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FRN: 000560C/C400334

Independent Auditors' Review Report on the unaudited quarter and six months ended Standalone Financial Results of A. K. Capital Finance Limited, pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors
A. K. Capital Finance Limited

Introduction

1. We have reviewed the accompanying Statement of unaudited standalone financial results of A. K. Capital Finance Limited ("the Company") for the quarter and six months ended 30th September 2022 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 ("the Act"), the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time ("RBI guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by The Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Ind AS and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

5. Attention is drawn to the fact that the unaudited standalone financial results of the Company for the corresponding quarter ended 30 September 2021 were reviewed by predecessor auditors whose report dated 25th October 2021, expressed an unmodified conclusion on those unaudited standalone financial results.

Our conclusion is not modified in respect of the above matter.

For **S. Bhandari & Co LLP**
Chartered Accountants
Firm's Registration No. 000560C/C400334

S BHANDARI & CO LLP
CA
Chartered Accountants

RUPAL KUMBHAT

Digitally signed by RUPAL KUMBHAT
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Rupal Kumbhat
Partner
Membership No.: 401084
UDIN.: 22401084BBBSAX8550

Place: Jaipur
Date: 28th October, 2022

A. K. Capital Finance Limited

Registered and Corporate Address : 601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East) ,Mumbai – 400 098.
Tel No. : 91 (022) 6754 6500; Fax : 91 (022) 6610 0594; Email : cs@akgroup.co.in, Website : www.akgroup.co.in
CIN : U51900MH2006PLC214277

PART I - STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2022

(Rs. in Lakhs except per share data)

Sr. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Revenue from operations**	(Refer Note 3)		(Refer Note 3)			
	Interest income	3,913.29	3,774.08	3,326.23	7,687.37	6,786.80	13,970.69
	Fees and commission income	681.13	109.50	383.55	790.63	383.55	614.67
	Net gain on fair value changes	1,293.51	1,373.28	1,295.86	2,666.79	2,185.40	5,338.08
	Net gain on derecognition of financial instruments under amortised cost category	22.10	-	110.11	-	426.89	552.15
	Rental income	25.27	22.80	18.71	48.07	23.34	48.05
	Total revenue from operations	**5,935.30**	**5,279.66**	**5,134.46**	**11,192.86**	**9,805.98**	**20,523.64**
2	Other income	-	-	-	-	15.45	15.45
	Total income (1+2)	**5,935.30**	**5,279.66**	**5,134.46**	**11,192.86**	**9,821.43**	**20,539.09**
3	**Expenses**						
	Finance costs	2,221.00	2,123.08	1,974.53	4,344.08	4,037.67	8,179.61
	Fees and commission expenses	447.29	327.76	340.71	775.05	712.16	1,396.73
	Net loss on derecognition of financial instruments under amortised cost category	-	99.71	-	77.61	-	-
	Impairment of financial instruments (net)	79.59	(11.04)	(47.03)	68.55	(592.89)	(531.90)
	Employee benefits expenses	898.33	590.41	629.69	1,488.74	1,247.62	2,774.49
	Depreciation and amortization expense	81.13	74.77	41.47	155.90	92.65	226.09
	Other expenses	254.78	255.64	201.60	510.42	357.30	974.23
	Total expenses	**3,982.12**	**3,460.33**	**3,140.97**	**7,420.35**	**5,854.51**	**13,019.25**
4	**Profit before exceptional items and tax (1+2-3)**	**1,953.18**	**1,819.33**	**1,993.49**	**3,772.51**	**3,966.92**	**7,519.84**
5	Exceptional items	-	-	-	-	-	-
6	**Profit before tax (4+5)**	**1,953.18**	**1,819.33**	**1,993.49**	**3,772.51**	**3,966.92**	**7,519.84**
7	**Tax expense**						
	Current tax	521.00	446.00	415.00	967.00	865.00	1,425.00
	Prior period tax adjustments	-	-	-		-	(9.26)
	Deferred tax expense/ (credit)	(20.62)	2.52	27.25	(18.10)	19.18	360.62
8	**Profit for the year/ period (6-7)**	**1,452.80**	**1,370.81**	**1,551.24**	**2,823.61**	**3,082.74**	**5,743.48**
9	**Other comprehensive income for the year/ period**						
	Item that will not to be reclassified to the statement of profit and loss	(23.11)	1.76	(9.66)	(21.35)	(8.59)	(7.02)
	Less: Income tax expense on above	5.81	(0.44)	2.43	5.37	2.16	1.77
10	**Total comprehensive income for the year/ period (8+9)**	**1,435.50**	**1,372.13**	**1,544.01**	**2,807.63**	**3,076.31**	**5,738.23**
11	**Paid-up share capital**						
	Equity share capital (Face value of Rs. 10 per share)	2,329.38	2,329.38	2,329.38	2,329.38	2,329.38	2,329.38
	Compulsorily convertible preference shares (Face value of Rs. 100 per share)	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00
12	**Other equity (excluding revaluation reserves)**						57,428.35
13	**Earning per share (of Rs. 10 each) (annualised / not annualised) :**						
	Basic (in Rs.)	5.47	5.16	5.84	10.64	11.61	21.64
	Diluted (in Rs.)	5.47	5.16	5.84	10.64	11.61	21.64

