management and the Board of Directors are 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 operation, 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)(If the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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'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 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 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.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2024 included in the Ind AS standalone financial statements, are based on the previously issued statutory financial statements audited by the predecessor auditor whose report for the year ended March 31, 2024 dated May 11, 2024 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

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 section 143(11) of the Act, we give in "Annexure 1", 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, Statement of Changes in Equity, and the Statement of Cash Flows 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 Ind AS specified under section 133 of the Act;

e. On the basis of the written representations received from the directors as on March 31, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".

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 by the Company to its directors during the year is in accordance with the provisions 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, 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 is no amount 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 entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 has 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) contain any material misstatement.

(v) The interim dividend declared and paid by the Company during the year and until the date of its audit report is in accordance with section 123 of the Companies Act, 2013.

As stated in Note 71 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(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.

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

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration No. 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

UDIN: 25423629BMOQMV4508

Date: May 17, 2025
Place: Mumbai

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 2025.

To the best of our information and according to the information, explanations, and written representations provided to us by the Company and the books of account and other records examined by us in the normal course of audit we report that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of Right of Use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular process of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the process, the Company has conducted physical verification of all of its property, plant and equipment except immovable property as on March 31, 2025 and no discrepancy was noticed on such verification.

(c) 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 its Property, Plant and Equipment (and Right of Use assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The Company is in the business of providing loans, dealing in debt securities and investments and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable.

(b) 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) 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. The Company has made investments and granted loans to various parties in the normal course of its business as a Non-Banking Finance Company to companies during the year. The Company has not made investments and granted loans firms, Limited Liability Partnerships or other parties,

(a) The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

(b) The terms and conditions of the grant of all loans are not, prima facie, prejudicial to the interest of the Company. The investments made are not, prima facie, prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated except for loan granted to one related party where the principal repayment of loan is not stipulated and the repayments or receipts are regular during the year.

(d) There is no overdue amount in respect of loans.

(e) The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The company has granted loans which are repayable on demand to related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

₹ in Lakhs

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans outstanding	-	-	-
- Repayable on demand (A)	3,000.00	-	3,000.00
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (C=A+B)	3,000.00	-	3,000.00
Percentage of the total loans exposure	4.62%	-	4.62%

(iv) The Company has not granted any loans, made investments, or provided guarantees in contravention of provisions of section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act, the other provisions of section 186 of the Act are not applicable to the Company.

(v) The Company has not accepted any deposits and there are no amounts which have been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii)(a) In our opinion, and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii)According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and written representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not hold any investment in any associate or joint venture (as defined under Companies Act, 2013) during the year ended March 31, 2025.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary. The Company does not hold any investment in any associate or joint venture (as defined under Companies Act, 2013) during the year ended March 31, 2025.

(x) (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)According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi)(a) To the best of our knowledge and according to the information and explanations given to us, 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 section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the written representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 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, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are 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 such registration has been obtained by the Company.

(b) According to the information and explanations given to us, the Company has conducted Non-Banking Financial activities during the year under a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.

(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 RBI. Accordingly, reporting under clause 3(xvi)©of the Order is not applicable to the Company.

(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 any cash loss in the current as well as the immediately preceding financial year.

(xviii) The previous statutory auditors of the Company have resigned during the year pursuant to the requirements of the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), 8CBs and NBFCs (including HFCs) dated April 27, 2021, issued by the Reserve Bank of India, and no issues, objections or concerns were raised by the outgoing auditors.

(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) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII of the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The Company has not undertaken any ongoing projects in relation to its CSR activities. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.

(xxi) The reporting under clause (xxi) is not applicable in respect of audit of the standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration No. 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

UDIN: 25423629BMOQMV4508
Date: May 17, 2025
Place: Mumbai

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of A.K. Capital Finance Limited on the Ind AS standalone financial statements for the year ended March 31, 2025]

Report on the Internal Financial Controls over Financial Reporting 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 ("the Company") as of March 31, 2025 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration No. 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

UDIN: 25423629BMOQMV4508

Date: May 17, 2025
Place: Mumbai

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 17, 2025 with a copy of each of the audited balance sheet as at March 31, 2025, 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 Match 31, 2025 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 financial statements of the Company for the year ended March 31, 2025 and as required by Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ('The Direction'), issued by the Reseve Bank of India ('RBI') vide notification No. DNBS PPD.03/66.15.001/2016-17/ dated 29th September 2016 pursuant to the powers conferred in therms 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 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 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 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 financial statements as at and for the year ended March 31, 2025, books of account and 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, 2025 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, 2025.

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 March 28, 2024 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 financial statements for the year ended March 31, 2025.

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 funuds, 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, 2025.

4. Para 3 (D)

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

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 of 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 BGJC & Associates LLP
Chartered Accountants
Firm's Registration Number.: 003304N/N500056

Manish Kumar
Partner
Membership No.: 423629

UDIN: 25423629BMOQMW1469
Date: May 17, 2025
Place: Mumbai

BALANCE SHEET AS AT MARCH 31, 2025

₹ in Lakhs

		As at 31-03-2025	As at 31-03-2024
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	2(a)	1,018.33	1,663.83
(b) Bank balances other than (a) above	2(b)	218.72	409.67
(c) Receivables			
(i) Trade Receivables	3	-	48.60
(d) Loans	4	64,615.74	57,200.45
(e) Investments	5	2,02,395.12	1,93,644.99
(f) Other financial assets			
(i) Stock of securities	6	41,514.21	26,428.45
(ii) Other financial assets	7	4,050.68	4,185.57
Total financial assets		**3,13,812.80**	**2,83,581.56**
(2) Non-financial assets			
(a) Current tax assets (net)		587.36	208.91
(b) Property, plant and equipment	8	1,864.43	2,118.02
(c) Intangibles assets	9	22.03	36.37
(d) Other non financial assets	10	115.57	80.41
Total non-financial assets		**2,589.39**	**2,443.71**
TOTAL ASSETS		**3,16,402.19**	**2,86,025.27**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Trade payables	11		
(i) Total outstanding dues of micro enterprises and small enterprises		14.57	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		269.12	159.53
(b) Debt securities	12	59,004.82	61,824.49
(c) Borrowings (other than debt securities)	13	1,71,024.20	1,40,247.68
(d) Other financial liabilities	14	3,565.32	6,066.40
Total financial liabilities		**2,33,878.03**	**2,08,298.10**
(2) Non-financial liabilities			
(a) Provisions	15	237.06	210.32
(b) Deferred tax liabilities (net)	16	364.72	290.76
(c) Other non-financial liabilities	17	165.48	214.69
Total non-financial liabilities		767.26	715.77
TOTAL LIABILITIES		**2,34,645.29**	**2,09,013.87**
EQUITY			
(a) Equity share capital	18(a)	2,654.38	8,829.38
(b) Other equity	18(b)	79,102.52	68,182.02
TOTAL EQUITY		**81,756.90**	**77,011.40**
TOTAL LIABILITIES AND EQUITY		**3,16,402.19**	**2,86,025.27**

Summary of material accounting policies and other explanatory information **1**

The accompanying notes (1 to 73) are an integral part of standalone financial statements
As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration Number : 003304N/N500056

Manish Kumar
Partner
Membership No. 423629
Place: Mumbai
Dated : 17 May 2025

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 : 17 May 2025

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

Particulars	Note No.	Current Year 2024-2025	Previous Year 2023-2024
Revenue from operations			
Interest income	19	25,174.16	22,688.81
Fees and commission income	20	1,902.64	2,283.38
Net gain on fair value changes	21	6,208.59	5,960.68
Net gain on derecognition of financial instruments under amortised cost category	22	97.79	76.17
Total revenue from operations		**33,383.18**	**31,009.04**
Other income	23	13.53	7.32
Total income		**33,396.71**	**31,016.36**
EXPENSES			
Finance costs	24	17,516.20	15,177.30
Fees and commission expenses	25	1,615.55	1,315.48
Impairment on financial instruments (net)	26	30.19	(30.92)
Employee benefits expense	27	4,127.19	4,679.94
Depreciation and amortization		373.62	368.93
Other expenses	28	1,362.42	1,214.73
Total expenses		**25,025.17**	**22,725.46**
Profit before exceptional items and tax		8,371.54	8,290.90
Exceptional items		-	-
Profit before tax		**8,371.54**	**8,290.90**
Tax expense:			
Current tax		1,510.00	1,835.00
Tax adjustment for earlier years		0.19	(4.79)
Deferred tax charge		79.72	153.28
Profit for the year [A]		**6,781.63**	**6,307.41**
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit or loss		(22.88)	(49.41)
Less: Income tax expense on above		5.76	12.44
Other comprehensive income for the year [B]		**(17.12)**	**(36.97)**
Total comprehensive Income for the year [A+B]		**6,764.51**	**6,270.44**
Earnings per equity share (Rs.)	33		
Basic earnings per share		**25.55**	**23.76**
Diluted earnings per share		**25.55**	**23.76**
Face value per share (Rs.)		**10.00**	**10.00**

Summary of material accounting policies and other explanatory information **1**

The accompanying notes (1 to 73) are an integral part of standalone financial statements
As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration Number : 003304N/N500056

Manish Kumar
Partner
Membership No. 423629
Place: Mumbai
Dated : 17 May 2025

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 : 17 May 2025

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

Particulars	Current Year 2024-2025	Previous Year 2023-2024
Cash flow from operating activities		
Profit before tax	8,371.54	8,290.90
Adjustment for:		
Depreciation and amortization	373.62	368.93
Loss on sale of property, plant and equipment	-	0.01
Amortisation of processing fees income	58.79	(2.28)
Profit on redemption of non convertible debentures	-	(3.38)
Other interest income	(15.66)	(15.92)
Net gain on fair value changes on investments	(4,484.02)	(4,504.60)
Net gain on derecognition of financial instruments under amortised cost category	(97.79)	(76.17)
Net gain on fair value changes on stock of securities - unrealised	(356.90)	(14.74)
Effective interest rate on held till maturity securities	0.59	(21.82)
Interest Reversal on restructuring of loan	-	0.81
Interest income on investments	(16,728.80)	(7,159.42)
Impairment on financial instruments	30.19	(30.92)
Other interest expenses	68.93	76.45
Movement in working capital:		
(Decrease)/increase in trade payable and other financial liabilities	(2,213.49)	1,171.29
Decrease in trade receivables and other financial assets	144.22	1,304.08
Increase in loans	(7,517.18)	(2,073.51)
(Increase)/decrease in stock of securities	(14,728.86)	20,671.82
(Increase)/decrease in other non financial assets	(236.92)	118.54
Increase/(decrease) in provision	3.86	(29.91)
Increase/(decrease) in deposits	-	(33.69)
Decrease in other non financial liabilities	(49.21)	(427.44)
Cash (used in) / generated from operations	**(37,377.09)**	**17,609.03**
Income tax (paid)/refund (net)	(1,888.64)	(2,042.89)
Cash (used in) / generated from operations [A]	**(39,265.73)**	**15,566.14**
Cash flow from investing activities		
Proceeds from sale / (payment for purchases) of investments (net)	(4,160.63)	(60,782.41)
Payment for acquisition of property, plant and equipments including capital advances	(23.53)	(41.04)
Payment for acquisition of intangible assets	-	(43.01)
Proceeds from redemption / (payment) of fixed deposit	190.95	123.59
Proceeds from sale of Property, plant and equipments and asset held for sale	-	875.03
Interest received	16,765.59	5,024.61
Cash generated from / (used in) investing activities [B]	**12,772.38**	**(54,843.23)**
Cash flow from financing activities		
Proceeds from long-term borrowings	99,900.00	38,000.00
Repayment of long-term borrowings	(75,979.83)	(22,574.78)
Proceeds from / (repayment) of short-term borrowings (net)	4,234.39	25,030.61
Repayment of lease liabilities	(222.82)	(192.96)
Interest paid on lease liabilities	(64.88)	(75.86)
Dividends paid	(2,019.01)	(780.00)
Cash generated from financing activities [C]	**25,847.85**	**39,407.01**
Net (decrease)/increase in cash and cash equivalents [A+B+C]	**(645.50)**	**129.92**
Add: Cash and cash equivalents at the beginning of the year	1,663.83	1,533.91
Cash and cash equivalents at the end of the year	1,018.33	1,663.83

Refer Note 39 for changes in liability arising from financing activities

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

The accompanying notes (1 to 73) are an integral part of standalone financial statements
As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration Number : 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

Place: Mumbai
Dated : 17 May 2025

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 : 17 May 2025

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

A EQUITY SHARE CAPITAL

	Number of shares	Amount
Equity Shares		
At 01 April 2023	2,32,93,750	2,329.38
Changes in equity share capital due to prior period errors	-	-
Restated balance at 01 April 2023	**2,32,93,750**	**2,329.38**
Issue of share capital	-	-
At 31 March 2024	**2,32,93,750**	**2,329.38**
Changes in equity share capital due to prior period errors	-	-
Restated balance at 01 April 2024	**2,32,93,750**	**2,329.38**
Issue of equity share capital due to Conversion of compulsory convertible preference share capital into equity share capital	32,50,000	325.00
At 31 March 2025	**2,65,43,750**	**2,654.38**

COMPULSORY CONVERTIBLE PREFERENCE SHARES

	Number of shares	Amount
At 01 April 2023	65,00,000	6,500.00
Changes in compulsory convertible preference share capital due to prior period errors	-	-
Restated balance at 01 April 2023	**65,00,000**	**6,500.00**
Issue of share capital	**-**	**-**
At 31 March 2024	**65,00,000**	**6,500.00**
Changes in compulsory convertible preference share capital due to prior period errors	**-**	**-**
Restated balance at 01 April 2024	**65,00,000**	**6,500.00**
Conversion of compulsory convertible preference share capital into equity share capital	(65,00,000)	(6,500.00)
At 31 March 2025	**-**	**-**
Total equity share capital		**2,654.38**

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 1 April 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 1 April 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**
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at 1 April 2024	**9,332.00**	**27,321.88**	**33,255.50**	**(99.12)**	**(1,628.24)**	**68,182.02**
Profit for the year	-	-	6,781.63	-	-	**6,781.63**
Addition during the year	-	6,175.00	-	-	-	**6,175.00**
Other comprehensive income net of tax for the year	-	-	-	(17.12)	-	**(17.12)**
Transfer (to) /from reserves	1,357.00	-	(1,357.00)	-	-	-
Dividend paid on CCPS	-	-	(771.45)	-	-	**(771.45)**
Dividend on equity shares	-	-	(1,247.56)	-	-	**(1,247.56)**
Balance at 31 March 2025	**10,689.00**	**33,496.88**	**36,661.12**	**(116.24)**	**(1,628.24)**	**79,102.52**

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

The accompanying notes (1 to 73) are an integral part of standalone financial statements

As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration Number : 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

Place: Mumbai
Dated : 17 May 2025

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 : 17 May 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 1

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 TREPS 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 17 May 2025.

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 along with other relevant provisions of the Act, the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications. The Company uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows) except in case of significant uncertainties

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 Material accounting estimates, judgements and assumptions

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, judgements and assumption having the most significant effect on the amounts recognised in the standalone financial statements are:

- Fair value of financial instruments
- Impairment of financial assets
- Measurement of defined employee benefit obligation
- Useful life of property, plant and equipment
- Business model assessment
- 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 & 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, 2025

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. Further income on loan foreclosure and prepayment are recognised on realisation.

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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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 on PPE is provided using the straight-line method at the rates specified in Schedule II to the Act. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

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

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.

1.09 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

1.10 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.

1.11 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.

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. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

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 0-30 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 31-90 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. Further financial assets which are more than 90 days Past Due are considered as default for classifying financial instruments 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.

1.12 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.

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, except for trade receivable which are initially measured at transaction price. 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, with the exception of loans and advances are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances are recognised when funds are disbursed to the customers.The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.

© 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 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 derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset has expired such as repayments in the financial asset, sale of the financial asset etc.; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same.

A write-off of a financial asset constitutes a derecognition event.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Profit and Loss.

Financial assets measured at amortised cost are generally held for collection of contractual cashflow. The Company on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and infrequent transaction for sale of portfolios which doesn't affect the business model of the Company.

Write-off

Financial assets are written off when the Company has no reasonable expectation of recovery or expected recovery is not significant basis experience. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write-off

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

Derecognition

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.

1.13 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.

1.14 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.

1.15 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.

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of noncash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated

1.16 Retirement benefits

i) Defined contribution plans

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.

1.17 Lease

As a lessee:

i) Right of use assets and Lease liability

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a) the contract involves the use of an identified asset;

b) the Company has substantially all the economic benefits from use of the asset through the period of the lease; and

c) the Company has the right to direct the use of the asset.

Recognition and initial measurement

At the lease commencement date, the Company recognizes a Right-of-Use ("RoU") asset and equivalent amount of lease liability. The rightof-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received)."

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the notional borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments). Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in the in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or is recorded in statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Presentation

Lease liability and right of use assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

The Company has elected to account for shortterm leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these leases are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

ii) De-recognition

An item of right of use assets and lease liability is de-recognized upon termination of lease agreement. Any difference between the carrying amount of right of use asset and lease liability is recognized in statement of profit or loss."

1.18 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.

1.19 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 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. 01 April 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

	As at 31-03-2025	As at 31-03-2024
NOTE - 2		
(a) CASH AND CASH EQUIVALENTS		
Cash on hand	6.43	1.64
Balances with banks	1,011.90	1,662.19
	1,018.33	**1,663.83**
(b) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Fixed deposits with bank*	218.72	409.67
	218.72	**409.67**
* 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 2025 and 31 March 2024.		
b) There are no unbilled revenues as on 31 March 2025 and 31 March 2024.		
NOTE - 4		
LOANS (AT AMORTISED COST)		
(A) Loans		
(i) Loans repayable on demand	3,000.00	5,000.00
(ii) Term loans	61,894.23	52,441.09
Total (A) -Gross	**64,894.23**	**57,441.09**
Less: Impairment loss allowance	278.49	240.64
Total (A) - Net	**64,615.74**	**57,200.45**
(B) Out of above		
(i) Secured by tangible and other assets	61,740.70	53,564.75
(ii) Unsecured	3,153.53	3,876.34
Total (B)-Gross	**64,894.23**	**57,441.09**
Less: Impairment loss allowance	278.49	240.64
Total (B)-Net	**64,615.74**	**57,200.45**
(C) Out of above		
(I) Loans in India		
(i) Public sector	-	-
(ii) Others	64,894.23	57,441.09
(II) Loans outside India	-	-
Total (C)- Gross	**64,894.23**	**57,441.09**
Less: Impairment loss allowance	278.49	240.64
Total(C)-Net	**64,615.74**	**57,200.45**

Refer Note - 35 for related party disclosures
Refer Note - 50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 4 LOANS (AT AMORTISED COST)

4 (a) Summary of Effective interest rate impact on loans

₹ in Lakhs

Particular	As at 31-03-2025	As at 31-03-2024
Gross loans	65,101.50	57,589.58
Less: Effective interest rate Impact	207.27	148.49
	64,894.23	**57,441.09**

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

	As on 31 March 2025	
Type of Borrower	**Amount of loan or advance in the nature of loans outstanding (₹ In lakhs)**	**Percentage to the loan or advance in the nature of loans outstanding**
Promoters	-	-
Directors	-	-
KMPs	-	-
Related parties	**3,000.00**	**4.62%**

	As on 31 March 2024	
Type of Borrower	**Amount of loan or advance in the nature of loans outstanding (₹ In lakhs)**	**Percentage to the loan or advance in the nature of loans outstanding**
Promoters	-	-
Directors	-	-
KMPs	-	-
Related parties	5,000.00	8.70%

(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 2025 and 31 March 2024

4 (c) (a) Credit quality of assets

Particular	As at 31-03-2025	As at 31-03-2024
Stage 1	64,894.23	57,441.09
Stage 2	-	-
Stage 3	-	-

(b) (i) An analysis of changes in gross carrying amount and corresponding Impairment Loss allowances in relation to lending as at 31 March 2025 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	**57,441.09**	**240.64**	**-**	**-**	**-**	**-**
New assets orginated / repaid (excluding write offs)	7,453.14	37.85	-	-	-	-
Transfer (to) / from Stage 1	-	-	-	-	-	-
Transfer (to) / from Stage 2	-	-	-	-	-	-
Transfer (to) / from Stage 3	-		-	-	-	-
Amount written off	-	-	-	-	-	-
Gross carrying amount closing balance	**64,894.23**	**278.49**	**-**	**-**	**-**	**-**

(b) (ii) 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**	**-**	**-**	**-**	**-**

Refer Note - 37 for methodology of impairment allowance

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 5

INVESTMENTS

₹ in Lakhs

As at 31-03-2025						
Particulars	Amortised cost	At fair value		Subtotal	At cost	Total
		Through other comprehen-sive Income*	Through profit or loss			
(I) Government securities	**-**	**-**	**76,201.14**	**76,201.14**	**-**	**76,201.14**
i) Quoted	-	-	76,201.14	76,201.14	-	76,201.14
(II) Debt securities	**1,152.72**	**-**	**1,19,827.19**	**1,19,827.19**	**-**	**1,20,979.91**
i) Quoted	1,152.72	-	1,19,827.19	1,19,827.19	-	1,20,979.91
(III) Pass through certificates	**701.29**	**-**	**-**	**-**	**-**	**701.29**
i) Unquoted	701.29	-	-	-	-	701.29
(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)	**1,854.01**	**-**	**1,96,028.33**	**1,96,028.33**	**4,521.87**	**2,02,404.21**
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	1,854.01	-	1,96,028.33	1,96,028.33	4,521.87	2,02,404.21
Total (B)	**1,854.01**	**-**	**1,96,028.33**	**1,96,028.33**	**4,521.87**	**2,02,404.21**
Less: Allowance for Impairment loss (C)	**9.09**	**-**	**-**	**-**	**-**	**9.09**
Total – Net D= (A)-(C)	**1,844.92**	**-**	**1,96,028.33**	**1,96,028.33**	**4,521.87**	**2,02,395.12**

₹ 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**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 6 STOCK OF SECURITIES (measured at fair value through profit or loss)	As at 31-03-2025	As at 31-03-2024
(I) Debt securities		
Quoted	41,514.21	25,731.58
(II) Exchange traded funds		
Quoted	-	696.87
Total – Gross (A)	**41,514.21**	**26,428.45**
(i) Stock of securities outside India	-	-
(ii) Stock of securities in India	41,514.21	26,428.45
Total (B)	**41,514.21**	**26,428.45**

NOTE - 7 OTHER FINANCIAL ASSETS		
Deposits		
Earnest money deposits	3.00	3.00
Rental deposits -		
i) with relatives and directors	82.96	98.57
ii) with other parties	102.94	94.44
Other deposits	420.39	390.39
Interest accrued but not due on financial instruments	3,432.75	3,515.53
Receivable from/Balance with stock broker	-	75.00
Other receivables	8.64	8.64
Total	**4,050.68**	**4,185.57**

NOTE - 8
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 01 April 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**
Additions	5.53	7.58	1.30	-	5.63	-	85.65	105.69
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2025	**136.04**	**60.77**	**87.69**	**122.06**	**1,340.27**	**208.59**	**1,271.96**	**3,227.38**
Depreciation:								
As at 01 April 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**
Additions	22.38	8.61	8.59	14.69	22.95	49.06	233.00	359.28
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2025	**121.49**	**32.73**	**52.42**	**96.15**	**171.76**	**126.74**	**761.66**	**1,362.95**
Net Block								
As at 31 March 2024	**31.40**	**29.07**	**42.56**	**40.60**	**1,185.83**	**130.91**	**657.65**	**2,118.02**
As at 31 March 2025	**14.55**	**28.04**	**35.27**	**25.91**	**1,168.51**	**81.85**	**510.30**	**1,864.43**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 8 (CONTD.)
PROPERTY, PLANT AND EQUIPMENT

1) Building include premises hypothecated against loan taken having net block of as at 31 March 2024 Rs.641.76 lakhs. The said loan was fully repaid during the financial year ended 31 March 2025.

2) Building include premises situated at Chennai mortgaged against non convertible debentures issued having net block as at 31 March 2025 of Rs. 9.13 lakhs (as at 31 March 2024 Rs. 9.31 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	501.48	96.59	1,340.27
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

NOTE - 9
INTANGIBLE ASSETS

₹ in Lakhs

	Software	Total
Cost		
As at 01 April 2023	**59.21**	**59.21**
Additions	43.01	43.01
Disposals	-	-
As at 31 March 2024	**102.22**	**102.22**
Additions	-	-
Disposals	-	-
As at 31 March 2025	**102.22**	**102.22**
Accumulative amortisation:		
As at 01 April 2023	**53.16**	**53.16**
Additions	12.69	12.69
Disposals	-	-
As at 31 March 2024	**65.85**	**65.85**
Additions	14.34	14.34
Disposals		-
As at 31 March 2025	**80.19**	**80.19**
Net book value:		
As at 31 March 2024	**36.37**	**36.37**
As at 31 March 2025	**22.03**	**22.03**

1) The Company has not revalued any of its Intangible Assets

NOTE - 10
OTHER NON-FINANCIAL ASSETS

₹ in Lakhs

	As at 31-03-2025	As at 31-03-2024
Balance with government authorities	1.31	1.56
Prepaid expenses	112.03	75.65
Other advances	2.23	3.20
Total	**115.57**	**80.41**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

	As at 31-03-2025	As at 31-03-2024
NOTE - 11		
TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	14.57	-
Total outstanding dues of creditors other than micro and small enterprises	269.12	159.53
Total	**283.69**	**159.53**

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 31-03-2025	As at 31-03-2024
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	14.57	-
(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	-	-

Note - Principal amount remaining unpaid to any supplier as at the end of the accounting year are subsequently paid within due dates

Trade Payables ageing schedule as at 31 March 2025

Particular	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed dues - MSME	7.34	7.23	-	-	-
(ii) Undisputed dues - Others	2.43	266.23	0.46	-	-
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**9.77**	**273.46**	**0.46**	**-**	**-**

Trade Payables ageing schedule as at 31 March 2024

Particular	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed dues - MSME	-	-	-	-	-
(ii) Undisputed dues - Others	8.26	146.86	2.85	1.56	-
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**8.26**	**146.86**	**2.85**	**1.56**	**-**

(i) there are no unbilled disputed dues as on 31 March 2025 and 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 12
DEBT SECURITIES (AT AMORTISED COST)

	As at 31-03-2025	As at 31-03-2024
Non-convertible debentures (Refer note no. 48)	59,004.82	61,824.49
Total (A)	**59,004.82**	**61,824.49**
Debt securities in India	59,004.82	61,824.49
Debt securities outside India	-	-
Total (B)	**59,004.82**	**61,824.49**

(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.)

12 (a) The Company has registered all the charges towards outstanding secured debt securities issued outstanding as on 31 March 2025 and 31 March 2024. There is no satisfaction of charge pending on secured debt securities issued which are matured or repurchased during the financial year ended 31 March 2025 and 31 March 2024.

₹ in Lakhs

NOTE - 13
BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

	As at 31-03-2025	As at 31-03-2024
(a)Term loans		
(i) from banks#	62,250.93	41,715.77
(ii) from public sector undertaking - public financial institution##	8,717.85	6,657.08
(iii) from NBFCs###	8,912.58	4,992.53
(b) Loans repayable on demand		
(i) from banks*	34,842.84	27,682.30
(ii) from NBFC**	3,800.00	3,700.00
(c) Other loans		
Collaterlised Borrowing and Lending Obligation (CCIL)$	52,500.00	55,500.00
Total (A)	**1,71,024.20**	**1,40,247.68**
Borrowings in India	1,71,024.20	1,40,247.68
Borrowings outside India	-	-
Total (B)	**1,71,024.20**	**1,40,247.68**
Secured	1,71,024.20	1,40,247.68
Unsecured	-	-
Total (C)	**1,71,024.20**	**1,40,247.68**

(a) Loan from banks are repayable in 6 semi-annually, 8 to 20 quarterly and 24 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. The said loan was fully repaid during the financial year ended 31 March 2025.

Loan from public sector undertaking - public financial institution is repayable in 31 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 after a principal moratorium of 6 months and 24 monthly installments after principal moratorium of 2 months. 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 35 - 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 Triparty repo dealing and settlement (TREPS) is secured against lien on government securities and deposit.

13 (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.

13 (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.

13 (c) The Company is not declared a wilful defaulter by any bank or financial institution or other lender.

13 (d) The Company has registered all the charges towards secured borrowings outstanding as on 31 March 2025 and 31 March 2024. There is no satisfaction of charge pending on secured borrowings which are repaid during the financial year ended 31 March 2025 and 31 March 2024.

13 (e) There are no instances of breach of any covenant and security cover towards loan avalied or debt securities issued by the Company.

13 (f) Refer Note - 63

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 14
OTHER FINANCIAL LIABILITIES

	As at 31-03-2025	As at 31-03-2024
Interest accrued but not due on borrowings	2,760.92	5,077.17
Creditors for capital goods	-	3.49
Lease liabilities (Refer note no. 34)	605.30	765.24
Employee dues	199.10	218.88
Other payables	-	1.62
Total	**3,565.32**	**6,066.40**

NOTE - 15
PROVISIONS

Provision for employee benefits		
Gratuity (Refer note no.42)	237.06	210.32
Total	**237.06**	**210.32**

NOTE - 16
DEFERRED TAX (ASSETS) / LIABILITIES (NET)

Deferred tax liabilities		
On account of:		
Depreciation	148.51	154.67
Fair value gain on financial instruments	526.22	501.06
Right of use assets	120.06	158.84
Less: Deferred tax assets:		
Impairment allowance on loans and advances	(70.09)	(60.56)
EIR on HTM Securities	(1.73)	(1.58)
Impairment allowance on investments	(2.29)	(4.22)
Long term capital loss	(90.44)	(174.22)
Lease liabilities	(152.34)	(192.60)
Transaction cost on financial liabilities	(1.35)	(0.33)
Expenses allowable on payment basis (gratuity)	(59.66)	(52.93)
Transaction cost on financial assets	(52.17)	(37.37)
Deferred tax (assets) / liabilities (net)	**364.72**	**290.76**

₹ in Lakhs

NOTE - 17
OTHER NON-FINANCIAL LIABILITIES

	As at 31-03-2025	As at 31-03-2024
Statutory dues	165.39	214.47
Others	0.09	0.22
Total	**165.48**	**214.69**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 18

(a) EQUITY SHARE CAPITAL

(i) Share Capital

Particulars	As at 31-03-2025		As at 31-03-2024	
	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	2,65,43,750	2,654.38	2,32,93,750	2,329.38
Compulsorily convertible preference shares of ₹ 100 each fully paid up	-	-	65,00,000	6,500.00
		2,654.38		**8,829.38**

Details of the shares held by its holding company (i.e. A. K.Capital Services Limited):

Particulars	As at 31-03-2025		As at 31-03-2024	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
Equity shares of ₹ 10 per share	2,52,47,490	95.12%	2,29,97,490	98.73%
Compulsorily convertible preference shares of ₹ 100 per share	-	-	45,00,000	69.23%

(ii)Equity Shares

Details of shareholders holding more than 5% equity shares in the Company :

Name of Shareholder	As at 31-03-2025		As at 31-03-2024	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Services Limited	2,52,47,490	95.12%	2,29,97,490	98.73%

Details of shares held by promoters in the Company :

Name of Shareholder	As at 31-03-2025		As at 31-03-2024	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Services Limited	2,52,47,490	95.12%	2,29,97,490	98.73%
A. K. Mittal	12,80,180	4.82%	2,80,180	1.20%
Aditi Miital	16,080	0.06%	16,080	0.07%

During financial year ended 31 March 2025, shareholding of A. K. Capital Services Limtied and A. K. Mittal has changed by 9.78% and 356.91% resepectively. The change is on account of the conversion of 65,00,000 compulsorily convertible preference shares (CCPS) into 32,50,000 equity shares, 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 on the expiry of eighty four months from the date of issue (i.e.28 September 2017) of the CCPS.

The is no percentage change in the shareholding of promoters during the financial year ended 31 March 2024

The reconciliation of the number of shares outstanding:

Particulars	As at 31-03-2025	As at 31-03-2024
Shares at the beginning of the year	2,32,93,750	2,32,93,750
Add :Issue of equity share capital due to Conversion of compulsory convertible preference share capital into equity share capital	32,50,000	-
Shares at the end of the year	**2,65,43,750**	**2,32,93,750**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(iii) 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 31-03-2025		As at 31-03-2024	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Services Limited	-	-	45,00,000	69.23%
A. K. Mittal	-	-	20,00,000	30.77%

Details of shares held by promoters in the Company :

Name of the shareholder	As at 31-03-2025		As at 31-03-2024	
	Number of shares	Percentage holding	Number of shares	Percentage holding
A. K. Capital Services Limited	-	-	45,00,000	69.23%
A. K. Mittal	-	-	20,00,000	30.77%

The Board of Direcotrs of the Company in their board meeting held on 26 September 2024, had approved the conversion of 65,00,000 compulsorily convertible preference shares (CCPS) into 32,50,000 equity shares, in the ratio of 2: 1 i.e. 2 CCPS of face value of Rs. 100 each and were converted into 1 Equity Share of face value of Rs. 10 each and Security Premium of Rs.190 each on the expiry of eighty four months from the date of issue (i.e.28 September 2017) of the CCPS.

The is no percentage change in the shareholding of promoters during the financial year ended 31 March 2024

The reconciliation of the number of Compulsory convertible preference shares outstanding:

Particulars	As at 31-03-2025	As at 31-03-2024
Shares at the beginning of the year	65,00,000	65,00,000
Add :Shares issued during the year	-	-
Less: Conversion of compulsory convertible preference share capital into equity share capital	(65,00,000)	-
Shares at the end of the year	**-**	**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 had issued 6,500,000 Compulsory Convertible Preference Shares (CCPS) of Rs 100 each fully paid-up. The Company had 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.

The Board of Direcotrs of the Company in their board meeting held on 26 September 2024, had approved the conversion of 65,00,000 compulsorily convertible preference shares (CCPS) into 32,50,000 equity shares, in the ratio of 2: 1 i.e. 2 CCPS of face value of Rs. 100 each and were converted into 1 Equity Share of face value of Rs. 10 each and Security Premium of Rs.190 each on the expiry of eighty four months from the date of issue (i.e.28 September 2017) of the CCPS."

The Company has not bought back any of its shares during the five year period immedaitely proceeding the year ended 31 March 2025.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

(b) Other equity	As at 31-03-2025	As at 31-03-2024
Special reserve		
At the beginning of the year	9,332.00	8,070.00
Add: Current year transfer	1,357.00	1,262.00
Closing balance of special reserve (A)*	**10,689.00**	**9,332.00**
Security Premium Account		
At the beginning of the year	27,321.88	27,321.88
Add: Current year transfer	6,175.00	-
Closing balance of security premium account (B)	**33,496.88**	**27,321.88**
Other comprehensive income		
At the beginning of the year	(1,727.36)	(1,690.39)
Add: Other comprehensive income for the year	(17.12)	(36.97)
Closing balance of other comprehensive income (C)	**(1,744.48)**	**(1,727.36)**
Retained earnings		
At the beginning of the year	33,255.50	28,990.09
Add: Profit for the year	6,781.63	6,307.41
Less: Dividend paid on CCPS	771.45	780.00
Less: Dividend paid on Equity Shares	1,247.56	-
Less: Transfer to special reserve	1,357.00	1,262.00
Closing balance of retained earnings (D)	**36,661.12**	**33,255.50**
Total (A+B+C+D)	**79,102.52**	**68,182.02**

Refer Note - 63

*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, 2025

NOTE - 19
INTEREST INCOME

₹ in Lakhs

Particulars	Current Year 2024-2025			Previous Year 2023-2024		
	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	6,327.45	-	6,327.45	6,124.53	-	6,124.53
Processing fees income	177.24	-	177.24	111.33	-	111.33
Interest income on financial instruments	314.11	18,295.47	18,609.58	2,207.71	14,175.12	16,382.83
Interest on deposits with banks	32.35	-	32.35	41.57	-	41.57
Other interest income	27.54	-	27.54	28.55	-	28.55
Total	**6,878.69**	**18,295.47**	**25,174.16**	**8,513.69**	**14,175.12**	**22,688.81**

₹ in Lakhs

	Current Year 2024-2025	Previous Year 2023-2024
NOTE - 20		
FEES AND COMMISSION INCOME		
Syndication and other fees	1,902.64	2,283.38
Total	**1,902.64**	**2,283.38**
NOTE - 21		
NET GAIN/(LOSS) ON FAIR VALUE CHANGES		
Net gain/(loss) on financial instruments at fair value		
-Investments	4,484.02	4,504.60
-Stock of securities	1,724.57	1,456.08
	6,208.59	**5,960.68**
Net gain/(loss) on financial instruments at fair value		
-Realised	4,327.89	4,606.33
-Unrealised	1,880.70	1,354.35
Total	**6,208.59**	**5,960.68**
Additional Information :		
Profit / (loss) on sale of Investments (actual) (A)	4,524.13	3,195.43
Net gain/(loss) on investments due to fair value change (B)		
-Realised	(1,563.91)	(30.44)
-Unrealised	1,523.80	1,339.61
Total (A+B)	**4,484.02**	**4,504.60**
Profit on sale of stock of securities (actual) (C)	1,246.85	1,750.80
Net gain/(loss) on stock of securities due to fair value change (D)		
-Realised	120.82	(309.46)
-Unrealised	356.90	14.74
Total (C+D)	**1,724.57**	**1,456.08**
NOTE - 22		
NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY		
On financial instruments measured at amortised cost		
Loans (in form of unlisted debentures)	78.82	20.09
Investments	18.97	56.08
Total	**97.79**	**76.17**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

	Current Year 2024-2025	Previous Year 2023-2024
NOTE - 23		
OTHER INCOME		
Profit on redemption / repurchase of non-convertible debentures	-	3.38
Interest received on income tax refund	9.71	-
Other income	3.82	3.94
Total	**13.53**	**7.32**
NOTE - 24		
FINANCE COSTS (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)		
Interest on borrowings	12,418.65	8,978.45
Interest on debt securities	4,732.92	6,043.55
Interest on income tax	-	-
Other interest expense	364.63	155.30
Total	**17,516.20**	**15,177.30**
NOTE - 25		
FEES AND COMMISSION EXPENSE		
Referral fees expenses	1,615.55	1,315.48
Total	**1,615.55**	**1,315.48**
NOTE - 26		
IMPAIRMENT OF FINANCIAL INSTRUMENTS		
On financial instruments measured at amortised cost		
Loans (net)	37.85	(55.60)
Investments (Refer note no.37)	(7.66)	(12.98)
Write off - loans*	-	37.66
Total	**30.19**	**(30.92)**
* Write off of loans is towards loans acquired through direct assignment.		
NOTE - 27		
EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	3,888.72	4,509.98
Gratuity	48.09	45.65
Employers contribution to provident fund and other funds	103.83	69.93
Staff welfare expenses	86.55	54.38
Total	**4,127.19**	**4,679.94**
NOTE - 28		
OTHER EXPENSES		
Rent, taxes and energy costs	79.96	67.30
Travelling expense	166.65	193.28
Repairs and maintenance	62.45	34.15
Advertisement and business promotion expenses	22.84	20.40
Auditor's fees and expenses		
-for audit fees	6.95	5.40
-for tax audit fees	0.71	0.76
-for other services	4.87	2.84
Legal and professional charges	210.48	261.15
Loss on sale of property, plant and equipment (net)	-	0.01
Corporate social responsibilities (Refer note no.32)	144.38	136.27
Insurance expenses	15.49	21.89
Communication costs	14.54	15.21
Software expenses	328.56	221.21
Director's fees, allowances and expenses	10.90	13.80
Miscellaneous expenses	293.64	221.06
Total	**1,362.42**	**1,214.73**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 29
OTHER COMPREHENSIVE INCOME

	Current Year 2024-2025	Previous Year 2023-2024
Items that will not be reclassified to profit or loss		
a. Remeasurement of defined benefit obligation	(22.88)	(49.41)
b. Equity instruments through other comprehensive income	-	-
Total	**(22.88)**	**(49.41)**

NOTE - 30
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 - 31

The ratios pertaining to Capital to risk-weighted assets ratio (CRAR), Tier I CRAR and Tier II CRAR are as under:

Particulars	As at 31-March-2025	As at 31-March-2024	% of Variance
CRAR (%)	31.64	33.30	(4.98)
CRAR - Tier I capital (%)	31.52	33.18	(5.00)
CRAR - Tier II capital (%)	0.12	0.12	-

*Liquidity Coverage Ratio is not applicable to the Company

**There is no major variance in the aforesaid regulatory ratios

NOTE - 32
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	For the year ended 31-March-2025	For the year ended 31-March-2024
Amount required to be spent by the company during the year	144.38	136.41
Less: Previous years' excess	(0.03)	(0.14)
Net amount required to be spent by the Company during the financial year	**144.35**	**136.27**
Amount of expenditure incurred	144.35	136.30
Short fall / (Excess) in CSR Expenditure	-	(0.03)
Total of previous year shortfall	Nil	Nil
Reason for shorfall	NA	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	NA

NOTE - 33
EARNINGS PER SHARE (EPS)

Particulars	Current Year 2024-2025	Previous Year 2023-2024
Net profit after tax available for equity share holders (Rs in lakhs.) [A]	6,781.63	6,307.41
Weighted average number of equity shares outstanding during the year for diluted earnings per share (Nos.)* [B]	2,65,43,750	2,65,43,750
Basic earnings per share (Rs.) [A/B]	25.55	23.76
Diluted earnings per share (Rs.) [A/B]	25.55	23.76
Nominal value of share (Rs.)	10.00	10.00

*For year ending 31st March 2025 and 31st March 2024 the 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, 2025

NOTE - 34
LEASE:

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 8 - property, plant and equipment) for the year ended 31 March 2025:

₹ in Lakhs

Particulars	Building Right-of-use
Opening gross block value of account on adoption of Ind AS 116	**1,186.31**
Measurment on account of adoption of Ind AS 116	85.65
Deduction on account of termination of lease	-
Closing gross block value of account on adoption of Ind AS 116	**1,271.96**
Opening accumulated depreciation of account on adoption of Ind AS 116	**528.66**
Depreciation charged for the year	233.00
Deduction on account of termination of lease	-
Closing accumulated depreciation of account on adoption of Ind AS 116	**761.66**
Closing net block value as at 31 March 2025	**510.30**

Carrying value of lease liabilities is disclosed under note 14 - other financial liabilities at Rs. 605.30 Lakhs as at 31-March-2025.

The following is the movement in lease liabilities during the year ended 31 March 2025

₹ in Lakhs

Particulars	As at 31-03-2025
Balance at the beginning of the year	765.24
Additions	62.88
Finance cost accrued during the year	64.88
Gain loss on waiver of rent	-
Payment of lease liabilities	(287.70)
Balance at the end of the year	**605.30**

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 31-03-2025
Not later than one year	288.44
Later than one year and not later than five years	291.87
More than five years	72.22

The cash outflow of lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year 2024-2025 is Rs.287.70 lakhs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 35
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

Directors / Key managerial personnel
Mr. A. K. Mittal (Managing director)
Mrs.Aditi Mittal (Executive director)
Mr. Vinod Kumar Kathuria (From 18 December 2023) (Independent director)
Mr. Deepak Maheshwari (Independent Director)
Ms. Bindu Darshan Shah (From 28 March 2024) (Independent director)
Mr. Rajiv Kumar Bakshi (Upto 31 March 2024) (Independent director)
Mr. Khimji Shamji Pandav (Upto 18 December 2023) (Independent director)
Mr. Mahesh Bhootra (Chief financial officer)
Ms. Shikha Sharma (From 31 October 2023) (Company secretary)
Mr. Govind Lalwani (Upto 30 October 2023) (Company secretary)

Enterprise controlled by key management personnel
A. K. Services Private Limited
India Bond Private Limited
IB Future Tech Private Limited (Formerly known as IndiaBonds Technologies 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, 2025

₹ in Lakhs

NOTE - 35
RELATED PARTY DISCLOSURES - (CONTD.)

Particulars	Current Year 2024-2025	Previous Year 2023-2024
Brokerage paid		
A. K. Stockmart Private Limited	100.78	130.57
Demat charges paid		
A. K. Stockmart Private Limited	1.28	2.72
Key managerial remuneration *		
Short term benefits	352.32	453.37
Director's sitting fees	10.00	12.00
Rent paid		
Mrs. Aditi Mittal	24.00	24.00
Interest income on loan given		
A. K. Services Private Limited	457.82	541.12
A. K. Alternative Asset Managers Private Limited	49.94	10.96
Family Home Finance Private Limited	208.83	199.22
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
Family Home Finance Private Limited (Term Loan Sanction Limit amounting to Rs.4,500 lakhs (Previous Year Rs.3,500 lakhs))	900.00	1,700.00
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))	2,000.00	5,000.00
Family Home Finance Private Limited (Term Loan Sanction Limit amounting to Rs.4,500 lakhs (Previous Year Rs.3,500 lakhs))	1,270.13	408.43
Purchase of securities (excluding accrued interest)		
A. K. Stockmart Private Limited	-	6,522.83
A. K. Capital Services Limited	747.61	492.25
Sale of securities (excluding accrued interest)		
A. K. Stockmart Private Limited	-	10.09
A. K. Capital Services Limited	9,644.71	16,005.86
Investment made in subsidiary company		
Family Home Finance Private Limited (including securites premium of Rs. 555 lakhs)	-	2,405.00
Upfront processing fees paid on issuences of Non Convertible Debentures		
A. K. Services Private Limited	36.00	-
Interest Expenses		
A. K. Services Private Limited	0.13	0.68
Support services received		
Family Home Finance Private Limited	12.00	12.00
Issuances of Non Convertible Debentures (excluding accrued interest)		
A. K. Services Private Limited	3,600.00	-
Customer Support Fees		
India Bond Private Limited	27.00	-
Commission Expenses on Corporate Guarantee		
A. K. Capital Services Limited	275.00	72.88

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 35

RELATED PARTY DISCLOSURES - (CONTD.)