S BHANDARI & CO LLP Chartered Accountants

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PART II - STATEMENT OF AUDITED STANDALONE ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2022

Rs. in Lakhs

Sr. No.	Particulars	As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
	ASSETS		
1	**Financial assets**		
	(a) Cash and cash equivalents	552.47	1,092.81
	(b) Bank balances other than (a) above	17.26	17.00
	(c) Trade Receivables	61.24	-
	(d) Loans	64,789.79	39,209.84
	(e) Investments	93,692.72	96,316.35
	(f) Other financial assets		
	(i) Stock of securities	17,956.23	67,378.59
	(ii) Other financial assets	2,552.69	2,422.92
	Total financial assets	**1,79,622.40**	**2,06,437.51**
2	**Non-financial assets**		
	(a) Current tax assets (net)	-	13.24
	(b) Investment properties	983.24	992.18
	(c) Property, plant and equipment	2,309.79	2,168.46
	(d) Capital Work in Progress	-	153.78
	(e) Intangibles assets	10.16	14.58
	(f) Other non financial assets	474.86	292.11
	Total non-financial assets	**3,778.05**	**3,634.35**
	TOTAL ASSETS	**1,83,400.45**	**2,10,071.86**
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	**Financial liabilities**		
	(a) Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) Total outstanding dues of creditors other than micro and small enterprises	180.38	153.97
	(b) Debt securities	61,625.80	70,401.82
	(c) Borrowings (other than debt securities)	49,035.05	67,964.31
	(d) Deposits	33.69	32.94
	(e) Other financial liabilities	3,363.00	4,781.87
	Total financial liabilities	**1,14,237.92**	**1,43,334.91**
2	**Non-financial liabilities**		
	(a) Current tax liabilities (net)	99.18	-
	(b) Provisions	167.66	125.67
	(c) Deferred tax liabilities (net)	127.15	150.64
	(d) Other non-financial liabilities	92.10	202.91
	Total non-financial liabilities	**486.09**	**479.22**
	TOTAL LIABILITIES	**1,14,724.01**	**1,43,814.13**
	EQUITY		
	(a) Equity share capital	8,829.38	8,829.38
	(b) Other equity	59,847.06	57,428.35
	TOTAL EQUITY	**68,676.44**	**66,257.73**
	TOTAL LIABILITIES AND EQUITY	**1,83,400.45**	**2,10,071.86**

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PART III - STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