₹ in Lakhs

Particulars	Current Year 2024-2025	Previous Year 2023-2024
Referral Fees Expense		
India Bond Private Limited	935.12	511.87
Acquisition of Software		
India Bond Private Limited	-	25.00
Redemption of Non Convertible Debentures (excluding accrued interest)		
A. K. Services Private Limited	10.00	-
Software expenses		
India Bond Private Limited	183.36	191.70
IB Future Tech Private Limited (Formerly known as IndiaBonds Technologies Private Limited)	108.00	-
Exitinguishment of Compulsory Convertible Preferene Shares on Conversion to Equity Shares		
A. K. Capital Services Limited	4,500.00	-
Mr. A. K. Mittal	2,000.00	-
Issuance of Equity Shares on Conversion of Compulsory Convertible Preferene Shares		
A. K. Capital Services Limited (including securities premium of Rs.4,275 lakhs)	4,500.00	-
Mr. A. K. Mittal (including securities premium of Rs.1,900 lakhs)	2,000.00	-
Balances Receivable		
A. K. Stockmart Private Limited (towards Stock Broking Contractual Obligations)	-	75.00
Trade payable		
A. K. Stockmart Private Limited	0.35	0.65
India Bond Private Limited	161.32	47.13
IB Future Tech Private Limited (Formerly known as IndiaBonds Technologies Private Limited)	3.24	-
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	4,521.87
Principal loans outstanding		
A. K. Services Private Limited	3,000.00	5,000.00
Family Home Finance Private Limited	2,614.29	2,984.42
A. K. Alternative Asset Managers Private Limited	500.00	500.00
Interest accrued but not due on loans outstanding		
Family Home Finance Private Limited	2.44	2.88
A. K. Alternative Asset Managers Private Limited	9.81	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, 2025

NOTE - 36
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 of financial instrument by categories as of 31 March 2025 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
Assets:				
Cash and cash equivalents	1,018.33	-	-	1,018.33
Bank balances other than cash and cash equivalents	218.72	-	-	218.72
Loans	64,615.74	-	-	64,615.74
Investments*	1,844.92	1,96,028.33	-	1,97,873.25
Stock of securities	-	41,514.21	-	41,514.21
Other financial assets	617.93	3,432.75	-	4,050.68
TOTAL	**68,315.64**	**2,40,975.29**	**-**	**3,09,290.93**
Liabilities:				
Trade payables	283.69	-	-	283.69
Debt Securities	59,004.82	-	-	59,004.82
Borrowings	1,71,024.20	-	-	1,71,024.20
Other financial liabilities	3,565.32	-	-	3,565.32
TOTAL	**2,33,878.03**	**-**	**-**	**2,33,878.03**

The carrying 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
Assets:				
Cash and cash equivalents	1663.83	-	-	1,663.83
Bank balances other than cash and cash equivalents	409.67	-	-	409.67
Trade Receivables	48.60	-	-	48.60
Loans	57,200.45	-	-	57,200.45
Investments*	3,244.67	1,85,878.45	-	1,89,123.12
Stock of securities	-	26,428.45	-	26,428.45
Other financial assets	670.04	3,515.53	-	4,185.57
TOTAL	**63,237.26**	**2,15,822.43**	**-**	**2,79,059.69**
Liabilities:				
Trade payables	159.53	-	-	159.53
Debt Securities	61,824.49	-	-	61,824.49
Borrowings	1,40,247.68	-	-	1,40,247.68
Other financial liabilities	6,066.40	-	-	6,066.40
TOTAL	**2,08,298.10**	**-**	**-**	**2,08,298.10**

* Investment in subisidiary is measured at cost as per IND AS 27 - Separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 37
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, rating of the borrower 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.

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all Stages, i.e. Stage 1, Stage 2 and Stage 3.

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation;To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetimeof the instruments.

The Company uses historical empirical data to arrive at factors that are indicative of future credit risk on the basis of combinations of these parameters. Some of the factors that the Company may consider are:

a) Loan to value

b) Type of collateral

c) Cash-flow and income assessment of the borrower

d) Credit Rating of the borrower

e) Repayment track record of the borrower

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 2024-2025	Previous Year 2023-2024
Revenue from top customer	499.11	541.12
Revenue from top 5 customers	2,150.51	2,277.18

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, rating of the security 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.

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all Stages, i.e. Stage 1, Stage 2 and Stage 3.

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation;To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetimeof the instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 37 (CONTD.)

RISK MANAGEMENT

Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model:

₹ in Lakhs

Particulars	As at 31-03-2025	As at 31-03-2024
Financial assets at amortised cost		
Trade receivables	-	48.60
Loans	64,894.23	57,441.09
Investments	1,854.01	3,261.43
Other financial assets	4,050.68	670.04
At end of the year	**70,798.92**	**61,421.16**

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 2025 and 31 March 2024.

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.

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 31-03-2025	As at 31-03-2024
Financial assets		
Interest bearing		
- fixed interest rate		
Bank balances other than cash and cash equivalent	218.72	409.67
Loans	55,641.45	34,274.78
Investments	1,96,110.59	1,86,971.20
Stock of securities	41,514.21	24,566.58
- floating interest rate		
Loans	9,252.78	23,166.31
Investments	1,771.75	2,168.68
Stock of securities	-	1,164.99
- non interest bearing		
Cash and cash equivalent	1,018.33	1,663.83
Trade receivables	-	48.60
Investment	4,521.87	4,521.87
Stock of securites	-	696.87
Other financial assets	4,050.68	4,185.57
Financial Liabilities		
Interest bearing		
- fixed interest rate		
Borrowings	1,16,494.23	1,19,884.07
Lease liabilities	605.30	765.24
- floating interest rate		
Borrowings	1,13,534.79	82,188.09
- non interest bearing		
Trade payable	283.69	159.53
Other financial liabilities	2,960.02	5,301.16

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 37 (CONTD.)

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 2024-2025	Previous Year 2023-2024
Increase in basis points	50.00	50.00
Effect on profit before tax	(512.55)	(278.44)
Decrease in basis points	50.00	50.00
Effect on profit before tax	512.55	278.44

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 2025 and 31 March 2024 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 9 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 2025						
Borrowings including debt securities	-	1,03,884.63	50,256.33	94,369.95	-	**2,48,510.91**
Trade and other payables	-	283.69	-	-	-	**283.69**
Other financial liabilities	-	1,997.44	1,251.03	291.87	72.22	**3,612.56**
	-	**1,06,165.76**	**51,507.36**	**94,661.82**	**72.22**	**2,52,407.16**
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**

Capital management

The Company actively manages capital base to cover risks inherent in the business and meets the Capital Adequacy Requirements (CRAR) of the Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI. The Company has complied in full with all its externally imposed capital requirements over the reported period. The primary objectives of the Company's capital management are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. The funding requirements are met through equity, non-convertible debentures and other long-term/ short-term borrowings. The Company is aimed to maintain appropriate combination of short-term and long term borrowings. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

i. Regulatory capital

The Company's regulatory capital consists of the sum of the following elements :

- Tier 1 capital, which includes ordinary share capital, retained earnings,perpetual debt and reserves and deduction for intangible assets,deferred tax asset and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy purposes.

- Tier 2 capital, which includes impairment provision in respect of Stage 1 assets

₹ in Lakhs

Particulars	Current Year 2024-2025	Current Year 2023-2024	% of Variance
CRAR (%)	31.64	33.30	(4.98)
CRAR - Tier I capital (%)	31.52	33.18	(5.00)
CRAR - Tier II capital (%)	0.12	0.12	-

*Liquidity coverage ratio is not applicable to the Company

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

ii) Gearing Ratio

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 31-03-2025	As at 31-03-2024
Borrowings including debt securities	2,30,029.02	2,02,072.17
Trade payables	283.69	159.53
Other financial liabilities	3,565.32	6,066.40
Less: cash and cash equivalents	(1,237.05)	(2,073.50)
Net debt (A)	**2,32,640.98**	**2,06,224.60**
Equity share capital	2,654.38	8,829.38
Other equity	79,102.52	68,182.02
Total member's capital (B)	**81,756.90**	**77,011.40**
Capital and net debt (C=A+B)	**3,14,397.88**	**2,83,236.00**
Gearing ratio (%) (A/C)	**74.00**	**72.81**

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.

NOTE - 38

MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled

₹ in Lakhs

Particulars	As at 31-March-2025			As at 31-March-2024		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
(1) Financial assets						
(a) Cash and cash equivalents	1,018.33	-	1,018.33	1,663.83	-	**1,663.83**
(b) Bank balances other than (a) above	217.59	1.13	218.72	237.67	172.00	**409.67**
(c) Receivables						
(i) Trade Receivables	-	-	-	48.60	-	**48.60**
(d) Loans	35,812.43	28,803.31	64,615.74	31,527.09	25,673.36	**57,200.45**
(e) Investments	1,97,165.68	5,229.44	2,02,395.12	1,87,034.60	6,610.39	**1,93,644.99**
(f) Other financial assets						
(i) Stock of securities	41,514.21	-	41,514.21	26,428.45	-	**26,428.45**
(ii) Other financial assets	4,050.68	-	4,050.68	4,185.57	-	**4,185.57**
Total financial assets	**2,79,778.92**	**34,033.88**	**3,13,812.80**	**2,51,125.81**	**32,455.75**	**2,83,581.56**
(2) Non-financial assets						
(a) Current tax assets (net)	587.36	-	587.36	208.91	-	**208.91**
(b) Property, plant and equipment	-	1,864.43	1,864.43	-	2,118.02	**2,118.02**
(c) Intangibles assets	-	22.03	22.03	-	36.37	**36.37**
(d) Other non financial assets	115.57	-	115.57	80.41	-	**80.41**
Total non-financial assets	**702.93**	**1,886.46**	**2,589.39**	**289.32**	**2,154.39**	**2,443.71**
TOTAL ASSETS	**2,80,481.85**	**35,920.34**	**3,16,402.19**	**2,51,415.13**	**34,610.14**	**2,86,025.27**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 38
MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTD.)

₹ in Lakhs

Particulars	As at 31-March-2025			As at 31-March-2024		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
LIABILITIES						
(1) Financial liabilities						
(a) Trade payables						
(i) Total outstanding dues of micro enterprises & small enterprises	14.57	-	14.57	-	-	-
(ii) Total outstanding dues of creditors other than micro & small enterprises	269.12	-	269.12	159.53	-	159.53
(b) Debt securities	15,086.06	43,918.76	59,004.82	46,724.49	15,100.00	61,824.49
(c) Borrowings (other than debt securities)	1,29,357.55	41,666.65	1,71,024.20	1,09,391.99	30,855.69	1,40,247.68
(d) Other financial liabilities	3,226.77	338.55	3,565.32	5,504.22	562.18	6,066.40
Total financial liabilities	**1,47,954.07**	**85,923.96**	**2,33,878.03**	**1,61,780.23**	**46,517.87**	**2,08,298.10**
(2) Non-financial liabilities						
(a) Provisions	71.12	165.94	237.06	63.62	146.70	210.32
(b) Deferred tax liabilities (net)	-	364.72	364.72	-	290.76	290.76
(c) Other non-financial liabilities	165.48	-	165.48	214.69	-	214.69
Total non-financial liabilities	**236.60**	**530.66**	**767.26**	**278.31**	**437.46**	**715.77**
TOTAL LIABILITIES	**1,48,190.67**	**86,454.62**	**2,34,645.29**	**1,62,058.54**	**46,955.33**	**2,09,013.87**
EQUITY						
(a) Equity share capital	-	2,654.38	2,654.38	-	8,829.38	8,829.38
(b) Other equity	-	79,102.52	79,102.52	-	68,182.02	68,182.02
TOTAL EQUITY	**-**	**81,756.90**	**81,756.90**	**-**	**77,011.40**	**77,011.40**

NOTE - 39
CHANGES IN LIABILITY ARISING FROM FINANCING ACTIVITIES (IND AS 7 'STATEMENT OF CASH FLOWS')
AS AT 31 MARCH 2025

₹ in Lakhs

Particulars	Debt securities	Borrowings other than debt securities	Lease liabilities	Interest accrued but not due aon borrowings
As at 1 April 2024	**61,824.49**	**1,40,247.68**	**765.24**	-
Cash Flows	(2,727.00)	30,881.56	(287.70)	(64.88)
Transaction cost	(92.67)	(105.04)	62.88	64.88
Interest accrual	-	-	64.88	-
As at 31 March 2025	**59,004.82**	**1,71,024.20**	**605.30**	-

AS AT 31 MARCH 2024

₹ in Lakhs

Particulars	Debt securities	Borrowings other than debt securities	Lease liabilities	Interest accrued but not due o n borrowings
As at 1 April 2023	**64,731.41**	**96,929.48**	**787.74**	-
Cash Flows	(2,925.00)	43,380.83	(268.82)	(75.86)
Transaction cost	18.08	(62.63)	170.46	75.86
Interest accrual	-	-	75.86	-
As at 31 March 2024	**61,824.49**	**1,40,247.68**	**765.24**	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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 2025: ₹ in Lakhs

Particulars	As at 31-03-2025	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments				
Government securities at FVTPL	76,201.14	-	76,201.14	-
Debt instruments at FVTPL	1,19,827.19	-	1,19,827.19	-
Equity instruments at FVTOCI	-	-	-	-
Stock of securities				
Debt instruments at FVTPL	41,514.21	-	41,514.21	-
Other financial assets				
Interest accrued but not due on financial instruments	3,432.75	-	3,432.75	-

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	-	-
Other financial assets				
Interest accrued but not due on financial instruments	3,515.53	-	3,515.53	-

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	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.
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.

a. The Company does not carry any financial asset and liability which it fair values on a non recurring basis

b. During the year there were no transfers across fair value hierarchy (level 1, 2 and 3)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 41

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENT NOT MEASURED AT FAIR VALUE

The carrying value and fair value of financial instrument not measured at fair value by categories as of 31 March 2025 were as follows:
Rs. in Lakhs

A Details of secured redeemable non-convertible debentures as at 31 March 2025

Name of Security	Total carrying value	Total fair value Level I	Total fair value Level II	Total fair value Level III
Assets:				
Loans	64,615.74	-	-	64,615.74
Investments	1,844.92	-	1,831.50	-
Other financial assets	617.93	-	-	617.93
TOTAL	**67,078.59**	**-**	**1,831.50**	**65,233.67**
Liabilities:				
Trade payables	283.69	-	-	283.69
Debt Securities	59,004.82	-	59,473.18	-
Borrowings	1,71,024.20	-	-	1,71,024.20
Other financial liabilities	3,565.32	-	-	3,565.32
TOTAL	**2,33,878.03**	**-**	**59,473.18**	**1,74,873.21**

The carrying value and fair value of financial instrument not measured at fair value by categories as of 31 March 2024 were as follows:

Name of Security	Total carrying value	Total fair value Level I	Total fair value Level II	Total fair value Level III
Assets:				
Trade Receivables	48.60	-	-	48.60
Loans	57,200.45	-	-	57,200.45
Investments	3,244.67	-	3,450.14	-
Other financial assets	670.04	-	-	670.04
TOTAL	**61,163.76**		**3,450.14**	**57,919.09**
Liabilities:		-		
Trade payables	159.53	-	-	159.53
Debt Securities	61,824.49	-	64,297.10	-
Borrowings	1,40,247.68	-	-	1,40,247.68
Other financial liabilities	6,066.40	-	-	6,066.40
TOTAL	**2,08,298.10**		**64,297.10**	**1,46,473.61**

Measurement of fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements, these fair values were calculated for disclosure purpose only.

a. Short term financial assets and liabilities

For financial assets and financial liabilities that have a short term maturity(less than twelve months), the carrying amounts, which are net of impairment, area reasonable approximation of their fair value. Such instruments include: other financial assets (excluding security deposit), trade payables and other financial liabilities.

b. Loans and advances

In case of loans with floating rates, the interest rate represents the market rate. Consequently the carrying amount represents the fair value.

In case of loan with fixed rate, the fair values estimated by discounted cash flow model that incorporates assumptions for credit risk, probability of default and loss given default estimates. As per management assumptions, the fair value of the loans & advances has been at par with the carrying value of the portfolio considering the fact that the competitive interest rates in the operational area of the company and the portfolio in which the company has exposure are more or less as per prevailing market rates.

c. Investments

Refer Note 40 for description of techniques and valuation inputs used for Level II hierarchy adopted for fair valuation of investments measured at amortised cost

d. Debt securities

Refer Note 40 for description of techniques and valuation inputs used for Level II hierarchy adopted for fair valuation of debt securities measured at amortised cost

e. Borrowings

In case of borrowings , the interest rate represents the market rate. Consequently the carrying amount represents the fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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 2024-2025	Previous Year 2023-2024
Contribution to provident fund and other funds	103.83	69.93

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 2024 - 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 2024-2025	Previous Year 2023-2024
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	32.91	31.34
Past service cost	-	-
Interest cost on defined benefit obligation	15.18	14.31
(Gain) / losses on settlement	-	-
Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)	**48.09**	**45.65**
(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	0.15	(3.88)
Actuarial loss / (gain) arising from change in demographical assumptions	0.84	2.27
Actuarial loss / (gain) arising on account of experience changes	21.89	51.02
Amount recognised in Other Comprehensive Income (B)	**22.88**	**49.41**
Gratuity expense recognised in the statement of profit and loss and Other Comprehensive Income (A+B)	**70.97**	**95.06**
(c) Reconciliation of net liability / asset		
Opening defined benefit liability / (assets)	210.32	190.82
Expense charged to profit & loss account	48.09	45.65
Amount recognised in outside profit and loss account	22.88	49.41
Benefit paid	(44.23)	(75.56)
Closing net defined benefit liability / (asset)	**237.06**	**210.32**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 42
EMPLOYEE BENEFIT OBLIGATION (CONTD.)

₹ in Lakhs

Particulars	Current Year 2024-2025	Previous Year 2023-2024
(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	210.32	190.82
Current service cost	32.91	31.34
Past service cost	-	-
Interest on defined benefit obligation	15.18	14.31
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	0.15	(3.88)
Actuarial loss / (gain) arising from change in demographic assumptions	0.84	2.27
Actuarial loss / (gain) arising on account of experience changes	21.89	51.02
Benefits paid / payable	(44.23)	(75.56)
Closing defined benefit obligation [liability / (asset)] recognised in balance sheet	**237.06**	**210.32**
(e) The principal assumptions used in determining gratuity benefit obligation for the company's plans are shown below:		
Discount rate	6.99%	7.22%
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
Upto 30 Years	30.00%	30.00%
Upto 31-44 Years	30.00%	28.00%
Above 45 Years	30.00%	29.00%
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 2024-2025	Previous Year 2023-2024
Assumptions -Discount rate		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation -increase of sensitivity level	(3.41)	(3.10)
Impact on defined benefit obligation -decrease of sensitivity level	3.51	3.20
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	3.56	3.25
Impact on defined benefit obligation-decrease of sensitivity level	(3.49)	(3.18)

The following payments are expected contributions to the defined benefit plant in future years.

₹ in Lakhs

Particulars	Current Year 2024-2025	Previous Year 2023-2024
Within 1-2 year	117.95	104.80
2-3 year	138.47	123.66
3-4 year	165.19	144.23
4-5 year	206.90	175.63
5-6 year	221.81	204.60

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.75 years (31 March 2024- 7.96 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, 2025

NOTE - 43
INCOME TAX

₹ in Lakhs

	Particulars	Current Year 2024-2025	Previous Year 2023-2024
A	**The major components of income tax expense for the years are:**		
	Current income tax:		
	Current income tax charge	1,510.00	1,835.00
	Adjustments in respect of previous year	0.19	(4.79)
	Deferred tax:		
	Relating to origination and reversal of temporary differences	79.72	153.28
	Income tax expense reported in the statement of profit or loss	**1,589.91**	**1,983.49**
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	8,371.54	8,290.90
	Rate of Income tax	25.17%	25.17%
	Computed expected tax expenses	2,106.95	2,086.65
	Tax effect due to non-deductible items	37.90	34.30
	Tax effect due to deductible items	(49.53)	(39.96)
	Tax effect due to recognition / non recognition of deferred tax assets / (liabilities)	(516.29)	27.73
	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	0.19	(4.79)
	Others	10.69	5.16
	Income tax expense reported in the statement of profit or loss	**1,589.91**	**1,983.49**
C	**The Gross movement in the current income tax asset/(Liability) for the year ended 31 March 2025 and 31 March 2024 is as follows**		
	Net current income tax asset/(liability) at the beginning of the year	208.91	(3.77)
	Income tax paid	1,888.64	2,042.89
	Current tax expenses	(1,510.00)	(1,835.00)
	Interest on tax expenses	-	-
	Excess provision of earlier year	(0.19)	4.79
	Net current income tax asset/(liability) at the end of the year	**587.36**	**208.91**
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	**(290.76)**	**(149.92)**
	Property plant and equipments		
	Investment property and assets for sale	6.16	2.12
	Gratuity	-	(49.08)
	Impairment allowance on loans and advances	6.73	4.90
	EIR on HTM Securities	9.53	(14.00)
	Right-of-use	0.15	(5.49)
	Lease liabilities	38.78	10.95
	Impairment allowance on investments	(40.26)	(5.66)
	Fair value gain on investments in debt securities	(1.93)	(3.26)
	Long term capital loss	(25.16)	(255.32)
	Long term capital loss on sale of investment property	(83.78)	174.22
	Transaction cost on financial liabilities	1.02	0.15
	Transaction cost on financial assets	14.80	(0.57)
	Gain loss on restructuring of loan	-	0.20
	Net deferred tax asset/(liability) at the end of the year	**(364.72)**	**(290.76)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 44
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 2024-2025	Previous Year 2023-2024
Type of goods or service		
Fees and commission Income	1,902.64	2,283.38
Total revenue from contracts with the customers	**1,902.64**	**2,283.38**
Geographical markets		
-India	1,902.64	2,283.38
-Outside India	-	-
Total revenue from contracts with the customers	**1,902.64**	**2,283.38**
Relation with customer		
-Non related party	1,902.64	2,283.38
-Related Party	-	-
Total revenue from contracts with the customers	**1,902.64**	**2,283.38**
Timing of revenue recognition		
-Service transferred over a period of time	-	-
-Service transferred over a point of time	1,902.64	2,283.38
Total revenue from contracts with the customers	**1,902.64**	**2,283.38**

Geographical revenue is allocated based on the location of the services.

NOTE - 45
TRANSFER OF FINANCIAL ASSETS THAT ARE DERECOGNISED IN THEIR ENTIRETY WHERE THE COMPANY HAS CONTINUING INVOLVEMENT

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

NOTE - 46
SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's standalone 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 2025. 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. 22.88 Lakhs, for the year ended 31 March 2025.

Further details about gratuity obligations are given in Note - 42.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(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

(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 - 47

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, 2025

NOTE - 48

DETAILS OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

A Details of secured redeemable non-convertible debentures as at 31 March 2025

Name of Security	Number	Amount (₹ in lakhs)	Allotment Date	Redemption Date
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
9.08% Non Convertible Debentures - Series U	5,000.00	5,000.00	17-Jul-23	17-Jul-26
9.35% Non Convertible Debentures	5,000.00	5,000.00	24-Apr-24	24-Apr-27
9.35% Non Convertible Debentures*	4,000.00	4,000.00	13-May-24	13-May-27
9.35% Non Convertible Debentures	2,500.00	2,500.00	01-Aug-24	01-Nov-25
9.40% Non Convertible Debentures	5,000.00	5,000.00	03-Oct-24	03-Oct-27
9.29% Non Convertible Debentures*	12,500.00	12,500.00	24-Oct-24	23-Oct-26
9.40% Non Convertible Debentures*	5,000.00	5,000.00	30-Dec-24	30-Dec-27
9.40% Non Convertible Debentures*	5,000.00	5,000.00	14-Jan-25	14-Jan-28
9.50% Non Convertible Debentures*	5,000.00	5,000.00	27-Mar-25	27-Mar-28

1. Face value of all the non convertible debentures is Rs.1,00,000

*Non convertible debentures 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 31 March 2024

Name of Security	Number	Amount (₹ in lakhs)	Allotment Date	Redemption Date
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
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
8.00% Non Convertible Debentures - Series S	13,835.00	13,835.00	28-May-21	28-May-24
8.05% Non Convertible Debentures - Series T	500.00	5,000.00	30-Mar-22	30-Mar-25
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
9.08% Non Convertible Debentures - Series U	5,000.00	5,000.00	17-Jul-23	17-Jul-26

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 THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 49

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 2025

(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	26	2,211.91	NA	94.27%

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	1,560.54	67.84%

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	590.05	25.15%
2	Working Capital	386.43	16.47%
3	Term loans	798.81	34.04%
4	TREPS	525.00	22.37%

(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	Commercial Paper to Public Funds	NA
4	NCDs (Original Maturity < 1 year) to Total Liabilities	NA
5	NCDs (Original Maturity < 1 year) to Total Assets	NA
6	NCDs (Original Maturity < 1 year) to Public Funds	NA
7	Other Short Term Liabilities to Total Liabilities	61.56%
8	Other Short Term Liabilities to Total Assets	45.65%
9	Other Short Term Liabilities to Public Funds	62.79%

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, 2025

NOTE - 50

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 as amended from time to time

₹ 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	64,894.23	278.49	64,615.74	260.41	18.08
	Stage 2	-	-	-	-	-
Subtotal		**64,894.23**	**278.49**	**64,615.74**	**260.41**	**18.08**
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**	**64,894.23**	**278.49**	**64,615.74**	**260.41**	**18.08**
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	**64,894.23**	**278.49**	**64,615.74**	**260.41**	**18.08**

Note:The assets includes loans and advances only

NOTE - 51

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	Nil	Nil	Nil	Nil	Nil
Total	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

NOTE - 52

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 2025 - Nil

(a) (ii) Details of loans not in default through assignments transferred during the year ended 31 March 2025 - Nil

(b) Details of stressed loans transferred or acquired, during the year ended 31 March 2025 - Nil

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 53

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 2025 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 54

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.

₹ in Crores

Annexure VII - Section I

	Current Year 2024-2025	Previous Year 2023-2024
(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	0.10	32.55
Total Exposure to Real Estate Sector	**0.10**	**32.55**
b) Indirect exposure (including indirect investments)		
(i) funded and Non Funded Exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	163.11	140.77
Total Exposure to Real Estate Sector	**163.21**	**173.32**
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	45.22
(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**	**45.22**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

3 Sectoral exposure

		Current Year 2024- 2025			Previous Year 2023- 2024		
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%	-	-	0.00%
	2.2 Medium	**-**	**-**	0.00%	-	-	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%	-	-	0.00%
3	**Services**						
	3.1 Transport Operators	-	-	0.00%	-	-	0.00%
	3.2 Computer Software	-	-	0.00%	-	-	0.00%
	3.3 Professional Services	-	-	0.00%	-	-	0.00%
	3.4 Wholesale Trade (other than Food Procurement)	-	-	0.00%	-	-	0.00%
	3.5 Retail Trade	-	-	0.00%	-	-	0.00%
	3.6 NBFCs	487.02	-	0.00%	384.00	-	0.00%
	3.7 Others	-	-	0.00%	-	-	0.00%
	Total of Services (3.1+3.2+3.3+3.4+3.5+3.6+3.7)	**487.02**	**-**	**0.00%**	384.00	-	0.00%
4	**Personal Loan**	**-**	**-**	0.00%	-	-	0.00%
5	**Others, If any**	**161.92**	**-**	**0.00%**	**190.41**	**-**	**0.00%**

4 Intra-group exposures

₹ in Crores

Particular		**Current Year 2024-2025**	**Previous Year 2023-2024**
i)	Total amount of intra-group exposures	61.27	84.97
ii)	Total amount of top 20 intra-group exposures	61.27	84.97
iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	9.44%	14.79%

5 Unhedged foreign currency exposure

As of balance sheet date, company does not have any Unhedged foreign currency exposure.

(B)Related Party Disclosure

Related Party	Parent (as per ownership or control)		Subsidiaries		Directors		Relative of Directors		Key Management Personnel		Relative of Key Management Personnel		Others		Others	
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	-	-	26.15	29.84	-	-	-	-	-	-	-	-	35.00	55.00	**61.15**	**84.84**
(Maximum o/s during the year)	-	-	29.85	31.37	-	-	-	-	-	-	-	-	55.00	103.00	**84.85**	**134.37**
Remuneration	-	-	-	-	3.36	4.36	-	-	0.16	0.17	-	-	-	-	**3.52**	**4.53**
Sitting Fees	-	-	-	-	0.10	0.12	-	-	-	-	-	-	-	-	**0.10**	**0.12**
Investments	-	-	-	24.05	-	-	-	-	-	-	-	-	-	-	**-**	**24.05**
(Maximum o/s during the year)	-	-	45.22	45.22	-	-	-	-	-	-	-	-	-	-	**45.22**	**45.22**
Others transactions:																
Purchase of securities (excluding accrued interest)	7.48	4.92	-	-	-	-	-	-	-	-	-	-	-	65.23	**7.48**	**70.15**
Sale of securities (excluding accrued interest)	96.45	160.06	-	-	-	-	-	-	-	-	-	-	-	0.10	**96.45**	**160.16**
Interest received	-	-	2.09	1.99	-	-	-	-	-	-	-	-	5.08	5.52	**7.17**	**7.51**
Brokerage paid	-	-	-	-	-	-	-	-	-	-	-	-	1.01	1.31	**1.01**	**1.31**
Demat charges paid	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.03	**0.01**	**0.03**
Rent paid	-	-	-	-	0.24	0.24	-	-	-	-	-	-	-	-	**0.24**	**0.24**
Loan given	-	-	9.00	17.00	-	-	-	-	-	-	-	-	-	30.00	**9.00**	**47.00**
Repayment of loan given	-	-	12.70	4.08	-	-	-	-	-	-	-	-	20.00	50.00	**32.70**	**54.08**
Support services received	-	-	0.12	0.12	-	-	-	-	-	-	-	-	-	-	**0.12**	**0.12**
Issuances of Non Convertible Debentures (excluding accrued interest)	-	-	-	-	-	-	-	-	-	-	-	-	36.00	-	**36.00**	**-**
Interest Expenses on Non Convertible Debentures*	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	**-**	**0.01**
Referral Fees Expense	-	-	-	-	-	-	-	-	-	-	-	-	9.35	5.12	**9.35**	**5.12**
Commission on Corporate Guarantee	2.75	0.73	-	-	-	-	-	-	-	-			-	-	**2.75**	**0.73**
Acquisition of Software	-	-	-	-	-	-	-	-	-	-	-	-	-	0.25	**-**	**0.25**
Upfront processing fees paid	-	-	-	-	-	-	-	-	-	-	-	-	0.36	-	**0.36**	**-**
Redemption of Non Convertible Debentures (excluding accrued interest)	-	-	-	-	-	-	-	-	-	-	-	-	0.10	-	**0.10**	**-**
Customer Support Services	-	-	-	-	-	-	-	-	-	-	-	-	0.27	-	**0.27**	**-**
Software expenses	-	-	-	-	-	-	-	-	-	-	-	-	2.91	1.92	**2.91**	**1.92**
Exitinguishment of Compulsory Convertible Preferene Shares on Conversion to Equity Shares	45.00	-	-	-	20.00	-	-	-	-	-	-	-	-	-	**65.00**	**-**
Issuance of Equity Shares on Conversion of Compulsory Convertible Preferene Shares	45.00	-	-	-	20.00	-	-	-	-	-	-	-	-	-	**65.00**	**-**
Other closing balances:																
Balances Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	0.75	**-**	**0.75**
Trade payable	-	-	-	-	-	-	-	-	-	-	-	-	1.65	0.48	**1.65**	**0.48**
Accrued Interest on Non Convertible Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	**-**	**0.01**
Interest accrued but not due on loans outstanding	-	-	0.02	0.03	-	-	-	-	-	-			0.10	0.10	**0.12**	**0.13**
Corporate guarantee taken	275.00	275.00	-	-	-	-	-	-	-	-	-	-	-	-	**275.00**	**275.00**

*** Interest expense on non convertible debentures from other parites for the year ended 31st March 2025 is Rs.12,678/-**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(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 2024-2025	Previous Year 2023-2024
	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-2025**

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-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						

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 55

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 VII - Section II

I) Capital ₹ In Crores

	Items	Current Year 2024-2025	Previous Year 2023-2024
i)	CRAR (%)	31.64	33.30
ii)	CRAR - Tier I capital (%)	31.52	33.18
iii)	CRAR - Tier II capital (%)	0.12	0.12
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 Items	Current Year 2024-2025	Previous Year 2024-2025
i)	Gross value of investments		
	- In India	2,024.04	1,936.62
	- Outside India,	-	-
ii)	Provisions for depreciation		
	- In India	0.09	0.17
	- Outside India,	-	-
iii)	Net Value of Investments		
	- In India	2,023.95	1,936.45
	- Outside India,	-	-

₹ In Crores

2.	Movement of provisions held towards depreciation on investments		
i)	Opening balance	0.17	0.30
ii)	Add : Provisions made during the year	-	-
iii)	Less : Write-off / write-back of excess provisions during the year	(0.08)	(0.13)
iv)	Closing balance	0.09	0.17

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 2025

₹ 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	-	-	-	-	-	-	5.29	1.14	0.02	-	**6.45**
Advances	5.14	0.19	31.60	33.94	32.00	85.85	172.04	273.43	13.90	2.93	**651.02**
Investments	745.09	23.53	43.97	579.54	581.10	3.22	6.70	3.61	7.17	45.22	**2,039.15**
Stock of securities	95.54	206.09	112.71	0.57	0.57	-	-	-	-	-	**415.48**
Borrowings	614.42	3.56	11.99	132.36	268.34	202.05	240.76	854.63	3.33	-	**2,331.44**
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	**-**
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	**-**

Maturity pattern of certain items of Assets and Liabilities as at March 31, 2024

₹ 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	-	-	-	-	-	-	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	-	-	-	-	-	-	-	-	-	-	**-**

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, 2025

v) Exposures

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

B. 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.

C. Unsecured Advances
The Company has an outstanding advances of Rs. 31.54 Crores as unsecured advances as on 31 March 2025.

vi) Corporate Governance
The disclosure forms a part of Corporate Governance Report of Annual Report for the year ended 31 March 2025.

vii) Breach of Coveants
There are no instances of breach of covenant of loan avalied or debt securities issued by the Company.

viii) Divergence in Asset Classification and Provisioning
During the year under consideration there was no assessment done by Reserve Bank of India and therefore details of diversions are not required to be disclosed.

ix) 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 35 of the Standalone 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 - ACUITE AA
3 - Non-Convertible Debentures - ACUITE AA+
4 - Non-Convertible Debentures - ACUITE AA -
5 - Non-Convertible Debentures - CARE AA-
6 - Long Term / Short Term Bank Facilities - CARE AA-
7 - Commercial Paper - CARE A1+

E. Remuneration of Directors
During the year, sitting fees has been paid to a non-executive directors amounting to Rs. 0.10 Crores.

F. Net Profit or Loss for the year, prior period items and changes in accounting policies
There are no prior period items that have impact on the current year's standalone profit and loss.

G. Revenue Recognition
There are no such circumstances in which revenue recognition has been postponed which is pending for 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.

(x) 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 2024-2025	Previous Year 2023-2024
i)	Provisions for depreciation on Investments	(0.08)	(0.13)
ii)	Provision towards NPA	-	(0.09)
iii)	Provision made towards Income tax (Including Deferred tax and Earlier period tax adjustments)*	15.96	19.96
iv)	Other Provision and Contingencies (Employee Benefits)*	0.71	0.95
v)	Impairment on loans and advances (net)	0.38	(0.47)

* including recognised in other comprehensive income

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

B. Draw Down from Reserves

There have been no drawdown from Reserves.

₹ in Crores

C.	Concentration of Deposits, Advances, Exposures and NPAs	As at 31-03-2025
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	565.80
	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	86.99%
c.	**Concentration of Exposures**	
	Total Exposure to twenty largest borrowers / customers (Including interest accrued and due)	566.21
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	86.91%
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 2024-25	Previous Year 2023-2024
(i)	Net NPAs to Net Advances (%)	-	-
(ii)	Movement of NPA (Gross)		
	(a) Opening Balance	-	0.09
	(b) Additions during the year	-	3.80
	(c) Reductions during the year	-	(3.89)
	(d) Closing Balance	-	-
(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
	(c) Write-off / write-back of excess provisions	-	(1.27)
	(d) Closing Balance	-	-

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.

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 2025 and 31 March 2024. 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 2025 and 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 56

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 - 57

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	105.00
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. 5 Crores)

NOTE - 58

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 - 59

The Company does not have any capital work in progress and intangible assets under development.

NOTE - 60

The Company does not hold any Benami Property as defined under Benami Transactions (Prohibition) Act (45) of 1988 and rules made thereunder.

NOTE - 61

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 2025 and 31 March 2024

NOTE - 62

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 - 63
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.

NOTE - 64

The Company does not have any undisclosed income during the financial year ended 31 March 2025 and 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 65
There are no capital / other commitments and contingent liabilities as on 31 March 2025 and 31 March 2024.

NOTE - 66
The Company does not traded or invested in Crypto Currency or Virtual Currency during the financial year ended 31 March 2025 and 31 March 2024

NOTE - 67
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 - 68
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 - 69
No fraud on or by the Company has been noticed or reported during the year ended 31 March 2025 and 31 March 2024.

NOTE - 70
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 - 71
Subsequent events
The Board of Directors of the Company in its meeting held on 17 May 2025, have recommended a final dividend of Rs. 3.80 per equity share having face value of Rs. 10 each for the year ended 31 March 2025. The same is subject to approval of the shareholders in the ensuing annual general meeting. The proposed dividend if approved at the ensuing annual general meeting will result in total cash outflow of Rs. 1,008.66 Lakhs.

NOTE - 72
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 - 73
Previous year's figure have been regrouped or rearranged, wherever considered necessary, to conform with the current year's presentation.

Signatures to 1 to 73

As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration Number : 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

Place: Mumbai
Dated: May 17, 2025

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 17, 2025

SCHEDULE TO THE BALANCE SHEET OF A NON DEPOSIT TAKING NON BANKING FINANCIAL COMPANY AS ON MARCH 31, 2025

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	61,551.31	NIL
		Unsecured	NIL	NIL
		(Other than falling within the meaning of public deposit*)		
b		Deferred credits	NIL	NIL
c		Term Loans	71,073.32	NIL
d		Inter - corporate loans and borrowings	NIL	NIL
e		Commercial paper	NIL	NIL
f		Working capital demand loan from bank	34,849.40	NIL
g		Loan from NBFC	12,815.91	NIL
h		Clearing Corporation of India limited	52,500.00	NIL
I		Repo Account	0.00	NIL
* Refer note no.1 below				

₹ In Lakhs

2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**	**Amount outstanding**	**Amount Overdue**
a	In the form of Unsecured debentures	NIL	NIL
b	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	61,740.70
	Unsecured	3,153.53
	(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, 2025

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**
		Current Investments	
	a	**Quoted**	
		Shares	NIL
		Equity	NIL
		Preference	NIL
		Debentures and bonds	1,19,827.19
		Units of mutual funds	NIL
		Government securities	76,201.14
		Others	NIL
	b	**Unquoted**	
		Shares	NIL
		Equity	NIL
		Preference	NIL
		Debentures and bonds	NIL
		Units of mutual funds	NIL
		Government securities	NIL
		Others	NIL
		Long Term Investments	
	a	**Quoted**	
		Shares	NIL
		Equity	NIL
		Preference	NIL
		Debentures and bonds	1,152.72
		Units of mutual funds	NIL
		Government securities	NIL
		Others	701.29
	b	**Unquoted**	
		Shares	NIL
		Equity	4,521.87
		Preference	NIL
		Debentures and bonds	NIL
		Units of mutual funds	NIL
		Government securities	NIL
		Others	NIL

SCHEDULE TO THE BALANCE SHEET OF A NON DEPOSIT TAKING NON BANKING FINANCIAL COMPANY AS ON MARCH 31, 2025

₹ 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	2,605.21	NIL	2,605.21
b	Companies in the same group	NIL	494.52	494.52
c	Other related parties	2,988.00	NIL	2,988.00
2	**Other than related parties**	55,886.90	2,641.11	58,528.01
	Total	**61,480.11**	**3,135.63**	**64,615.74**
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**	4,979.60	4,521.87
b	Companies in the same group	NIL	NIL
c	Other related parties	NIL	NIL
2	**Other than related parties**	**3,93,888.16**	3,93,879.07
	Total	**3,98,867.76**	**3,98,400.94**

* 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 2025.

₹ 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:

- 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 as amended from time to time
- Provisioning norms shall be applicable as prescribed in Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time
- All Accounting Standards notified by Central Government of India and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments (except Debentures and Government Securities are valued at cost as the market value is not available) and break up/ fair value/ NAV in respect of unquoted investments has been disclosed irrespective of whether they are classified as long term or current in (5) above.
- Unquoted debentures has been treated as term loans or types of credit facilities depending upon the tenure of such debentures for the purpose of income recognition and asset classification.
- 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 2025

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 accompanying consolidated financial statements of A.K. Capital Finance Limited (the "Holding Company")and its subsidiary (the Holding Company and its subsidiary together referred to as the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2025, 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 ended on that date, and a summary of the material 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 Indian Accounting Standards prescribed under section 133 of the Act, 2013('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, the consolidated profit, total consolidated comprehensive income, the consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion
We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's response
1(a)	**Impairment of loans** Recognition and measurement of impairment of loans and advances involve significant management judgement. Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ("ECL") estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs: The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations: Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios: Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determined the economic scenarios used and the probability weights applied to them.	**Principal Audit Procedures** Our key audit procedures included: • Evaluation of the appropriateness of the impairment principles used by management based in the requirements of Ind AS 109, our business understanding and industry practice. • Understanding management's processes, systems and controls implemented in relation to impairment allowance process • Evaluating management's controls over collation of relevant information used for determining estimates for management overlays. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Testing of review controls over measurement of impairment allowances and disclosures in Ind AS financial statements. • Assessing the appropriateness of changes made in macro-economic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. • Focus on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model.

Sr. No.	Key Audit Matter	Auditor's response
1(a)	The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Ind AS financial statements, and possibly many times that amount. Disclosures The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. Refer Note 1, 4, 37, 38 and 40 to the Consolidated financial statements.	• Test of details over of calculation of impairment allowance for assessing the completeness, accuracy, and relevance of data. • Model calculations testing through re-performance where possible. • Assessed the appropriateness of management's judgements in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets. • Assessed whether the disclosures on key judgements, assumptions, and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Ind AS financial statements are appropriate and sufficient.
2	**Measurement of investments in accordance with Ind AS 109 "Financial Instruments"** 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 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. Refer Note 1, 5, 6, 37, 38, 39 and 40 to the Consolidated financial statements.	**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 issued by Independent Chartered Accountant in practice in respect of fair value of investments; and • Assessed the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.
3	**IT systems and control** Financial accounting and reporting processes, especially in the financial services sector are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.	**Principal Audit Procedures** • We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration, and other identified application controls. • We tested IT general controls (logical access changes management and aspects of IT operational controls). • We tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Information other than the financial statements and auditor's report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the 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 and presentation 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 Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 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 is responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group

Auditor's Responsibilities for the Audit of the 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 scepticism 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary company which are companies incorporated in India, 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 ability of the Group 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 within the Group to express an opinion on the consolidated financial statements.

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 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

1. The consolidated financial statements include the audited financial statements of one subsidiary whose financial statements reflects Group's share of total assets of Rs. 7,912.70 lakhs as at March 31, 2025, Group's share of total revenue of Rs. 757.90 lakhs and Group's share of total net profit after tax of Rs. 110.01 Lakhs for the year ended March 31, 2025, as considered in the consolidated financial statements, which have been audited by the subsidiary's independent auditors. The independent auditors' reports on financial statements of such subsidiary have been furnished to us and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of such subsidiary, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

   Our opinion on the consolidated financial results is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

2. The comparative financial information of the Company for the year ended March 31, 2024 included in the Ind AS consolidated financial statements, are based on the previously issued statutory financial statements audited by the predecessor auditor whose report for the year ended March 31, 2024 dated May 11, 2024 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of the matter.

Report on Other Legal and Regulatory Requirements

As required by the paragraph 3(xxi) of Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, based on our audit and on the consideration of audit report on the financial statement of a subsidiary company, we give in the 'Annexure 1' a statement on the matters specified in paragraph 3(xxi) of the Order.

(1) 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 aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding Company so far as it appears from our examination of those books;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act;

e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2025, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary Company, none of the directors of the Holding Company and its Subsidiary Company is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls of the Holding Company and its subsidiary company whose audit reports have been provided to us, we give our separate Report in "Annexure 2".

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 reports of the statutory auditor of the Subsidiary Company which were not audited by us, the remuneration paid/ provided by the Holding Company and its Subsidiary Company to its directors during the year is in accordance with the provisions 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, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Group does not have any pending litigations which would impact its financial position;

   (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

   (iv)(a)The Management of the Holding Company has represented that, to the best of its knowledge and belief and upon consideration of report of the statutory auditor of the Subsidiary Company, 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 or its Subsidiary Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 of the Holding Company has represented, that, to the best of its knowledge and belief and upon consideration of report of the statutory auditor of Subsidiary Company, no funds (which are material either individually or in the aggregate) have been received by the Company or its Subsidiary Company, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 has been considered reasonable and appropriate in the circumstances and upon consideration of the audit report of the statutory auditor of the Subsidiary Company, 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) contain any material misstatement.