Rs. in Lakhs

Sr. No.	Particulars	For the half year ended 30 September 2022 (Unaudited)	For the year ended 31 March 2022 (Audited)
1	**Cash flow from/(used in) operating activities**		
	Profit before tax	3,772.51	7,519.84
	Adjustment for:		
	Depreciation and amortisation	155.90	226.09
	Gain on waiver of Lease Rental	-	(8.90)
	Amortisation of processing fees income	32.96	(73.32)
	Amortisation of processing fees expenses	0.15	2.65
	Loss / (Profit) on modification due to restructuring of loan	-	(6.55)
	Rental income	(48.07)	(48.05)
	Unwinding Income	(7.02)	(13.46)
	Unwinding Expense	41.74	32.72
	Net gain on fair value changes on investments	(941.58)	(1,984.70)
	Net (gain) / loss on derecognition of financial instruments under amortised cost category	77.61	(552.15)
	Net gain on fair value changes on stock of securities - unrealised	(229.92)	(818.77)
	Effective interest rate on held till maturity securities	9.32	5.42
	Interest Reversal on restructuring of loan	2.26	3.63
	Interest income on investments	(3,646.66)	(7,398.80)
	Impairment on financial instruments	68.55	(531.90)
	Interest expenses	4,344.08	8,179.61
	Movement in working capital:		
	Increase/(decrease) in trade payable and other financial liabilities	45.19	(104.21)
	(Increase)/decrease in trade receivables and other financial assets	(286.70)	1,526.25
	(Increase)/decrease in loans	(25,703.02)	(6,003.90)
	(Increase)/decrease in stock of securities	49,652.28	(14,425.27)
	(Increase)/decrease in other non financial assets	(240.73)	(4.76)
	Increase/(decrease) in provision	20.64	19.07
	Increase/(decrease) in deposits	0.75	3.05
	Increase/(decrease) in other non financial liabilities	(110.81)	101.02
	Cash generated from/(used in) operations	**27,009.43**	**(14,355.39)**
	Income tax paid	(854.57)	(1,489.03)
	Cash generated from/(used in) operations [A]	**26,154.86**	**(15,844.42)**
2	**Cash flow from/(used in) investing activities**		
	Proceeds from sale / (payment for purchases) of investments (net)	3,506.91	3,061.94
	Payment for acquisition of property, plant and equipments including capital advances	(150.02)	(148.27)
	Payment for acquisition of intangible assets	-	(23.19)
	Proceeds from redemption / (payment) of fixed deposit	(0.26)	(17.00)
	Rent received	48.07	53.52
	Interest received	3,740.03	8,299.76
	Cash generated from/(used in) investing activities [B]	**7,144.73**	**11,226.76**
3	**Cash flow from/(used in) financing activities**		
	Proceeds from long-term borrowings	23,400.00	40,000.00
	Repayment of long-term borrowings	(23,600.01)	(30,844.22)
	Proceeds from / (repayment) of short-term borrowings (net)	(27,447.45)	4,590.69
	Repayment of lease liabilities	(83.94)	(35.04)
	Dividends paid	(388.93)	(780.00)
	Interest paid	(5,719.60)	(7,889.68)
	Cash generated from/(used in) financing activities [C]	**(33,839.93)**	**5,041.75**
	Net increase/(decrease) in cash and cash equivalents [A+B+C]	**(540.34)**	**424.09**
	Add: Cash and cash equivalents at the beginning of the year	1,092.81	668.72
	Cash and cash equivalents at the end of the year	**552.47**	**1,092.81**

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Notes :

1 The above unaudited Standalone Interim Financial Results has been reviewed and recommended by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 28 October 2022 and subjected to limited review by statutory auditors.

2 The unaudited standalone financial results comprises of the statement of profit and loss and notes thereon of A. K. Capital Finance Limited ("the Company") prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. Accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act 2013 ('the Act'), and other recognized accounting practices generally accepted in India, in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to circular SEBI/HO/DDHS/CIR/2021/0000000637 dated 5 October 2021.

3 The figures reported in the standalone financial results for the quarter ended 30 September 2022 and 30 September 2021 are the balancing figures between the unaudited half yearly standalone figures for the half year ended 30 September 2022 and 30 September 2021 and the unaudited quarterly standalone figures upto 30 June 2022 and 30 June 2021, which were subject to limited review by the Statutory Auditors.

4 The Company is engaged primarily in the business of financing and investment activities and accordingly there are no separate reportable segments as per IND AS dealing with Operating Segment (Ind AS-108). The Company operates in a single geographical segment i.e. domestic.

5 For the purpose of calculating earnings per share (basic and diluted), weighted average number of outstanding equity shares includes weighted average number of equity shares to be issued for compulsory convertible preference shares into fixed number of equity shares.