(v) The interim 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.

As stated in Note 62 to the consolidated financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(vi) Based on our examination which included test checks and upon consideration of audit report of the subsidiary company whose audit report has been furnished to us, the Holding Company and its subsidiary company have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit-log) facility and the same have operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit and upon consideration of audit report of the subsidiary company, 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 Holding Company.

The Subsidiary Company is also using independent software for loan management and payroll processing which are not integrated with the accounting system of the Subsidiary 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 under Rule 11(g) is not applicable in respect of such software.

Additionally, the audit trail has been preserved by the Group as per the statutory requirements for record retention.

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration No. 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

UDIN: 25423629BMOQMY5416

Date: May 17, 2025
Place: Mumbai

ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of audit report on the financial statement of a subsidiary company incorporated in India, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order 2020 reports of the companies included in the consolidated financial statements are

S. No.	Name	CIN	Relation	Clause number of the CARO report which is qualified or is adverse
1	Family Home Finance Private Limited	U74999MH2017PTC296737	Wholly Owned Subsidiary	iii (c) & iii (d)

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration No. 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

UDIN: 25423629BMOQMY5416

Date: May 17, 2025
Place: Mumbai

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT
[REFERRED TO UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' IN THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF A.K. CAPITAL FINANCE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025]

Report on the Internal Financial Controls over Financial Reporting 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 Holding Company as of and for the year ended March 31, 2025, we have audited the internal financial controls over financial reporting of A.K. Capital Finance Limited ("the Holding Company"), its Subsidiary Company(together referred to as the "Group") whose audit report has been provided to us and which are companies incorporated in India and referred to in "other matters" paragraph in our Independent Auditor's Report of the even date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiary as referred to in the Other Matters paragraph in the Independent Auditor's Report of even date. 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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained including consideration of the reports of other auditor on separate audited financial statements of the subsidiary company, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to consolidated financial statement

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Other Matter

Our aforesaid report under Section 143(3)(In 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 report of the auditors of such subsidiary company incorporated in India.

Opinion

In our opinion and based on the consideration of the report of other auditor on separate audited financial statements of one subsidiary, the Holding Company and the subsidiary 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, 2025, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration No. 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

UDIN: 25423629BMOQMY5416

Date: May 17, 2025
Place: Mumbai

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025

₹ in Lakhs

	Note No.	As at 31-03-2025	As at 31-03-2024
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	2(a)	1,092.74	1,691.34
(b) Bank balances other than (a) above	2(b)	218.72	409.67
(c) Receivables			
(i) Trade Receivables	3	-	48.60
(d) Loans	4	69,112.31	61,443.14
(e) Investments	5	1,98,172.10	1,89,610.69
(f) Other financial assets			
(i) Stock of securities	6	41,514.21	26,428.45
(ii) Other financial assets	7	4,084.05	4,216.68
Total financial assets		**3,14,194.13**	**2,83,848.57**
(2) Non-financial assets			
(a) Current tax assets (net)		587.36	208.91
(b) Deferred tax assets (net)	8	14.16	8.76
(c) Property, plant and equipment	9	2,211.36	2,434.83
(d) Capital Work in Progress	10	-	106.15
(e) Intangibles assets	11	22.03	36.37
(f) Other non financial assets	12	158.77	108.53
Total non-financial assets		**2,993.68**	**2,903.55**
TOTAL ASSETS		**3,17,187.81**	**2,86,752.12**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Trade payables	13		
(i) Total outstanding dues of micro enterprises and small enterprises		14.58	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		290.73	180.87
(b) Debt securities	14		
(c) Borrowings (other than debt securities)	15	59,004.82	61,824.49
(d) Other financial liabilities	16	1,71,024.20	1,40,247.68
Total financial liabilities		3,843.58	6,407.08
		2,34,177.91	**2,08,660.12**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)		3.67	5.97
(b) Provisions	17	239.83	211.67
(c) Deferred tax liabilities (net)	18	364.72	290.76
(d) Other non-financial liabilities	19	175.54	223.74
Total non-financial liabilities		**783.76**	**732.14**
TOTAL LIABILITIES		**2,34,961.67**	**2,09,392.26**
EQUITY			
(a) Equity share capital	20(a)	2,654.38	8,829.38
(b) Other equity	20(b)	79,571.76	68,530.48
Equity Attributable to Owners of the Company		**82,226.14**	**77,359.86**
(c) Non controlling interest		-	-
TOTAL EQUITY		**82,226.14**	**77,359.86**
TOTAL LIABILITIES AND EQUITY		**3,17,187.81**	**2,86,752.12**

Summary of material accounting policies and other explanatory information -See note 1

The accompanying notes (1 to 63) are an integral part of consolidated financial statements

As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration Number : 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

Place: Mumbai
Dated: May 17, 2025

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 17, 2025

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

	Note No.	Current Year 2024-2025	Previous Year 2023-2024
Revenue from operations			
Interest income	21	25,686.84	23,042.56
Fees and commission income	22	1,895.06	2,275.23
Net gain on fair value changes	23	6,240.55	5,975.66
Net gain on derecognition of financial instruments under amortised cost category	24	97.79	76.17
Total revenue from operations		**33,920.24**	**31,369.62**
Other income	25	**13.54**	**7.32**
Total income		**33,933.78**	**31,376.94**
EXPENSES			
Finance costs	26	17,539.30	15,186.40
Fees and commission expenses	27	1,615.55	1,315.87
Impairment on financial instruments (net)	28	20.27	24.17
Employee benefits expenses	29	4,297.16	4,773.65
Depreciation and amortization	9 (b)	452.74	369.17
Other expenses	30	1,483.65	1,319.19
Total expenses		**25,408.67**	**22,988.45**
Profit before exceptional items and tax		**8,525.11**	**8,388.49**
Exceptional items			
Profit before tax		**8,525.11**	**8,388.49**
Tax expense:			
Current tax		1,548.20	1,866.26
Tax adjustment for earlier years		0.29	(4.69)
Deferred tax charge		**74.29**	**153.69**
Profit for the year [A]		**6,902.33**	**6,373.23**
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit or loss		(22.77)	(49.41)
Less: Income tax expense on above		5.73	12.44
Other comprehensive income for the year [B]		**(17.04)**	**(36.97)**
Total comprehensive Income for the year [A+B]		**6,885.29**	**6,336.26**
Profit for the year attributable to			
Owners of the Company		6,902.33	6,373.23
Non controlling interests		-	-
Other comprehensive income for the year attributable to			
Owners of the Company		(17.04)	(36.97)
Non controlling interests		-	-
Total comprehensive income for the year attributable to			
Owners of the Company		6,885.29	6,336.26
Non controlling interests		-	-
Earnings per equity share (Rs.)	**34**		
Basic earnings per share		**26.00**	**24.01**
Diluted earnings per share		**26.00**	**24.01**
Face value per share (Rs.)		**10.00**	**10.00**

Summary of material accounting policies and other explanatory information -See note 1

The accompanying notes (1 to 63) are an integral part of consolidated financial statements

As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration Number : 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

Place: Mumbai
Dated: May 17, 2025

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 17, 2025

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

	Current Year 2024-2025	Previous Year 2023-2024
Cash flow from operating activities		
Profit before tax	8,525.11	8,388.49
Adjustment for:		
Depreciation and amortisation	452.74	369.17
(Profit) / Loss on sale of property, plant and equipment	(0.01)	0.01
Amortisation of processing fees income	58.79	(2.28)
Profit on redemption of non convertible debentures	-	(3.38)
Net gain on fair value changes on investments	(4,515.98)	(4,519.58)
Net gain on derecognition of financial instruments under amortised cost category	(97.79)	(76.17)
Net gain on fair value changes on stock of securities - unrealised	(356.90)	(14.74)
Effective interest rate on held till maturity securities	0.59	(21.82)
Interest Reversal on restructuring of loan	-	0.81
Interest income on investments	(16,760.32)	(7,192.48)
Other Interest Income	(17.72)	(16.56)
Impairment on financial instruments	20.27	24.17
Other interest expenses	91.15	91.31
Movement in working capital:		
(Decrease)/ increase in trade payable and other financial liabilities	(2,211.72)	1,184.98
Decrease in trade receivables and other financial assets	144.22	1,304.08
Increase in loans	(7,758.04)	(4,722.59)
(Increase)/decrease in stock of securities	(14,728.86)	20,671.82
(Increase)/decrease in other non financial assets	(252.00)	100.42
Increase/(decrease) in provision	5.39	(28.99)
Decrease in deposits	-	(33.69)
Decrease in other non financial liabilities	(48.20)	(421.81)
Cash (used in) / generated from operations	**(37,449.28)**	**15,081.17**
Income tax (paid) / refunded (net)	(1,929.94)	(2,077.69)
Cash (used in) / generated from operations [A]	**(39,379.22)**	**13,003.48**
Cash flow from investing activities		
Proceeds from sale / (payment for purchases) of investments (net)	(3,939.95)	(58,171.42)
Payment for acquisition of property, plant and equipments including capital advances	(57.53)	(99.64)
Payment for acquisition of intangible assets	-	(43.01)
Movement in fixed deposit	190.95	123.59
Proceeds from sale of Property, plant and equipments	0.01	-
Proceeds from sale of Property, plant and equipments and asset held for sale	-	875.03
Interest received	16,796.69	5,057.75
Cash generated from / (used in) investing activities [B]	**12,990.17**	**(52,257.70)**
Cash flow from financing activities		
Proceeds from long-term borrowings	99,900.00	38,000.00
Repayment of long-term borrowings	(75,979.83)	(22,574.78)
Proceeds from / (repayment) of short-term borrowings (net)	4,234.39	25,030.61
Repayment of lease liabilities	(257.82)	(209.73)
Dividends paid	(2,019.01)	(780.00)
Share issue expenses	-	(19.00)
Interest paid on lease liabilities	(87.28)	(84.04)
Cash generated from financing activities [C]	**25,790.45**	**39,363.06**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**(598.60)**	**108.84**
Add: Cash and cash equivalents at the beginning of the year	1,691.34	1,582.50
Cash and cash equivalents at the end of the year	1,092.74	1,691.34

Refer Note 45 for changes in liability arising from financing activities

Summary of material accounting policies and other explanatory information -See note 1

The accompanying notes (1 to 63) are an integral part of consolidated financial statements

As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration Number : 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

Place: Mumbai
Dated: May 17, 2025

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 17, 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

A. EQUITY SHARE CAPITAL

EQUITY SHARES	Number of shares	₹ in Lakhs Amount
At 01 April 2023	**2,32,93,750**	**2,329.38**
Changes in equity share capital due to prior period errors	-	-
Restated balance at 01 April 2023	**2,32,93,750**	**2,329.38**
Issue of share capital	-	-
At 31 March 2024	2,32,93,750	2,329.38
Changes in equity share capital due to prior period errors	-	-
Restated balance at 01 April 2024	**2,32,93,750**	**2,329.38**
Issue of equity share capital due to Conversion of compulsory convertible preference share capital into equity share capital	32,50,000	325.00
At 31 March 2025	**2,65,43,750**	**2,654.38**

COMPULSORY CONVERTIBLE PREFERENCE SHARES	Number of shares	₹ in Lakhs Amount
At 01 April 2023	65,00,000	6,500.00
Changes in compulsory convertible preference share capital due to prior period errors	-	-
Restated balance at 01 April 2023	**65,00,000**	**6,500.00**
Issue of share capital	-	-
At 31 March 2024	**65,00,000**	**6,500.00**
Conversion of compulsory convertible preference share capital into equity share capital	-	-
Restated balance at 01 April 2024	**65,00,000**	**6,500.00**
Conversion of share capital	(65,00,000)	(6,500.00)
At 31 March 2025	**-**	-
Total equity share capital		**2,654.38**

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 01 April 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 01 April 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**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	**-**
Restated balance at 01 April 2024	**9,405.00**	**27,306.71**	**33,546.13**	**(99.12)**	**(1,628.24)**	**-**	**68,530.48**
Profit for the year	-	-	6,902.33	-	-	-	**6,902.33**
Other comprehensive income net of tax for the year	-	-	-	(17.04)	-	-	**(17.04)**
Current year transfer	-	6,175.00	-				**6,175.00**
Transfer (to) /from reserves	1,380.00	-	(1,380.00)	-	-	-	**-**
Dividend paid on Equity Shares	-	-	(1,247.56)	-	-	-	**(1,247.56)**
Dividend paid on CCPS	-	-	(771.45)	-	-	-	**(771.45)**
Balance at 31 March 2025	**10,785.00**	**33,481.71**	**37,049.45**	**(116.16)**	**(1,628.24)**	**-**	**79,571.76**

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

The accompanying notes (1 to 63) are an integral part of consolidated financial statements

As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration Number : 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

Place: Mumbai
Dated: May 17, 2025

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 17, 2025

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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 2025 were authorized for issue by the Board of Directors on 17 May 2025.

NOTE - 1

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 2025. 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.

(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(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, 2025	As at March 31, 2024
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 Material accounting estimates, judgements and assumptions

The preparation of consolidated 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, judements and assumption having the most significant effect on the amounts recognised in the financial statements are:

- Fair value of financial instruments
- Impairment of financial assets
- Measurement of defined employee benefit obligation
- Useful life of property, plant and equipment
- Business model assessment
- Provisions

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

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.

Penal Charges are recognized as income only when revenue is virtually certain which generally coincides with receipts.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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 on PPE is provided using the straight-line method at the rates specified in Schedule II to the Act. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

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 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.

1.09 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

1.10 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.

1.11 Impairment of assets

a) Financial assets

Overview of the ECL principles

The Group 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.

The Group 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 Group 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 Group 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 Group classifies all standard advances and advances up to 0-30 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 31-90 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. More than 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 Group may classify the financial asset in Stage 3 accordingly.

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. 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 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.

1.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity & 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, except for trade receivable which are initially measured at transaction price and loans are recognised when funds are disbursed to the customers. 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, with the exception of loans and advances are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans and advances are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them.

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, 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.

Receivables and loans:

Trade receivables which are initially measured at transaction price and loans are recognised when funds are disbursed to the customers. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(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 derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset has expired such as repayments in the financial asset, sale of the financial asset etc.; or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Group has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Group does not have any continuing involvement in the same.

A write-off of a financial asset constitutes a derecognition event.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Profit and Loss.

Financial assets measured at amortised cost are generally held for collection of contractual cashflow. The Group on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and infrequent transaction for sale of portfolios which doesn't affect the business model of the Group.

Write-off

Financial assets are written off when the Group has no reasonable expectation of recovery or expected recovery is not significant basis experience. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write-off

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.

(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. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are initially recognised at fair value and net of directly attributable transaction costs, 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.

1.13 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.

1.14 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.

1.15 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.

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of noncash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated

1.16 Retirement benefits

i) Defined contribution plans

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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

1.17 Lease

As a lessee:

i) Right of use assets and Lease liability

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

a) the contract involves the use of an identified asset;

b) the Group has substantially all the economic benefits from use of the asset through the period of the lease; and

c) the Group has the right to direct the use of the asset.

Recognition and initial measurement

At the lease commencement date, the Group recognizes a Right-of-Use ("RoU") asset and equivalent amount of lease liability. The rightof-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the notional borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments). Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in the in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or is recorded in statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Presentation

Lease liability and right of use assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

The Group has elected to account for shortterm leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these leases are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

ii) De-recognition

An item of right of use assets and lease liability is de-recognized upon termination of lease agreement. Any difference between the carrying amount of right of use asset and lease liability is recognized in statement of profit or loss.

1.18 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.

1.19 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 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. 01 April 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

	As at 31-03-2025	As at 31-03-2024
NOTE - 2		
a) CASH AND CASH EQUIVALENTS		
Cash on hand	7.40	2.48
Balances with banks	1,085.34	1,688.86
	1,092.74	**1,691.34**
(b) Bank balances other than cash and cash equivalents		
Fixed deposits with bank*	218.72	409.67
	218.72	**409.67**
* 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 2025 and 31 March 2024.
b) There are no unbilled revenues as on 31 March 2025 and 31 March 2024.

₹ in Lakhs

	As at 31-03-2025	As at 31-03-2024
NOTE - 4		
LOANS (AT AMORTISED COST)		
(A) **Loans**		
(i) Loans repayable on demand	3,000.00	5,000.00
(ii) Term loans	66,401.38	56,704.28
Total (A) -Gross	**69,401.38**	**61,704.28**
Less: Impairment loss allowance	289.07	261.14
Total (A) - Net	**69,112.31**	**61,443.14**
(B)		
(i) Secured by tangible book debts and other assets	66,247.85	57,827.94
(ii) Unsecured	3,153.53	3,876.34
Total (B)-Gross	**69,401.38**	**61,704.28**
Less: Impairment loss allowance	289.07	261.14
Total (B)-Net	**69,112.31**	**61,443.14**
(C)		
(I) Loans in India		
(i) Public sector	-	-
(ii) Others	69,401.38	61,704.28
(II) Loans outside India	-	-
Total (C)- Gross	**69,401.38**	**61,704.28**
Less: Impairment loss allowance	289.07	261.14
Total(C)-Net	**69,112.31**	**61,443.14**
	69,112.31	**61,443.14**

Refer note no. - 36 for related party disclosures

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 4 (CONTD.)

4 (a) Summary of Effecitve interest rate impact on loans

Particular	As at 31-03-2025	As at 31-03-2024
Gross loans	69,620.54	61,866.99
Less: Effective interest rate impact	219.16	162.71
	69,401.38	**61,704.28**

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

Type of Borrower	As at 31-March-2025	
	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	3,000.00	4.32%

Type of Borrower	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%

(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 2025 and 31 March 2024

4 (c) (a) Credit quality of assets

Particulars	As at 31-March-2025	As at 31-March-2024
Stage 1	69,151.75	61,623.11
Stage 2	242.34	81.17
Stage 3	7.29	-

(b) (i) An analysis of changes in gross carrying amount in relation to lending as at 31 March 2025 and 31 March 2024 is as follows;

Particulars	As at 31-March-2025			As at 31-March-2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross carrying amount opening balance	**61,623.11**	**81.17**	**-**	**56,960.25**	**60.08**	**8.95**
New assets orginated / repaid (excluding write offs)	7,755.43	(54.62)	(3.71)	5,147.15	(83.00)	(351.49)
Transfer (to) / from Stage 1	-	278.47	(51.68)	-	484.29	380.20
Transfer (to) / from Stage 2	(278.47)	-	62.68	(484.29)	-	-
Transfer (to) / from Stage 3	51.68	(62.68)	-	-	(380.20)	-
Amount written off	-	-	-	-	-	(37.66)
Gross carrying amount closing balance	**69,151.75**	**242.34**	**7.29**	**61,623.11**	**81.17**	**-**

(b) (ii) An analysis of changes in Impairment Loss allowances in relation to lending as at 31 March 2025 and 31 March 2024 is as follows;

Particulars	As at 31-March-2025			As at 31-March-2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross carrying amount opening balance	**260.33**	**0.81**	**-**	**231.88**	**20.82**	8.95
Add/(Less) : Movement (Net) due to new origination, reversal due to recovery etc.	35.08	1.83	(8.98)	94.05	32.28	(89.18)
Transfer (to) / from Stage 1	-	9.86	(0.13)	-	65.60	-
Transfer (to) / from Stage 2	(9.86)	-	10.22	(65.60)	-	117.89
Transfer (to) / from Stage 3	0.13	(10.22)	-	-	(117.89)	-
Amount written off	-	-	-	-	-	(37.66)
Gross carrying amount closing balance	**285.68**	**2.28**	**1.11**	**260.33**	**0.81**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 5

INVESTMENTS

₹ in Lakhs

Particulars	As at 31-03-2025				
	Amortised cost	At fair value		Subtotal	Total
		Through other comprehensive Income*	Through profit or loss		
(I) Government securities	**-**	**-**	**76,201.14**	**76,201.14**	**76,201.14**
i) Quoted	-	-	76,201.14	76,201.14	76,201.14
(II) Debt securities	**1,152.72**	**-**	**1,19,827.19**	**1,19,827.19**	**1,20,979.91**
i) Quoted	1,152.72	-	1,19,827.19	1,19,827.19	1,20,979.91
(III) Pass through certificates	**701.29**	**-**	**-**	**-**	**701.29**
i) Unquoted	701.29	-	-	-	701.29
(IV) Alternative Investment Fund	**-**	**-**	**298.85**	**298.85**	**298.85**
i) Unquoted	-	-	298.85	298.85	298.85
(V) Equity instruments	**-**	**-**	**-**	**-**	**-**
i) Unquoted					
- in other companies	-	-	-	-	-
221,000 Equity shares of Neesa Leisure Limited of Rs.10 each*	-	-	-	-	-
Total – Gross (A)	**1,854.01**	**-**	**1,96,327.18**	**1,96,327.18**	**1,98,181.19**
(i) Investments outside India	-	-	-	-	-
(ii) Investments in India	1,854.01	-	1,96,327.18	1,96,327.18	1,98,181.19
Total (B)	**1,854.01**	**-**	**1,96,327.18**	**1,96,327.18**	**1,98,181.19**
Less: Allowance for Impairment loss (C)	9.09	-	-	-	9.09
Total – Net D= (A)-(C)	**1,844.92**	**-**	**1,96,327.18**	**1,96,327.18**	**1,98,172.10**

₹ in Lakhs

Particulars	As at 31-03-2024				
	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 Rs.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**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 6
STOCK OF SECURITIES (MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS)

	As at 31-03-2025	As at 31-03-2024
(I) Debt securities		
Quoted	41,514.21	25,731.58
(II) Exchange traded funds		
Quoted	-	696.87
Total – Gross (A)	**41,514.21**	**26,428.45**
(i) Stock of securities outside India	-	-
(ii) Stock of securities in India	41,514.21	26,428.45
Total – (B)	**41,514.21**	**26,428.45**

NOTE - 7
OTHER FINANCIAL ASSETS

Deposits		
Earnest money deposits	3.00	3.00
Rental deposits -		
i) with relatives and directors	82.96	98.57
ii) with other parties	131.52	120.95
Other deposits	420.92	390.92
Interest accrued but not due on Investments	3,432.75	3,515.53
Receivable from/Balance with stock broker	-	75.00
Income receivable on financial assets	3.73	3.31
Other receivables	9.17	9.40
Total	**4,084.05**	**4,216.68**

NOTE - 8
DEFERRED TAX (ASSETS) / LIABILITIES (NET)

Deferred tax liabilities:-		
On account of:-		
Depreciation	1.83	0.08
Impairment allowance on investments	5.56	5.37
Transaction cost on financial assets	2.99	3.58
Expenses allowable on payment basis (gratuity)	0.70	0.34
Right-of-use	68.00	75.62
Timing difference arising on preliminary expenses (Section 35 on Income Tax Act 1961)	3.35	4.79
Less: Deferred tax assets:-		
Fair value gain on investments in debt securities	(0.95)	(0.61)
Timing difference arising on Section 36 on Income Tax Act 1961	(7.89)	(3.60)
Lease liabilities	(59.43)	(76.81)
Deferred tax (assets) / liabilities (net)	**14.16**	**8.76**

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 35)	Total
Cost								
As at 01 April 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**
Additions	6.38	10.14	1.30	-	5.63	117.29	85.65	**226.39**
Disposals	0.35	0.32	-	-	-	-	-	**0.67**
As at 31 March 2025	**140.68**	**66.96**	**87.69**	**122.06**	**1,340.27**	**325.88**	**1,605.64**	**3,689.18**
Depreciation:								
As at 01 April 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**
Additions	23.26	9.64	8.59	14.69	22.95	70.75	299.66	**449.54**
Disposals	0.35	-	-	-	-	-	-	**0.35**
As at 31 March 2025	**124.48**	**33.98**	**52.42**	**96.15**	**171.76**	**148.43**	**850.60**	**1,477.82**
Net Block								
As at 31 March 2024	**33.08**	**32.80**	**42.56**	**40.60**	**1,185.83**	**130.91**	**969.05**	**2,434.83**
As at 31 March 2025	**16.20**	**32.98**	**35.27**	**25.91**	**1,168.51**	**177.45**	**755.04**	**2,211.36**

1) Building include premises hypothecated against loan taken having net block of as at 31 March 2024 Rs.641.76 lakhs. The said loan was fully repaid during the financial year ended 31 March 2025.

2) Building include premises situated at Chennai mortgaged against non convertible debentures issued having net block as at 31 March 2025 of Rs. 9.13 lakhs (as at 31 March 2024 Rs. 9.31 lakhs).

3) The Group has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 9 (a) THE TITLE DEED OF ALL IMMOVABLE PROPERTIES ARE HELD IN THE NAME OF THE GROUP

₹ in Lakhs

Description of item of property	Building	Building	Building	Building	Total
Gross carrying value	731.70	10.50	501.48	96.59	1,340.27
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	NA
Reason for not being held in the name of the Group	NA	NA	NA	NA	

₹ in Lakhs

NOTE - 9 (b) RECONCILIATION OF DEPRECIATION

	Current Year 2024-2025	Previous Year 2023-2024
Depreciation charged during the year		
Depreciation on Property, Plant and equipment	449.54	378.76
Depreciation on Intangible Assets	14.34	12.69
Less: Depreciation capitalised to Capital Work in Progress	(11.14)	(22.28)
Depreciation charged to Profit and Loss Account	**452.74**	**369.17**

NOTE - 10
CAPITAL-WORK-IN-PROGRESS (CWIP)

Opening capital work in progress of leasehold improvements & other capital expenditure	106.15	-
Add: Leasehold improvements and other capital expenditure	-	83.87
Add: Project development expenditure (Depreciation on Right of use asset)	11.14	22.28
Less: Transferred to leasehold improvements	(117.29)	-
Total	**-**	**106.15**
(a) (i) CWIP aging schedule-Projects in progress		
Capital-Work-in-Progress (CWIP)		
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 2025 and 31 March 2024.
(b) There is no capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan.

NOTE - 11
INTANGIBLE ASSETS

₹ in Lakhs

	Software	Total
Cost		
As at 01 April 2023	**71.44**	**71.44**
Additions	43.01	43.01
Disposals	-	-
As at 31 March 2024	**114.45**	**114.45**
Additions	-	-
Disposals	-	-
As at 31 March 2025	**114.45**	**114.45**
Accumulative amortisation:		
As at 01 April 2023	**65.39**	**65.39**
Additions	12.69	12.69
Disposals	-	-
As at 31 March 2024	**78.08**	**78.08**
Additions	14.34	14.34
Disposals	-	-
As at 31 March 2025	**92.42**	**92.42**
Net book value:		
As at 31 March 2024	**36.37**	**36.37**
As at 31 March 2025	**22.03**	**22.03**

1) The Group has not revalued any of its Intangible Assets

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 12
OTHER NON-FINANCIAL ASSETS

	As at 31-03-2025	As at 31-03-2024
Balance with government authorities	41.90	26.53
Prepaid expenses	114.64	78.80
Other advances	2.23	3.20
Total	**158.77**	**108.53**

NOTE - 13
TRADE PAYABLES

Total outstanding dues of micro enterprises and small enterprises	14.58	-
Total outstanding dues of creditors other than micro and small enterprises	290.73	180.87
Total	**305.31**	**180.87**

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 31-03-2025	As at 31-03-2024
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	14.58	-
(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	-	-

Note - Principal amount remaining unpaid to any supplier as at the end of the accounting year are subsequently paid within due dates

Trade Payables ageing schedule as at 31 March 2025

₹ in Lakhs

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed dues - MSME	7.34	7.24	-	-	-
(ii) Undisputed dues - Others	4.16	286.11	0.46	-	-
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**11.50**	**293.35**	**0.46**	**-**	**-**

Trade Payables ageing schedule as at 31 March 2024

₹ in Lakhs

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed dues - MSME	-	-	-	-	-
(ii) Undisputed dues - Others	20.86	155.60	2.85	1.56	-
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**20.86**	**155.60**	**2.85**	**1.56**	**-**

(i) There are no unbilled disputed dues as on 31 March 2025 and 31 March 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 14 DEBT SECURITIES (AT AMORTISED COST)	As at 31-03-2025	As at 31-03-2024
Non-convertible debentures	59,004.82	61,824.49
(Refer note no. 48)		
Total (A)	**59,004.82**	**61,824.49**
Debt securities in India	59,004.82	61,824.49
Debt securities outside India	-	-
Total (B)	**59,004.82**	**61,824.49**

(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.)

14(a) The Group has registered all the charges towards outstanding secured debt securities issued outstanding as on 31 March 2025 and 31 March 2024. There is no satisfaction of charge pending on secured debt securities issued which are matured or repurchased during the financial year ended 31 March 2025 and 31 March 2024.

₹ in Lakhs

NOTE - 15 BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)	As at 31-03-2025	As at 31-03-2024
(a)Term loans		
(i) from banks#	62,250.93	41,715.77
(ii) from public sector undertaking - public financial institution##	8,717.85	6,657.08
(iii) from NBFCs###	8,912.58	4,992.53
(b) Loans repayable on demand		
(i) from banks*	34,842.84	27,682.30
(ii) from NBFC**	3,800.00	3,700.00
(c) Other loans		
Triparty repo dealing and settlement (TREPS)$	52,500.00	55,500.00
Total (A)	**1,71,024.20**	**1,40,247.68**
Borrowings in India	1,71,024.20	1,40,247.68
Borrowings outside India	-	-
Total (B)	**1,71,024.20**	**1,40,247.68**
Secured	1,71,024.20	1,40,247.68
Unsecured	-	-
Total (C)	**1,71,024.20**	**1,40,247.68**

(a) Loan from banks are repayable in 6 semi-annually, 8 to 20 quarterly and 24 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. The said loan was fully repaid during the financial year ended 31 March 2025.

Loan from public sector undertaking - public financial institution is repayable in 31 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 after a principal moratorium of 6 months and 24 monthly installments after principal moratorium of 2 months. The loans are secured by first pari passu charge by way of hypothecation over the identified "business assets" i.e. securities/receivables of the Group, 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 36- 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 Triparty repo dealing and settlement (TREPS) is secured against lien on government securities and deposit.

15 (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.

15 (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.

15 (c) The Group is not declared a wilful defaulter by any bank or financial institution or other lender.

15 (d) The Group has registered all the charges towards secured borrowings outstanding as on 31 March 2025 and 31 March 2024. There is no satisfaction of charge pending on secured borrowings which are repaid during the financial year ended 31 March 2025 and 31 March 2024.

15 (e) There are no instances of breach of any covenant and security cover towards loan avalied or debt securities issued by the Group.

15 (f) Refer Note - 55

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 16
OTHER FINANCIAL LIABILITIES

	As at 31-03-2025	As at 31-03-2024
Interest accrued but not due on borrowings	2,760.92	5,077.17
Creditors for capital goods	-	34.40
Lease liabilities	875.50	1,070.44
Employee dues	207.13	223.39
Other payables	0.03	1.68
Total	**3,843.58**	**6,407.08**

NOTE - 17
PROVISIONS

Provision for employee benefits		
Gratuity (Refer note no.41)	239.83	211.67
Total	**239.83**	**211.67**

NOTE - 18
DEFERRED TAX (ASSETS) / LIABILITIES (NET)

Deferred tax liabilities -		
On account of:		
Depreciation	148.51	154.67
Fair value gain on investments in debt securities	526.22	501.06
Right of use assets	120.06	158.84
Less: Deferred tax assets:		
Impairment allowance on loans and advances	(70.09)	(60.56)
EIR on HTM Securities	(1.73)	(1.58)
Impairment allowance on investments	(2.29)	(4.22)
Long Term Capital Loss	(90.44)	(174.22)
Lease liabilities	(152.34)	(192.60)
Transaction cost on financial liabilities	(1.35)	(0.33)
Expenses allowable on payment basis (gratuity)	(59.66)	(52.93)
Transaction cost on financial assets	(52.17)	(37.37)
Deferred tax (assets) / liabilities (net)	**364.72**	**290.76**

NOTE - 19
OTHER NON-FINANCIAL LIABILITIES

Statutory dues	175.45	223.52
Others	0.09	0.22
Total	**175.54**	**223.74**

NOTE - 20
(a) EQUITY SHARE CAPITAL

(i) Equity shares

Particulars	As at 31-03-2025		As at 31-03-2024	
	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	2,65,43,750	2,654.38	2,32,93,750	2,329.38
Compulsorily convertible preference shares of Rs.100 each fully paid up	-	-	65,00,000	6,500.00
		2,654.38		**8,829.38**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Details of the shares held by its holding company (i.e. A. K. Capital Services Limited):

Particulars	As at 31-03-2025		As at 31-03-2024	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
Equity shares of ₹10 per share	2,52,47,490	95.12%	2,29,97,490	98.73%
Preference shares of ₹ 100 per share	-	-	45,00,000	69.23%

(ii) Equity shares Capital

Details of shareholders holding more than 5% equity shares in the Holding Company :

Name of Shareholder	As at 31-03-2025		As at 31-03-2024	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Services Limited	2,52,47,490	95.12%	2,29,97,490	98.73%

Details of shares held by promoters in the Holding Company :

Name of Shareholder	As at 31-03-2025		As at 31-03-2024	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Services Limited	2,52,47,490	95.12%	2,29,97,490	98.73%
A. K. Mittal	12,80,180	4.82%	2,80,180	1.20%
Aditi Miital	16,080	0.06%	16,080	0.07%

During financial year ended 31 March 2025, shareholding of A. K. Capital Services Limtied and A. K. Mittal has changed by 9.78% and 356.91% resepectively. The change is on account of the conversion of 65,00,000 compulsorily convertible preference shares (CCPS) into 32,50,000 equity shares, 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 on the expiry of eighty four months from the date of issue (i.e.28 September 2017) of the CCPS.

The is no percentage change in the shareholding of promoters during the financial year ended 31 March 2024

The reconciliation of the number of shares outstanding in the Holding Company:

Particular	As at 31-03-2025	As at 31-03-2024
Shares at the beginning of the year	2,32,93,750	2,32,93,750
Add ::Issue of equity share capital due to Conversion of compulsory convertible preference share capital into equity share capital	32,50,000	-
Shares at the end of the year	**2,65,43,750**	**2,32,93,750**

(iii) Compulsory convertible preference shares

Details of shareholders holding more than 5% compulsory convertible preference shares in the Holding Company on reporting date:

Name of Holder	As at 31-03-2025		As at 31-03-2024	
	Number of shares	Percentage holding	Number of Shares	Percentage holding
A. K. Capital Services Limited	-	-	45,00,000	69.23%
A. K. Mittal	-	-	20,00,000	30.77%

Details of shares held by promoters in the Holding Company :

Name of Holder	As at 31-03-2025		As at 31-03-2024	
	Number of shares	Percentage holding	Number of Shares	Percentage holding
A. K. Capital Services Limited	-	-	45,00,000	69.23%
A. K. Mittal	-	-	20,00,000	30.77%

The Board of Direcotrs of the holding company in their board meeting held on 26 September 2024, had approved the conversion of 65,00,000 compulsorily convertible preference shares (CCPS) into 32,50,000 equity shares, 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 on the expiry of eighty four months from the date of issue (i.e.28 September 2017) of the CCPS.

There is no percentage change in the shareholding of promoters during the financial year ended 31 March 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

The reconciliation of the number of Compulsory convertible preference shares outstanding in the Holding Company:

Particulars	As at 31-03-2025	As at 31-03-2024
Shares at the beginning of the year	65,00,000	65,00,000
Add :Shares issued during the year	-	-
Less: Conversion of compulsory convertible preference share capital into equity share capital	(65,00,000)	-
Shares at the end of the year	**-**	**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.

The Board of Direcotrs of the Holding Company in their board meeting held on 27 September 2024, had approved the conversion of 65,00,000 compulsorily convertible preference shares (CCPS) into 32,50,000 equity shares, in the ratio of 2: 1 i.e. 2 CCPS of face value of Rs. 100 each and were converted into 1 Equity Share of face value of Rs. 10 each and Security Premium of Rs.190 each on the expiry of eighty four months from the date of issue (i.e.28 September 2017) of the CCPS.

The Holding Company has not bought back any of its shares during the five year period immedaitely proceeding the year ended 31 March 2025.

₹ in Lakhs

(b) Other equity	As at 31-03-2025	As at 31-03-2024
Special reserve		
At the beginning of the year	9,405.00	8,121.00
Add: Current year transfer	1,380.00	1,284.00
Closing balance of special reserve (A)*	**10,785.00**	**9,405.00**
Security Premium Account		
At the beginning of the year	27,306.71	27,321.88
Add: Current year transfer	6,175.00	-
Less: Share Issue Expenses	-	(15.17)
Closing balance of security premium account (B)	**33,481.71**	**27,306.71**
Other comprehensive income		
At the beginning of the year	(1,727.36)	(1,690.39)
Add: Other comprehensive income for the year	(17.04)	(36.97)
Closing balance of other comprehensive income (C)	**(1,744.40)**	**(1,727.36)**
Retained earnings		
At the beginning of the year	33,546.13	29,236.90
Add: Profit for the year	6,902.33	6,373.23
Less: Dividend paid on CCPS	771.45	780.00
Less: Dividend paid on Equity Shares	1,247.56	-
Less: Transfer to special reserve	1,380.00	1,284.00
Closing balance of retained earnings (D)	**37,049.45**	**33,546.13**
Total (A+B+C+D)	**79,571.76**	**68,530.48**

Refer Note - 55

*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, 2025

NOTE - 21
INTEREST INCOME

₹ in Lakhs

Particulars	Current year 2024-2025			Previous year 2023-2024		
	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	6,803.98	-	6,803.98	6,442.72	-	6,442.72
Processing fees income	179.81	-	179.81	113.19	-	113.19
Interest income from investments	314.11	18,326.99	18,641.10	2,207.71	14,208.18	16,415.89
Interest on deposits with banks	32.35	-	32.35	41.57	-	41.57
Other interest income	29.60	-	29.60	29.19	-	29.19
Total	**7,359.85**	**18,326.99**	**25,686.84**	**8,834.38**	**14,208.18**	**23,042.56**

₹ in Lakhs

	Current year 2024-2025	Previous year 2023-2024
NOTE - 22		
FEES AND COMMISSION INCOME		
Syndication and other fees	1,895.06	2,275.23
Total	**1,895.06**	**2,275.23**
NOTE - 23		
NET GAIN/(LOSS) ON FAIR VALUE CHANGES		
Net gain/(loss) on financial instruments at fair value		
-Investments	4,515.98	4,519.58
-Stock of securities	1,724.57	1,456.08
	6,240.55	**5,975.66**
Net gain/(loss) on financial instruments at fair value		
-Realised		
-Unrealised	4,358.45	4,618.88
Total	1,882.10	1,356.78
	6,240.55	**5,975.66**
Additional Information :		
Profit / (loss) on sale of Investments (actual) (A)	4,554.73	3,211.44
Net gain/(loss) on investments due to fair value change (B)	-	-
-Realised	(1,563.95)	(33.90)
-Unrealised	1,525.20	1,342.04
Total (A+B)	**4,515.98**	**4,519.58**
Profit on sale of stock of securities (actual) (C)	1,246.85	1,750.80
Net gain/(loss) on stock of securities due to fair value change (D)		
-Realised	120.82	(309.46)
-Unrealised	356.90	14.74
Total (C+D)	**1,724.57**	**1,456.08**
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)	78.82	20.09
Investments	18.97	56.08
Total	**97.79**	**76.17**
NOTE - 25		
OTHER INCOME		
Profit on sale of property, plant and equipment (net)	0.01	-
Profit on redemption / repurchase of non-convertible debentures	-	3.38
Interest received on income tax refund	9.71	-
Other income	3.82	3.94
Total	**13.54**	**7.32**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 26
FINANCE COSTS (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)

	Current year 2024-2025	Previous year 2023-2024
Interest on borrowings	12,418.65	8,978.45
Interest on debt securities	4,732.92	6,043.55
Interest on income tax	0.70	0.92
Other interest expense	387.03	163.48
Total	**17,539.30**	**15,186.40**

NOTE - 27
FEES AND COMMISSION EXPENSE

Referral fees expenses	1,615.55	1,315.87
Total	**1,615.55**	**1,315.87**

NOTE - 28
IMPAIRMENT OF FINANCIAL INSTRUMENTS (NET)

On financial instruments measured at amortised cost		
Loans (net)	27.93	(0.51)
Investments (Refer note no.38)	(7.66)	(12.98)
Write Off - loans*	-	37.66
Total	**20.27**	**24.17**

* Write off of loans is towards loans acquired through direct assignment.

NOTE - 29
EMPLOYEE BENEFITS EXPENSE

Salaries and wages	4,046.59	4,598.31
Gratuity	49.62	46.57
Employers contribution to provident fund and other funds	114.23	74.25
Staff welfare expenses	86.72	54.52
Total	**4,297.16**	**4,773.65**

NOTE - 30
OTHER EXPENSES

Rent, taxes and energy costs	87.13	70.89
Travelling expense	169.25	198.97
Repairs and maintenance	70.39	34.15
Advertisement and business promotion expenses	22.84	20.40
Auditor's fees and expenses		
-for audit fees	9.60	7.05
-for tax audit fees	0.71	0.76
-for other services	5.11	3.93
Legal and professional charges	245.86	275.73
Loss on sale of property, plant and equipment (net)	-	0.01
Corporate social responsibilities (Refer note no.33)	144.38	136.27
Insurance expenses	15.49	21.89
Communication costs	14.81	15.24
Collection and sourcing fees	13.14	16.68
Software expenses	372.91	274.62
Director's fees, allowances and expenses	14.17	15.44
Miscellaneous expenses	297.86	227.16
Total	**1,483.65**	**1,319.19**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

	Current year 2024-2025	Previous year 2023-2024
NOTE - 31		
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
a. Remeasurement of defined benefit obligation	(22.77)	(49.41)
b. Equity instruments through other comprehensive income	-	-
Total	**(22.77)**	**(49.41)**

NOTE - 32
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 - 33
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 31-03-2025	As at 31-03-2024
Amount required to be spent by the Group during the year	144.38	136.41
Less: Previous years' excess	(0.03)	(0.14)
Net amount required to be spent by the Group during the financial year	**144.35**	**136.27**
Amount of expenditure incurred	144.35	136.30
Short fall / (Excess) in CSR Expenditure	-	(0.03)
Total of previous year shortfall	Nil	Nil
Reason for shorfall	NA	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	NA

NOTE - 34
EARNINGS PER SHARE (EPS)

Particulars	As at 31-03-2025	As at 31-03-2024
Net profit after tax available for equity share holders (Rs in lakhs.) [A]	6,902.33	6,373.23
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]	26.00	24.01
Diluted earnings per share (Rs.) [A/B]	26.00	24.01
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, 2025

NOTE - 35
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 9 - property, plant and equipment) for the year ended 31 March 2025:

₹ in Lakhs

Particulars	Building Right-of-use
Opening gross block value of account on adoption of Ind AS 116	**1,519.99**
Measurment on account of adoption of Ind AS 116	85.65
Deduction on account of termination of lease	-
Closing gross block value of account on adoption of Ind AS 116	**1,605.64**
Opening accumulated depreciation of account on adoption of Ind AS 116	**550.94**
Depreciation charged for the year	299.66
Deduction on account of termination of lease	-
Closing accumulated depreciation of account on adoption of Ind AS 116	**850.60**
Closing net block value as at 31 March 2025	**755.04**

Carrying value of lease liabilities is disclosed under note 16 - other financial liabilities at Rs. 875.50 Lakhs as at 31-March-2025.