6 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;

Rs. 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 half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	Nil	Nil	Nil	Nil	Nil
Corporate persons					
of which, MSMEs	Nil	Nil	Nil	Nil	Nil
Others (Small Business)	690.00	Nil	Nil	5.00	685.00
Total	**690.00**	**Nil**	**Nil**	**5.00**	**685.00**

7 Details of loans transferred / acquired during the quarter and half year ended 30 September 2022 under the RBI Master Direction on Transfer of Loan Exposures dated 24 September 2021 are given below:
(a) Details of loans not in default acquired or transferred through direct assignments during the quarter and half year ended 30 September 2022 - Nil
(b) Details of any stressed loans transferred or acquired during the quarter and half year ended 30 September 2022 - Nil

8 The Company is categorised in the Middle layer as per framework issued by RBI vide notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 for NBFCs dated 22 October 2021. The Company is taking necessary steps for complying with the applicable requirements of SBR.

9 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 financial results for the quarter and half year ended 30 September 2022 as the Company continues to prepare the financial results in accordance with the applicable IND-AS guidelines and the RBI Circular dated 13 March 2020.

10 Pursuant to Regulation 54 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we would like to state that all rated, listed, secured, redeemable, Non-Convertible Debentures ("Secured NCDs") issued by the Company and outstanding as on 30 September 2022 are fully secured by way of 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. Accordingly, the Company is maintaining asset cover of 1x or such higher asset cover required as per the terms of offer document/Information Memorandum. The details for security cover as per format prescribed by the SEBI vide circular dated 19 May 2022 is enclosed.

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11 **Disclosure in compliance with Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the quarter and the half year ended 30 September 2022**

Particular	Quarter ended			Half year ended		Year ended
	30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Debt Equity Ratio	1.61	1.37	1.72	1.61	1.72	2.09
Outstanding redeemable preference shares (quantity and value)	-	-	-		-	-
Capital redemption reserve / Debenture redemption reserve (Rs. in lakhs)	-	-	-		-	-
Net worth (Total Equity) (Rs. in lakhs)	68,676.44	67,629.86	63,986.88	68,676.44	63,986.88	66,257.73
Total debts to total assets (%)	60.34	56.92	61.55	60.34	61.55	65.87
Net profit margin (%)	24.48	25.96	30.21	25.23	31.39	27.96
Sector specific equivalent ratios						
(a) Gross Stage 3 (%)	-	-	-		-	-
(b) Net Stage 3 (%)	-	-	-		-	-
(c) Capital to risk-weighted assets ratio (%)	37.25	42.84	37.85	37.25	37.85	32.94

Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital ratio, Bad debts to accounts receivable ratio, Current liability ratio, Debtor turnover, Inventory turnover and Operating margin (%), and Liquidity coverage ratio are not applicable. Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debentures) Rule, 2014.

12 The above unaudited standalone financial result are to be filed with BSE limited under Regulation 52 of the SEBI (listing Obligation and Disclosure Requirements) Regulations, 2015 as amended.

13 The above unaudited standalone financial result of the Company will be available on our website www.akgroup.co.in

14 The previous period figures have been regrouped/reclassified wherever necessary to conform to current period's presentation.

For A. K. Capital Finance Limited

ATUL KUMAR MITTAL

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Date: 2022.10.28 14:32:13 +05'30'

A. K. CAPITAL FINANCE LIMITED MUMBAI

A. K. Mittal
Managing Director
DIN: 00698377

Place: Mumbai
Date: 28 October 2022

RUPAL KUMBHAT

Digitally signed by RUPAL KUMBHAT
DN: c=IN, postalCode=302019, st=RAJASTHAN, street=K-114/115, CLUB HOUSE LANE , JANPATH, JAIPUR,SHYAM NAGAR , AJMER ROAD, SODALA ,302019, l=JAIPUR, cn=Personal, serialNumber=43ad8f0892085962f4a5dc84ae71f5636375344a b7d26173e3205c49928dc864b, pseudonym=117054590173490f9a04243823db0618, 2.5.4.20=1d2f3b34c1245d4303e58fd8e954e36039ee04bd6989269bea0807f907ca1422, email=RUPALKUMBHAT@GMAIL.COM, cn=RUPAL KUMBHAT
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S BHANDARI & CO LLP Chartered Accountants