The following is the movement in lease liabilities during the year ended 31 March 2025

₹ in Lakhs

Particulars	As at 31-03-2025
Balance at the beginning of the year	1,070.44
Additions	62.88
Finance cost accrued during the year	87.28
Gain loss on waiver of rent	-
Payment of lease liabilities	(345.10)
Balance at the end of the year	**875.50**

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 31-03-2025
Not later than one year	368.35
Later than one year and not later than five years	524.55
More than five years	72.22

The cash outflow of lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year 2024-2025 is Rs. 345.10 lakhs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 36
RELATED PARTY TRANSACTIONS

Holding company

A. K. Capital Services Limited

Fellow subsidiary

A. K. Stockmart Private Limited

A. K. Alternative Asset Managers Private Limited

Director/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. 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)

Mr. Jinit Kewalramani (Chief financial officer of Family Home Finance Private Limited) (From 01 August 2024)

Mr. Rahul Ved (Company Secretary of Family Home Finance Private Limited) (From 29 October 2024)

Ms. Sunidhi Singhai (Company Secretary of Family Home Finance Private Limited) (From 22 April 2024) (Upto 01 August 2024)

Enterprise controlled by key management personnel

A. K. Services Private Limited

India Bond Private Limited

IB Future Tech Private Limited (Formerly known as IndiaBonds Technologies 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, 2025

₹ in Lakhs

NOTE - 36 RELATED PARTY TRANSACTIONS (CONTD.) Related party transactions during the period:	Current Year 2024-2025	Previous Year 2023-2024
Brokerage paid		
A. K. Stockmart Private Limited	100.78	130.57
Demat charges paid		
A. K. Stockmart Private Limited	1.29	2.74
Key managerial remuneration *		
Short term benefits	445.29	506.21
Director's sitting fees	13.00	13.50
Rent paid		
Mrs. Aditi Mittal	24.00	24.00
Interest income on loan given		
A. K. Services Private Limited	457.82	541.12
A. K. Alternative Asset Managers Private Limited	49.94	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
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))	2,000.00	5,000.00
Purchase of securities (excluding accrued interest)		
A. K. Stockmart Private Limited	-	6,522.83
A. K. Capital Services Limited	747.61	492.25
Sale of securities (excluding accrued interest)		
A. K. Stockmart Private Limited	-	10.09
A. K. Capital Services Limited	9,644.71	16,005.86
Upfront processing fees paid on issuences of Non Convertible Debentures		
A. K. Services Private Limited	36.00	-
Interest Expenses		
A. K. Services Private Limited	0.13	0.68
Customer Support Fees		
India Bond Private Limited	27.00	-
Issuances of Non Convertible Debentures (excluding accrued interest)		
A. K. Services Private Limited	3,600.00	-
Referral Fees Expense		
India Bond Private Limited	935.12	511.87
Website Maintainance Charges		
IB Future Tech Private Limited (Formerly known as IndiaBonds Technologies Private Limited)	1.00	-
Commission Expenses on Corporate Guarantee		
A. K. Capital Services Limited	275.00	72.88

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 36 RELATED PARTY TRANSACTIONS (CONTD.)	Current Year 2024-2025	Previous Year 2023-2024
Exitinguishment of Compulsory Convertible Preferene Shares on Conversion to Equity Shares		
A. K. Capital Services Limited	4,500.00	-
Mr. A. K. Mittal	2,000.00	-
Issuance of Equity Shares on Conversion of Compulsory Convertible Preferene Shares		
A. K. Capital Services Limited (including securities premium of Rs.4,275 lakhs)	4,500.00	-
Mr. A. K. Mittal (including securities premium of Rs.1,900 lakhs)	2,000.00	-
Acquisition of Software		
India Bond Private Limited	-	25.00
Redemption of Non Convertible Debentures (excluding accrued interest)		
A. K. Services Private Limited	10.00	-
Software expenses		
India Bond Private Limited	183.36	191.70
IB Future Tech Private Limited (Formerly known as IndiaBonds Technologies Private Limited)	108.00	-
Related party closing balances:		
Balances Receivable		
A. K. Stockmart Private Limited (towards Stock Broking Contractual Obligations)	-	75.00
Trade payable		
A. K. Stockmart Private Limited	0.35	0.65
India Bond Private Limited	161.32	47.13
IB Future Tech Private Limited (Formerly known as IndiaBonds Technologies Private Limited)	3.24	-
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
Principal loans outstanding		
A. K. Services Private Limited	3,000.00	5,000.00
A. K. Alternative Asset Managers Private Limited	500.00	500.00
Interest accrued but not due on loans outstanding		
A. K. Alternative Asset Managers Private Limited	9.81	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, 2025

NOTE - 37
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 2025 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
Assets:				
Cash and cash equivalents	1,092.74	-	-	1,092.74
Bank balances other than cash & cash equivalents	218.72	-	-	218.72
Loans	69,112.31	-	-	69,112.31
Investments	1,844.92	1,96,327.18	-	1,98,172.10
Stock of securities		41,514.21	-	41,514.21
Other financial assets	647.57	3,436.48	-	4,084.05
TOTAL	**72,916.26**	**2,41,277.87**	**-**	**3,14,194.13**
Liabilities:				
Trade payables	305.31	-	-	305.31
Debt Securities	59,004.82	-	-	59,004.82
Borrowings	1,71,024.20	-	-	1,71,024.20
Other financial liabilities	3,843.58	-	-	3,843.58
TOTAL	**2,34,177.91**	**-**	**-**	**2,34,177.91**

The carrying 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
Assets:				
Cash and cash equivalents	1,691.34	-	-	1,691.34
Bank balances other than cash and cash equivalents	409.67	-	-	409.67
Trade receivables	48.60	-	-	48.60
Loans	61,443.14	-	-	61,443.14
Investments	3,244.67	1,86,366.02	-	1,89,610.69
Stock of securities	-	26,428.45	-	26,428.45
Other financial assets	697.84	3,518.84	-	4,216.68
TOTAL	**67,535.26**	**2,16,313.31**	**-**	**2,83,848.57**
Liabilities:			-	
Trade payables	180.87	-	-	180.87
Debt Securities	61,824.49	-	-	61,824.49
Borrowings	1,40,247.68	-	-	1,40,247.68
Other financial liabilities	6,407.08	-	-	6,407.08
TOTAL	**2,08,660.12**	**-**	**-**	**2,08,660.12**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 38

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 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.

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all Stages, i.e. Stage 1, Stage 2 and Stage 3.

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation;To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetimeof the instruments.

The Group uses historical empirical data to arrive at factors that are indicative of future credit risk on the basis of combinations of these parameters. Some of the factors that the Group may consider are:

a) Loan to value b) Type of collateral c) Cash-flow and income assessment of the borrower d) Credit Rating of the borrower

e) Repayment track record of the borrower

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 2024-2025	Previous Year 2023-2024
Revenue from top customer	499.11	541.12
Revenue from top 5 customers	2,150.51	2,277.18

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.

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all Stages, i.e. Stage 1, Stage 2 and Stage 3.

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation;To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetimeof the instruments.

Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model: ₹ in Lakhs

Particulars	As at 31-03-2025	As at 31-03-2024
Financial assets at amortised cost		
Trade receivables	-	48.60
Loans	69,401.38	61,704.28
Investments	1,854.01	3,261.43
Other financial assets	647.57	697.84
At end of the year	**71,902.96**	**65,712.15**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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 2025 and 31 March 2024.

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.

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 31-03-2025	As at 31-03-2024
Financial assets		
Interest bearing		
- fixed interest rate		
Bank balances other than cash and cash equivalent	218.72	409.67
Loans	61,538.33	40,030.95
Investments	1,96,110.59	1,86,971.20
Deposits	28.58	26.51
Stock of securities	41,514.21	24,566.58
- floating interest rate		
Loans	7,863.05	21,673.33
Investments	1,771.75	2,168.69
Stock of securities	-	1,164.99
- non interest bearing		
Cash and cash equivalent	1,092.74	1,691.34
Trade receivables	-	48.60
Investment	298.85	487.57
Stock of securites	-	696.87
Other financial assets	4,055.47	4,190.17
Financial Liabilities		
Interest bearing		
- fixed interest rate		
Borrowings	1,16,494.23	1,19,884.07
Lease liabilities	875.50	1,070.44
- floating interest rate		
Borrowings	1,13,534.79	82,188.10
- non interest bearing		
Trade payable	305.31	180.87
Deposits	-	-
Other financial liabilities	2,968.08	5,336.64

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 2024-2025	Previous Year 2023-2024
Increase in basis points	50.00	50.00
Effect on profit before tax	(519.50)	(285.91)
Decrease in basis points	50.00	50.00
Effect on profit before tax	519.50	285.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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 2025 and 31 March 2024 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 2025						
Borrowings including debt securities	-	1,03,884.63	50,256.33	94,369.95	-	**2,48,510.91**
Trade and other payables	-	305.31	-	-	-	**305.31**
Other financial liabilities	-	2,025.15	1,311.29	524.55	72.22	**3,933.21**
	-	**1,06,215.09**	**51,567.62**	**94,894.50**	**72.22**	**2,52,749.43**
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	-	5,157.42	500.39	858.73	104.39	**6,620.93**
	-	**1,18,403.67**	**50,052.21**	**51,631.96**	**104.39**	**2,20,192.23**

Capital management

The Group actively manages capital base to cover risks inherent in the business and meets the Capital Adequacy Requirements (CRAR) of the Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI. The Group has complied in full with all its externally imposed capital requirements over the reported period. The primary objectives of the Group's capital management are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. The funding requirements are met through equity, non-convertible debentures and other long-term/ short-term borrowings. The Group is aimed to maintain appropriate combination of short-term and long term borrowings. The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

i. Regulatory capital

The Holding Company's and Subsidiary Company's regulatory capital consists of the sum of the following elements :

- Tier 1 capital, which includes ordinary share capital, retained earnings,perpetual debt and reserves and deduction for intangible assets,deferred tax asset and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes impairment provision in respect of Stage 1 assets

	Holding Company			Subsidiary Company		
Particulars	**As at 31-March-2025**	**As at 31-March-2024**	**% of Variance**	**As at 31-March-2025**	**As at 31-March-2024**	**% of Variance**
CRAR (%)	31.64	33.30	(4.98)	132.48	118.31	11.98
CRAR - Tier I capital (%)	31.52	33.18	(5.00)	131.98	117.81	12.03
CRAR - Tier II capital (%)	0.12	0.12	-	0.50	0.50	-

*Liquidity coverage ratio is not applicable to the Group.

Gearing ratio

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

Particulars	As at 31-March-2025	As at 31-March-2024
Borrowings including debt securities	2,30,029.02	2,02,072.17
Trade payables	305.31	180.87
Other financial liabilities	3,843.58	6,407.08
Less: cash and cash equivalents	(1,311.46)	(2,101.01)
Net debt (A)	**2,32,866.45**	**2,06,559.11**
Equity share capital	2,654.38	8,829.38
Other equity	79,571.76	68,530.48
Total member's capital (B)	**82,226.14**	**77,359.86**
Capital and net debt (C=A+B)	**3,15,092.59**	**2,83,918.97**
Gearing ratio (%) (A/C)	**73.90**	**72.75**

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 years ended 31 March 2025 and 31 March 2024.

NOTE - 39

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 2025:

₹ in Lakhs

Particulars	As at 31-03-2025	Fair value measurement at end of the reporting year using		
		Level I	Level II	Level III
Financial Assets:				
Investments				
Government securities at FVTPL	76,201.14	-	76,201.14	-
Debt instruments at FVTPL	1,19,827.19	-	1,19,827.19	-
Alternative investment Fund at FVTPL	298.85	-	298.85	-
Equity instruments at FVTOCI	-	-	-	-
Stock of securities				
Debt instruments at FVTPL	41,514.21	-	41,514.21	-
Other financial assets				
Interest accrued but not due on financial instruments	3,432.75	-	3,432.75	-
Income receivable on financial instruments	3.73	-	3.73	-

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 I	Level II	Level III
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	-	-
Other financial assets				
Interest accrued but not due on financial instruments	3,515.53	-	3,515.53	-
Income receivable on financial instruments	3.31	-	3.31	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.

a. The Group does not carry any financial asset and liability which it fair values on a non recurring basis

b. During the year there were no transfers across fair value hierarchy (level 1, 2 and 3)

NOTE - 40

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENT NOT MEASURED AT FAIR VALUE

The carrying value and fair value of financial instrument not measured at fair value by categories as of 31 March 2025 were as follows:

₹ in Lakhs

Particulars	At amortised cost	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Assets:				
Loans	69,112.31	-	-	69,112.31
Investments	1,844.92	-	1,831.50	-
Other financial assets	647.57	-	-	647.57
TOTAL	**71,604.80**	**-**	**1,831.50**	**69,759.88**
Liabilities:				
Trade payables	305.31	-	-	305.31
Debt Securities	59,004.82	-	59,473.18	-
Borrowings	1,71,024.20	-	-	1,71,024.20
Other financial liabilities	3,843.58	-	-	3,843.58
TOTAL	**2,34,177.91**	**-**	**59,473**	**1,75,173.09**

The carrying value and fair value of financial instrument not measured at fair value by categories as of 31 March 2024 were as follows:

₹ in Lakhs

Particulars	At amortised cost	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Assets:				
Trade receivables	48.60	-	-	48.60
Loans	61,443.14	-	-	61,443.14
Investments	3,244.67	-	3,450.14	-
Other financial assets	697.84	-	-	697.84
TOTAL	**65,434.25**	**-**	**3,450.14**	**62,189.58**
Liabilities:				
Trade payables	180.87	-	-	180.87
Debt Securities	61,824.49	-	64,297.10	-
Borrowings	1,40,247.68	-	-	1,40,247.68
Other financial liabilities	6,407.08	-	-	6,407.08
TOTAL	**2,08,660.12**	**-**	**64,297.10**	**1,46,835.63**

Measurement Of Fair Value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements, these fair values were calculated for disclosure purpose only

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

a. Short Term Financial Assets And Liabilities

For financial assets and financial liabilities that have a short term maturity(less than twelve months), the carrying amounts, which are net of impairment, area reasonable approximation of their fair value. Such instruments include: other financial assets (excluding security deposit), trade payables and other financial liability.

b. Loans And Advances

In case of loans with floating rates, the interest rate represents the market rate. Consequently the carrying amount represents the fair value.

In case of Loan with fixed rate, the fair values estimated by discounted cash flow model that incorporates assumptions for credit risk, probability of default and loss given default estimates. As per management assumptions, the fair value of the loans & advances has been at par with the carrying value of the portfolio considering the fact that the competitive interest rates in the operational area of the company and the portfolio in which the company has exposure are more or less as per prevailing market rates.

c. Investments

Refer Note 39 for description of techniques and valuation inputs used for Level II and Level III hierarchy adopted for fair valuation of investments measured at amortised cost

d. Debt securities

Refer Note 39 for description of techniques and valuation inputs used for Level II hierarchy adopted for fair valuation of debt securities measured at amortised cost

e. Borrowings

In case of borrowings, the interest rate represents the market rate. Consequently the carrying amount represents the fair value.

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 2024-2025	Previous Year 2023-2024
Contribution to provident fund	114.23	69.93

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 2024 - 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 2024-2025	Previous Year 2023-2024
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	34.34	32.23
Past service cost	-	-
Interest cost on defined benefit obligation	15.28	14.34
(Gain) / losses on settlement	-	-
Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)	**49.62**	**46.57**
(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	0.26	(3.83)
Actuarial loss / (gain) arising from change in demographical assumptions	0.84	2.27
Actuarial loss / (gain) arising on account of experience changes	21.67	50.97
Amount recognised in Other Comprehensive Income (B)	**22.77**	**49.41**
Gratuity expense recognised in the statement of profit and loss and Other Comprehensive Income (A+B)	**72.39**	**95.98**
(c) Reconciliation of net liability / asset		
Opening defined benefit liability / (assets)	211.67	191.25
Expense charged to profit & loss account	49.62	46.57
Amount recognised in outside profit and loss account	22.77	49.41
Benefit paid	(44.23)	(75.56)
Closing net defined benefit liability / (asset)	**239.83**	**211.67**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 41
EMPLOYEE BENEFIT OBLIGATION (CONTD.)

₹ in Lakhs

Particulars	Current Year 2024-2025	Previous Year 2023-2024
(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	211.67	191.25
Current service cost	34.34	32.23
Past service cost	-	-
Interest on defined benefit obligation	15.28	14.34
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	0.26	(3.83)
Actuarial loss / (gain) arising from change in demographic assumptions	0.84	2.27
Actuarial loss / (gain) arising on account of experience changes	21.67	50.97
Benefits paid / payable	(44.23)	(75.56)
Closing defined benefit obligation [liability/(asset)] recognised in balancesheet	**239.83**	**211.67**
(e) The principal assumptions used in determining gratuity benefit obligation for the company's plans are shown below:		
Discount rate	6.99%	7.22%
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
Upto 30 Years	30.00%	30.00%
Upto 31-44 Years	30.00%	28.00%
Above 45 Years	30.00%	29.00%
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 2024-2025	Previous Year 2023-2024
Assumptions -Discount rate		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation -increase of sensitivity level	(3.58)	(3.18)
Impact on defined benefit obligation -decrease of sensitivity level	3.69	3.28
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	3.75	3.33
Impact on defined benefit obligation-decrease of sensitivity level	(3.57)	(3.26)

The following payments are expected contributions to the defined benefit plant in future years.

₹ in Lakhs

Particulars	Current Year 2024-2025	Previous Year 2023-2024
Within 1-2 year	118.08	104.87
2-3 year	138.66	123.76
3-4 year	165.46	144.38
4-5 year	209.92	175.82
5-6 year	222.22	207.64

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.31 years to 8.75 years (31 March 2024- 1.79 year to 7.96 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, 2025

NOTE - 42
INCOME TAX

₹ in Lakhs

Particulars		Current Year 2024-2025	Previous Year 2023-2024
A	**The major components of income tax expense for the years are:**		
	Current income tax:		
	Current income tax charge	1,548.20	1,866.26
	Adjustments in respect of previous year	0.29	(4.69)
	Deferred tax:		
	Relating to origination and reversal of temporary differences	74.29	153.69
	Income tax expense reported in the statement of profit or loss	**1,622.78**	**2,015.26**
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	8,525.11	8,388.49
	Rate of Income tax	25.17%	25.17%
	Computed expected tax expenses	2,145.60	2,111.22
	Tax effect due to non-deductible items	35.51	45.57
	Tax effect due to deductible items	(50.05)	(40.92)
	Tax effect due to recognition / non recognition of deferred tax assets / (liabilities)	(519.28)	24.52
	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	0.29	(4.69)
	Others	10.71	5.16
	Income tax expense reported in the statement of profit or loss	**1,622.78**	**2,015.26**
C	**The Gross movement in the current income tax asset/(Liability) for the year ended 31 March 2025 and 31 March 2024 is as follows**		
	Net current income tax asset/(liability) at the beginning of the year	202.94	(12.26)
	Income tax paid	1,929.94	2,077.69
	Current tax expenses	(1,548.20)	(1,866.26)
	Interest on tax expenses	(0.70)	(0.92)
	Excess provision of earlier year	(0.29)	4.69
	Net current income tax asset/(liability) at the end of the year	**583.69**	**202.94**
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	**(282.00)**	**(144.58)**
	Property plant and equipments	7.91	1.90
	Investment property and assets held for sale	-	(49.08)
	Gratuity	7.08	5.13
	Disallowance of share issue expenses	(1.44)	3.35
	Impairment allowance on loans and advances	9.72	(11.02)
	EIR on HTM Securities	0.15	(5.49)
	Right-of-use	31.16	86.57
	Lease liabilities	(22.87)	(82.47)
	Impairment allowance on investments	(1.93)	(3.26)
	Fair value gain on investments in debt securities	(25.50)	(255.06)
	Long term capital loss	(83.78)	174.22
	Transaction cost on financial liabilities	1.02	0.15
	Transaction cost on financial assets	14.21	1.04
	Timing difference arising on Section 36 on Income Tax Act 1961	(4.29)	(3.60)
	Gain loss on restructuring of loan	-	0.20
	Net deferred tax asset/(liability) at the end of the year	**(350.56)**	**(282.00)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 43
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 2024-2025	Previous Year 2023-2024
Type of goods or service		
Fees and commission Income	1,895.06	2,275.23
Total revenue from contracts with the customers	**1,895.06**	**2,275.23**
Geographical markets		
-India	1,895.06	2,275.23
-Outside India	-	-
Total revenue from contracts with the customers	**1,895.06**	**2,275.23**
Relation with customer		
-Non related party	1,895.06	2,275.23
-Related Party	-	-
Total revenue from contracts with the customers	**1,895.06**	**2,275.23**
Timing of revenue recognition		
-Service transferred over a period of time	-	-
-Service transferred over a point of time	1,895.06	2,275.23
Total revenue from contracts with the customers	**1,895.06**	**2,275.23**

Geographical revenue is allocated based on the location of the services.

NOTE - 44
MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled

₹ in Lakhs

Paritculars	As at 31-March-2025			As at 31-March-2024		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
(1) Financial assets						
(a) Cash and cash equivalents	1,092.74	-	1,092.74	1,691.34	-	1,691.34
(b) Bank balances other than (a) above	217.59	1.13	218.72	237.67	172.00	409.67
(c) Trade Receivables	-	-	-	48.60	-	48.60
(d) Loans	35,814.84	33,297.47	69,112.31	31,474.49	29,968.65	61,443.14
(e) Investments	1,97,464.53	707.57	1,98,172.10	1,87,219.74	2,390.95	1,89,610.69
(f) Other financial assets						
(i) Stock of securities	41,514.21	-	41,514.21	26,428.45	-	26,428.45
(ii) Other financial assets	4,054.94	29.11	4,084.05	4,190.17	26.51	4,216.68
Total financial assets	**2,80,158.85**	**34,035.28**	**3,14,194.13**	**2,51,290.46**	**32,558.11**	**2,83,848.57**
(2) Non-financial assets						
(a) Current tax assets (net)	587.36	-	587.36	208.91	-	208.91
(b) Deferred tax assets (net)	-	14.16	14.16	-	8.76	8.76
(c) Property, plant and equipment	-	2,211.36	2,211.36	-	2,434.83	2,434.83
(d) Capital Work in Progress	-	-	-	106.15	-	106.15
(d) Intangibles assets	-	22.03	22.03	-	36.37	36.37
(e) Other non financial assets	158.77	-	158.77	108.53	-	108.53
Total non-financial assets	**746.13**	**2,247.55**	**2,993.68**	**423.59**	**2,479.96**	**2,903.55**
TOTAL ASSETS	**2,80,904.98**	**36,282.83**	**3,17,187.81**	**2,51,714.05**	**35,038.07**	**2,86,752.12**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 44

MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTD.)

Rs. in Lakhs

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled

Paritculars	As at 31-March-2025			As at 31-March-2024		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
LIABILITIES						
(1) Financial liabilities						
(a) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	14.58	-	14.58	-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	290.73	-	290.73	180.87	-	180.87
(b) Debt securities	15,086.06	43,918.76	59,004.82	46,724.49	15,100.00	61,824.49
(c) Borrowings (other than debt securities)	1,29,357.55	41,666.65	1,71,024.20	1,09,391.99	30,855.69	1,40,247.68
(d) Other financial liabilities	3,295.90	547.68	3,843.58	5,574.70	832.38	6,407.08
Total financial liabilities	**1,48,044.82**	**86,133.09**	**2,34,177.91**	**1,61,872.05**	**46,788.07**	**2,08,660.12**
(2) Non-financial liabilities						
(a) Provisions	71.16	168.67	239.83	63.64	148.03	211.67
(a) Current tax liabilities (net)	3.67	-	3.67	5.97	-	5.97
(b) Deferred tax liabilities (net)	-	364.72	364.72	-	290.76	290.76
(c) Other non-financial liabilities	175.54	-	175.54	223.74	-	223.74
Total non-financial liabilities	**250.37**	**533.39**	**783.76**	**293.35**	**438.79**	**732.14**
TOTAL LIABILITIES	**1,48,295.19**	**86,666.48**	**2,34,961.67**	**1,62,165.40**	**47,226.86**	**2,09,392.26**
EQUITY						
(a) Equity share capital	-	2,654.38	2,654.38	-	8,829.38	8,829.38
(b) Other equity	-	79,571.76	79,571.76	-	68,530.48	68,530.48
TOTAL EQUITY	**-**	**82,226.14**	**82,226.14**	**-**	**77,359.86**	**77,359.86**

NOTE - 45

CHANGES IN LIABILITY ARISING FROM FINANCING ACTIVITIES (IND AS 7 'STATEMENT OF CASH FLOWS')

As at 31 March 2025

Rs. in Lakhs

Name of Security	Debt securities	Borrowings other than debt securities	Lease liabilities	Interest accrued but not due on borrowings
As at 1 April 2024	**61,824.49**	**1,40,247.68**	**1,070.44**	**-**
Cash Flows	(2,727.00)	30,881.56	(345.10)	(87.28)
Transaction cost	(92.67)	(105.04)	62.88	87.28
Interest accrual	-	-	87.28	-
As at 31 March 2025	**59,004.82**	**1,71,024.20**	**875.50**	**-**

As at 31 March 2024

Rs. in Lakhs

Name of Security	Debt securities	Borrowings other than debt securities	Lease liabilities	Interest accrued but not due on borrowings
As at 1 April 2023	**64,731.41**	**96,929.48**	**787.74**	-
Cash Flows	(2,925.00)	43,380.83	(293.77)	(84.04)
Transaction cost	18.08	(62.63)	492.43	84.04
Interest accrual	-	-	84.04	-
As at 31 March 2024	**61,824.49**	**1,40,247.68**	**1,070.44**	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 46
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 2025. 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. 22.77 Lakhs, for the year ended 31 March 2025.

Further details about gratuity obligations are given in Note - 41.

(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 - 39

(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 47
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 - 48
DETAILS OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

A Details of secured redeemable non-convertible debentures as at March 31, 2025

Name of Security	Number	Amount (₹ in lakhs)	Allotment Date	Redemption Date
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
9.29% Non Convertible Debentures*	12,500.00	12,500.00	24-Oct-24	23-Oct-26
9.35% Non Convertible Debentures	2,500.00	2,500.00	01-Aug-24	01-Nov-25
9.35% Non Convertible Debentures*	4,000.00	4,000.00	13-May-24	13-May-27
9.35% Non Convertible Debentures	5,000.00	5,000.00	24-Apr-24	24-Apr-27
9.40% Non Convertible Debentures	5,000.00	5,000.00	03-Oct-24	03-Oct-27
9.40% Non Convertible Debentures*	5,000.00	5,000.00	14-Jan-25	14-Jan-28
9.40% Non Convertible Debentures*	5,000.00	5,000.00	30-Dec-24	30-Dec-27
9.50% Non Convertible Debentures*	5,000.00	5,000.00	27-Mar-25	27-Mar-28

1. Face value of all the non convertible debentures is Rs.1,00,000

*Non convertible debentures 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, 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.

NOTE - 49

(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	81,756.90	4,979.60	-	(4,510.36)	82,226.14
As a percentage of consolidated net assets (%)	99.43 %	6.06 %	0.00 %	(5.49)%	100.00 %
Share in profit or loss	6,781.63	110.01	-	10.69	6,902.33
As a percentage of consolidated profit or loss (%)	98.26 %	1.59 %	0.00 %	0.15 %	100.00 %
Share in other comprehensive income	(17.12)	0.08	-	-	(17.04)
As a percentage of consolidated other comprehensive income (%)	100.47 %	(0.47)%	0.00 %	0.00 %	100.00 %
Share in total comprehensive income	6,764.51	110.09	-	10.69	6,885.29
As a percentage of consolidated total comprehensive income (%)	98.24 %	1.60 %	0.00 %	0.16 %	100.00 %

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 49 (CONTD.)

(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	1,129.60
Total Assets	7,912.70
Total Liabilities	2,933.10
Investments	298.85
Turnover/Total Income	757.90
Profit before taxation	142.88
Provision for taxation	32.87
Profit after taxation	110.01
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

NOTE - 50

The Group does not have any capital work in progress and intangible assets under development.

NOTE - 51

CONTIGENT LIABILITIES AND CAPITAL / OTHER COMMITMENTS

₹ in Lakhs

Particulars	As at 31-March-2025	As at 31-March-2024
(a) Contingent liabilities	-	-
(b) Capital commitments	-	-
(c) Other commitments - undrawn loan sanctions	14.20	96.27

NOTE - 52

The Group does not hold any Benami Property as defined under Benami Transactions (Prohibition) Act (45) of 1988 and rules made thereunder.

NOTE - 53

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 2025 and 31 March 2024

NOTE - 54

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 - 55

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 56
The Group does not have any undisclosed income during the financial year ended 31 March 2025 and 31 March 2024.

NOTE - 57
The Group does not traded or invested in Crypto Currency or Virtual Currency during the financial year ended 31 March 2025 and 31 March 2024.

NOTE - 58
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 - 59
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 - 60
No fraud on or by the Group has been noticed or reported during the year ended 31 March 2025 and 31 March 2024.

NOTE - 61
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 - 62
Subsequent events
The Board of Directors of the Holding Company in its board meeting held on 17 May 2025, have declared an final dividend of Rs. 3.80 per equity share having face value of Rs.10 each for the financial year ending 31 March 2025, which will result in total cash outflow of Rs.1,008.66 Lakhs.

NOTE - 63
Previous year's figure have been regrouped or rearranged, wherever considered necessary, to conform with the current year's presentation.

Signatures to 1 to 63

As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration Number : 003304N/N500056

Manish Kumar
Partner
Membership No. 423629

Place: Mumbai
Dated : 17 May 2025

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

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

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

Mahesh Bhootra
Chief Financial Officer

Shikha Sharma
Company Secretary
(ACS : A52558)

Place: Mumbai
Dated : 17 May 2025

Registered Office: 601- 602, 6th Floor, Windsor,
Off CST Road, Kalina, Santacruz (East),
Mumbai – 400 098.
Tel: +91 (022) 67546500 / 66349300
Fax: +91 (022) 66100594

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 **Nineteenth (19th) Annual General Meeting ("AGM")** of the members of **A. K. Capital Finance Limited** ("the Company") will be held on **Saturday**, **6th day of September, 2025** 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) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025 including notes and schedule to financial statements, together with the Report of the Board of Directors' along with its annexures, Report on Corporate Governance & Management Discussion & Analysis report and the Auditors' thereon; and
   b) Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025 including notes and schedule to financial statements, together with the Report of Auditors' thereon.
2. To declare a Final Dividend of INR 3.80/- (Indian Rupees Three Rupee Eighty Paisa only) per Equity Shares of INR 10/- (Indian Rupees Ten only) each and to confirm the Interim Dividend already paid for the financial year ended March 31, 2025.
3. To appoint a Director in place of Mr. A. K. Mittal (DIN: 00698377), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Appointment of M/s. Ragini Chokshi & Co., Practicing Company Secretaries as Secretarial Auditor of the Company and fix their remuneration**

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

   "RESOLVED THAT pursuant to the provisions of Sections 179 and 204 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, as amended from time to time, and based on the recommendations of the Audit Committee and the Board of Directors, the approval of the members be and is hereby accorded for the appointment of M/s. Ragini Chokshi & Co., a peer reviewed practicing company secretary, as Secretarial Auditor of the Company for a term of five consecutive years, commencing from Financial Year 2025-26 till Financial Year 2029-30 at such remuneration and on such terms and conditions as may be determined by the Board of Directors (including its committees thereof), and to avail any other services, certificates, or reports as may be permissible under applicable laws.

   RESOLVED FURTHER THAT The Board of Directors of the Company, (including its committees thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

5. **Issuance of Commercial Paper of nominal value aggregating up to INR 500 Crores (Indian Rupees Five Hundred Crores) within the overall 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."

6. **Approval of Material Related Party Transactions by and between the Company and its related parties:**

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable laws (including any amendment(s), modification(s), variation or re-enactment(s) to any of the foregoing), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, the consent of the shareholders be and are hereby accorded to approve/ ratify all existing contracts/ arrangements/ agreements/ transactions and to enter into new/ further contracts/ arrangements/ agreements/ transactions (including any modification(s), alteration(s) or amendment(s) thereto) to be entered by and between the Company and its following related parties from 19th Annual General Meeting of the Company till 20th Annual General Meeting of the Company for a period not exceeding fifteen months, provided that the transactions shall be carried on an arm's length basis and in the ordinary course of business of the Company:

Sr. No.	Name of the party	Nature of transaction	Amount (INR in crores)
1	A. K. Capital Services Limited ("AKCSL") (Holding Company)	Transaction in securities (including subscribing, buying, selling and dealing)	4,000
		Issue of securities to A. K. Capital Services Limited	100
		Lending	50
		Corporate Guarantee	275
		Commission on Corporate Guarantee	5
		Providing and / or availing goods and services including cost sharing arrangements to and/or from	70
2	A. K. Capital Corporation Private Limited (Wholly Owned Subsidiary of AKCSL)	Transaction in securities (including subscribing, buying, selling and dealing)	45
		Providing and / or availing goods and services including cost sharing arrangements to and/or from	5
3	A. K. Stockmart Private Limited (Wholly Owned Subsidiary of AKCSL)	Transaction in securities (including subscribing, buying, selling and dealing)	875
		Brokerage charges @0.01% to 1% on transaction Amount	4
		Demat charges	1
		Providing and /or availing goods and services including cost sharing arrangements to and/or from	20
4	A. K. Wealth Management Private Limited (Wholly Owned Subsidiary of AKCSL)	Transaction in securities (including subscribing, buying, selling and dealing)	45
		Providing and /or availing goods and services including cost sharing arrangements to and/or from	5
5	A. K. Services Private Limited (Enterprise controlled by key management personnel)	Transaction in securities (including subscribing, buying, selling and dealing)	1,350
		Lending (Interest at mutually agreed rates)	100
		Referral Fees Expense	10
		Providing and/or availing goods and services including cost sharing arrangements to and/or from	40

Sr. No.	Name of the party	Nature of transaction	Amount (INR in crores)
6	India Bond Private Limited (Enterprise controlled by key management personnel)	Transaction in securities (including subscribing, buying, selling and dealing)	100
		Licensing services for right to use computer software and databases and acquisition of computer software and database	10
		Referral Fees Expense	30
		Providing and/or availing goods and services including cost sharing arrangements to and/or from	10
7	IB Future Tech Private Limited (formerly known as Indiabonds Technologies Private Limited) (Enterprise controlled by key management personnel)	Transaction in securities (including subscribing, buying, selling and dealing)	100
		Licensing services for right to use computer software and databases and acquisition of computer software and database	25
		Providing and/or availing goods and services including cost sharing arrangements to and/or from	25

RESOLVED FURTHER THAT the Board of Directors of the Company or Company Secretary or Chief Financial Officer of the Company 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 on-going basis, as may be necessary, proper or expedient for the purpose of giving effect to the above 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

CIN: U51900MH2006PLC214277

Date: August 02, 2025

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, Circular No. 09/2023 dated September 25, 2023 and Circular No.09/ 2024 dated September 19, 2024 (collectively referred to as "**MCA Circulars**") and the SEBI vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/ HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/83 dated June 05, 2025 (collectively referred to as "**SEBI Circulars**") has permitted to conduct the Annual General Meeting through video conferencing ("**VC**") or other audio-visual means ("**OAVM**") up to September 30, 2025, 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 & SEBI Circulars, the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), shall be sent 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 19th AGM will be the registered office of the Company situated at 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 equity shareholder:

   a. whose names appear as Beneficial Owners as at the end of the business hours on August 01, 2025 in the list of Beneficial Owners to be furnished by National Securities Depository Limited in respect of the shares held in electronic form

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.4 to 6 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 AGM in respect of Item No.4 to 6 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 AGM to the Company at the e-mail Id: csakcfl@akgroup.co.in.

9. The attendance of the Members attending the 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 19th AGM along with Annual Report for the financial year 2024-25 is being sent only through electronic mode to all the members whose e-mail IDs are registered 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 19th AGM of the Company and the Annual Report for the Financial Year 2024-25 has also been uploaded on the website of the Company at www.akgroup.co.in.

11. Instructions for attending the AGM through VC/OAVM:

    a. The Members will be provided with a facility to attend the AGM through VC/ OAVM.

    b. The Members can join the 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.

    c. 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.

    d. Members, who need any technical assistance before or during the AGM, can contact by sending an email to csakcfl@akgroup.co.in

    e. 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 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 19th 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 Thursday, September 04, 2025. 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.

15. 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.

16. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. In case of joint holders, only such joint holder who is named first in the order of names will be entitled to vote

17. 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

CIN: U51900MH2006PLC214277

Date: August 02, 2025

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. 4

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**LODR Regulations"**), the Company being a material subsidiary of A. K. Capital Services Limited, an equity listed entity, is required to appoint Secretarial Auditor for a period of five years.

M/s. Ragini Chokshi & Co., a leading firm of practicing Company Secretaries (hereinafter referred to as RCC) with over three decades of experience in delivering comprehensive professional services across Corporate Laws, SEBI Regulations and FEMA Regulations. Their expertise includes conducting Secretarial Audits, Due Diligence, Compliance Audits etc. RCC were appointed as secretarial auditors of the Company for conducting secretarial audit for the financial years 2024-25 and the same is not considered as a term of Appointment of Secretarial Auditor as per Regulation 24A of the LODR Regulations. In terms of Regulation 24A of LODR Regulations read with SEBI notification dated December 12, 2024, and other applicable provisions, the Company can appoint a peer reviewed firm as secretarial auditors for not more than two (2) terms of five (5) consecutive years. RCC is eligible for appointment for a period of five years and on the basis of recommendations of the Audit Committee, the Board of Directors, at its meeting held on May 17, 2025, approved the appointment of RCC as Secretarial Auditors of the Company to hold office for a term of five consecutive years commencing from Financial Year 2025-26 till Financial Year 2029-30. The appointment is subject to approval of the shareholders of the Company.

RCC has given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if approved) would be within the limits specified by Institute of Company Secretaries of India. Furthermore, in terms of the amended regulations, RCC has provided a confirmation that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India and hold a valid peer review certificate.

The proposed remuneration to be paid to RCC for secretarial audit services for the financial year ending March 31, 2026, is INR 45,000/- plus applicable taxes and out-of-pocket expenses based on actuals. This is subject to annual increment of INR 3,000/- every year. Besides the secretarial audit services, the Company may also obtain certifications from RCC under various statutory regulations and certifications required by banks, statutory authorities, audit related services and other permissible non-secretarial audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Managing Director.

The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with RCC.

Based on the recommendations of the Audit Committee, the Board of Directors have approved and recommended the aforesaid proposal for approval of members taking into account the eligibility of the firm's qualification, experience, independent assessment & expertise of the partners in providing secretarial audit related services, competency of the staff and Company's previous experience based on the evaluation of the quality of audit work done by them in the past.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution.

The Board recommends the Ordinary Resolution under Item no. 4 for approval by the members.

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 17, 2025 has approved, subject to the approval of shareholders in the general meeting, 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.

Item No. 6

The members are informed pursuant to Section 188 of the Companies Act, 2013 ("**the Act**"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board and prior approval of the members by resolution in case certain Related Party Transactions exceed such sum as is specified in the rules.

The Company earlier being a high value debt listed entity ("**HVDLE**") was required to comply with the provisions of Regulation 23 pertaining to related party transactions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As

per sub-regulation (4) of Regulation 23 of the said regulations, all material related party transactions require prior approval of the shareholders. However, no member who is a related party was allowed to vote on such resolution, irrespective the member is a related party to that particular transaction or not.

The SEBI vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2025, has increased the threshold limit for classification of HVDLE from 500 Crores to 1,000 Crores (value of the outstanding listed NCDs) and in view of the said amendment, the Company has ceased to be an HVDLE w.e.f. March 28, 2025.

Further, pursuant to the provisions of the Act, in case 90% or more members in number are relatives of promoters or related parties, than the proviso restricting vote by any related party will not be applicable.

In view of the above, the members are requested to consider the matter for approving related party transactions crossing the threshold specified in the Act read with rules.

The relevant details as provided by the management of the Company to the audit committee with respect to material Related Party Transactions entered/ to be entered into by the Company is detailed out in **Annexure – II** annexed to this Notice.

The mentioned transactions, which are enabling in nature, have been approved and recommended by the Board as well as Audit Committee of the Company at its meeting held on August 02, 2025 in terms of the requirements of the Act read with rules made thereunder. Also, Audit Committee in its meeting held on February 03, 2025, already approved all these transactions under the omnibus limits, which were duly noted by the Board in its meeting held on same day.

The Board of the Company recommends the Ordinary Resolution as set out in Item no. 6 of this Notice for approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution, except Mr. A. K. Mittal, Managing Director and Ms. Aditi Mittal, Executive Director of the Company.

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

CIN: U51900MH2006PLC214277

Date: August 02, 2025

Annexure - I

BRIEF RESUME OF MR. A. K. MITTAL SEEKING APPOINTMENT/ RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING (IN PURSUANCE WITH SECRETERIAL STANDARD 2)

Name of the Director and DIN	Mr. A. K. Mittal (DIN: 00698377)		
Category	Managing Director		
Age	About 70 Years (February 19, 1955)		
Nationality	Indian		
Date of Appointment on the Board	November 30, 2012		
Shares held in the Company as on March 31, 2025	Equity Shares: 12,80,180 (4.82%)		
Qualification/s	B.Sc., C.A., LL.B, M.A.(Economics)		
Brief resume including experience	• 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 supervises the primary activity of A. K. Capital Services Limited, Category I Merchant Banker registered with SEBI and A. K. Capital Finance Limited, a Non-Deposit Taking Middle Layer Non-Banking Finance Company registered with RBI.		
Expertise in specific functional areas	Expertise in debt market segment and financial services		
Terms and Condition of re-appointment along with Remuneration	As per terms & conditions and remuneration duly approved by the shareholders.		
Last Remuneration Drawn	INR 1,92,00,000/- for FY 2024-25		
Directorships held in other companies	A. K. Capital Services Limited – Managing Director Family Home Consultancy Private Limited – Additional Director A. K. Capital Corporation Private 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
		Audit Committee	Member
Number of Meetings of the Board attended during the Financial Year 2024-25	05		
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	Nil		

The proposal for re-appointment of Mr. A. K. Mittal, Managing 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.

Mr. A. K. 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, Mr. A. K. 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 Ms. Aditi Mittal (DIN: 00698397) is, 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.

Annexure – II

Material related party transactions of the Company										
Sr. No	Name of the related party and its relationship with the Company	Nature & particulars of the contract or arrangement	Material terms of the contract or arrangement including the value, if any;	Any advance paid or received for the contract or arrangement, if any;	Manner of determining the pricing & other commercial terms, both included as part of contract & not considered as part of the contract;	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;	Tenure of the proposed transaction (particular tenure shall be specified)	Value of the proposed transaction; (Rs. In Crores)	Entity wise Value of the proposed transactions (Rs. in Crores)	Name of the director or key managerial personnel who is related, if any;
1	A. K. Capital Services Limited ("AKCSL") (Holding Company)	Transaction in securities (including subscribing, buying, selling and dealing)	To be mutually agreed at the time of transaction	NIL	On Market price and as per regulatory norms	-	From 19th AGM of the Company till 20th AGM of the Company for a period not exceeding fifteen months.	4,000.00	4500.00	Mr. A. K. Mittal & Ms. Aditi Mittal
		Issue of securities to A. K. Capital Services Limited			As per regulatory provisions			100.00		
		Lending (Interest at mutually agreed rates)			As per the Interest Rate Policy and Sanction documents			50.00		
		Corporate Guarantee			Based on the loan documents			275.00		
		Commission on Corporate Guarantee			Based on the actual amount of guarantee and mutually agreed			5.00		
		Providing and / or availing goods and services including cost sharing arrangements to and/or from			To be determined mutually			70.00		
2	A. K. Capital Corporation Private Limited (Wholly Owned Subsidiary of AKCSL)	Transaction in securities (including subscribing, buying, selling and dealing)	To be mutually agreed at the time of transaction	NIL	On Market price and as per regulatory norms	-	From 19th AGM of the Company till 20th AGM of the Company for a period not exceeding fifteen months.	45.00	50.00	Mr. A. K. Mittal & Ms. Aditi Mittal
		Providing and / or availing goods and services including cost sharing arrangements to and/or from			To be determined mutually			5.00		
3	A. K. Stockmart Private Limited (Wholly Owned Subsidiary of AKCSL)	Transaction in securities (including subscribing, buying, selling and dealing)	To be mutually agreed at the time of transaction	NIL	On Market price and as per regulatory norms	-	From 19th AGM of the Company till 20th AGM of the Company for a period not exceeding fifteen months.	875.00	900.00	Mr. A. K. Mittal & Ms. Aditi Mittal
		Brokerage charges - @ 0.01% to 1% on transaction Amount			0.01% to 1% on transaction Amount			4.00		
		Demat charges - As per market Rate			As per market Rate			1.00		
		Providing and /or availing goods and services including cost sharing arrangements to and/or from			To be determined mutually			20.00		
4	A. K. Wealth Management Private Limited (Wholly Owned Subsidiary of AKCSL)	Transaction in securities (including subscribing, buying, selling and dealing)	To be mutually agreed at the time of transaction	NIL	On Market price and as per regulatory norms	-	From 19th AGM of the Company till 20th AGM of the Company for a period not exceeding fifteen months.	45.00	50.00	Mr. A. K. Mittal & Ms. Aditi Mittal
		Providing and /or availing goods and services including cost sharing arrangements to and/or from			To be determined mutually			5.00		
5	A. K. Services Private Limited (Enterprise controlled by key management personnel)	Transaction in securities (including subscribing, buying, selling and dealing)	To be mutually agreed at the time of transaction	NIL	On Market price and as per regulatory norms	-	From 19th AGM of the Company till 20th AGM of the Company for a period not exceeding fifteen months.	1,350.00	1500.00	Mr. A. K. Mittal & Ms. Aditi Mittal
		Lending (Interest at mutually agreed rates)			As per the Interest Rate Policy and Sanction documents			100.00		
		Referral Fees Expense			To be determined mutually			10.00		
		Providing and/or availing goods and services including cost sharing arrangements to and/or from			To be determined mutually			40.00		

Sr. No	Name of the related party and its relationship with the Company	Nature & particulars of the contract or arrangement	Material terms of the contract or arrangement including the value, if any;	Any advance paid or received for the contract or arrangement, if any;	Manner of determining the pricing & other commercial terms, both included as part of contract & not considered as part of the contract;	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;	Tenure of the proposed transaction (particular tenure shall be specified)	Value of the proposed transaction; (Rs. In Crores)	Entity wise Value of the proposed transactions (Rs. in Crores)	Name of the director or key managerial personnel who is related, if any;
6	India Bond Private Limited (Enterprise controlled by key management personnel)	Transaction in securities (including subscribing, buying, selling and dealing)	To be mutually agreed at the time of transaction	NIL	On Market price and as per regulatory norms	-	From 19th AGM of the Company till 20th AGM of the Company for a period not exceeding fifteen months.	100.00	150.00	Mr. A. K. Mittal & Ms. Aditi Mittal
		Licensing services for right to use computer software and databases and acquisition of computer software and database						10.00		
		Referral Fees Expense						30.00		
		Providing and/or availing goods and services including cost sharing arrangements to and/or from						10.00		
7	IB Future Tech Private Limited (formerly known as Indiabonds Technologies Private Limited) (Enterprise controlled by key management personnel)	Transaction in securities (including subscribing, buying, selling and dealing)	To be mutually agreed at the time of transaction	NIL	On Market price and as per regulatory norms	-	From 19th AGM of the Company till 20th AGM of the Company for a period not exceeding fifteen months	100.00	150.00	Mr. A. K. Mittal & Ms. Aditi Mittal
		Licensing services for right to use computer software and databases and acquisition of computer software and database			To be determined mutually			25.00		
		Providing and/or availing goods and services including cost sharing arrangements to and/or from			To be determined mutually			25.00		