A. K. Capital Finance Limited

REGISTERED OFFICE:
601-602, 6TH FLOOR, WINDSOR,
OFF CST ROAD, KALINA, SANTACRUZ (EAST),
MUMBAI – 400 098 (INDIA)
CIN: U51900MH2006PLC214277
TEL.: +91 (022) 6754 6500 I FAX: +91 (022) 6610 0594
E-MAIL: akmumbai@akgroup.co.in
WEBSITE: www.akgroup.co.in

To,
Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Reference: Disclosure pursuant to the provisions of Regulation 51 and 52 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015

Dear Madam/Sir,

Subject : Unaudited Financial Results for the quarter ended June 30, 2022

Pursuant to Regulations 51 and 52 read with Para A of Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other regulations, if applicable, we hereby inform the Exchanges that the Board of Directors of the Company at its Meeting held on July 25, 2022 has, inter alia, approved the Unaudited Financial Results of the Company for the quarter ended June 30, 2022.

Accordingly, please find enclosed the Unaudited Financial Results for the quarter ended June 30, 2022 along with the Limited Review Report by the Statutory Auditors and the disclosures in compliance with Regulations 52(4) and other Regulations of the SEBI Regulations. Further, in accordance with Regulation 52(8) of the Listing Regulations, the Company would be publishing the Unaudited Financial Results for the quarter ended June 30, 2022 in the newspapers.

The Board Meeting commenced at 05:45 p.m. and concluded at 6:40 p.m.

We request you to take the aforesaid on records.

Yours faithfully,

For A. K. Capital Finance Limited

GOVIND LALWANI

Digitally signed by GOVIND LALWANI
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A. K. CAPITAL FINANCE LIMITED

Govind Lalwani
Company Secretary and Compliance Officer
ACS No.: 38806

Date: July 25, 2022
Place: Mumbai

S. Bhandari & Co.
Chartered Accountants

S. Bhandari & Co.
P-7, Tilak Marg
C-Scheme
Jaipur – 302005, India
T- +91-141-2385412, 2385003, 2385329
Fax - +91-141-2385241
Website – www.sbhandari.in
Email- auditors@sbhandari.in, ssb@sbhandari.in
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FRN: 000560C

Independent Auditors' Review Report on the unaudited quarterly 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 ended 30th June 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. The 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 June 2021 were reviewed by predecessor auditors whose report dated 29th July 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.**
Chartered Accountants
Firm's Registration No.000560C

S. BHANDARI & CO. Chartered Accountants

RUPAL KUMBHAT

Digitally signed by RUPAL KUMBHAT
DN: c=IN, o=Personal, title=7800, pseudonym=8637805c16eb937a49148 48aebce942ff969ec4797ceded7951c79 274f141adc, postalCode=302019, st=Rajasthan, serialNumber=453a8f08920859824a3d c84ec71f5636375344eb7d25173c3205c 4952b8c864b, cn=RUPAL KUMBHAT
Date: 2022.07.25 18:28:10 +05'30'

Rupal Kumbhat

Partner

Membership No.: 401084

UDIN.: 22401084ANPBNR4680

Place: Jaipur

Date: 25 July 2022

A. K. Capital Finance Limited

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PART I - STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2022

(Rs. in Lakhs except per share data)

Sr. No.	Particulars	Quarter ended			Year ended
		30 June 2022	31 March 2022	30 June 2021	31 March 2022
		Unaudited	(Refer Note 3)	Unaudited	Audited
1	**Revenue from operations**				
	Interest income	3,774.08	3,653.03	3,460.57	13,970.69
	Fees and commission income	109.50	53.87	-	614.67
	Net gain on fair value changes	1,373.28	2,042.76	889.54	5,338.08
	Net gain on derecognition of financial instruments under amortised cost category	-	71.17	316.78	552.15
	Rental income	22.80	12.35	4.63	48.05
	Total revenue from operations	**5,279.66**	**5,833.18**	**4,671.52**	**20,523.64**
2	Other Income	-	-	15.45	15.45
	Total income (1+2)	**5,279.66**	**5,833.18**	**4,686.97**	**20,539.09**
3	**Expenses**				
	Finance costs	2,123.08	2,132.91	2,063.14	8,179.61
	Fees and commission expenses	327.76	284.93	371.45	1,396.73
	Net loss on derecognition of financial instruments under amortised cost category	99.71	-	-	-
	Impairment of financial instruments (net)	(11.04)	72.77	(545.86)	(531.90)
	Employee benefits expenses	590.41	992.01	617.93	2,774.49
	Depreciation and amortization expense	74.77	77.38	51.18	226.09
	Other expenses	255.64	388.28	155.70	974.23
	Total expenses	**3,460.33**	**3,948.28**	**2,713.54**	**13,019.25**
4	**Profit before exceptional items and tax (1+2-3)**	**1,819.33**	**1,884.90**	**1,973.43**	**7,519.84**
5	Exceptional items	-	-	-	-
6	**Profit before tax (4+5)**	**1,819.33**	**1,884.90**	**1,973.43**	**7,519.84**
7	**Tax expense**				
	Current tax	446.00	225.00	450.00	1,425.00
	Prior period tax adjustments	-	(9.26)	-	(9.26)
	Deferred tax expense/ (credit)	2.52	243.44	(8.07)	360.62
8	**Profit for the year/ period (6-7)**	**1,370.81**	**1,425.72**	**1,531.50**	**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	1.76	(13.47)	1.07	(7.02)
	Less: Income tax expense on above	(0.44)	3.39	(0.27)	1.77
10	**Total comprehensive income for the year/ period (8+9)**	**1,372.13**	**1,415.64**	**1,532.30**	**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
	Compulsorily convertible preference shares (Face value of Rs. 100 per share)	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.)	5.16	5.37	5.77	21.64
	Diluted (in Rs.)	5.16	5.37	5.77	21.64

S. BHANDARI & CO. Chartered Accountants

A.K. CAPITAL FINANCE LIMITED MUMBAI

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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 25 July 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 31 March 2022 are the balancing figures between the audited yearly standalone figures for the year ended 31 March 2022 and the unaudited nine monthly standalone figures upto 31 December 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 Details of loans transferred / acquired during the quarter ended 30 June 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 ended 30 June 2022 - Nil
(b) Details of any stressed loans transferred or acquired during the year ended 30 June 2022 - Nil

7 Pursuant to the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications, the Company's existing definition of default is in line with the RBI circular i.e. Days Past Due approach. Further on 15 February 2022, RBI allowed deferment till 30 September 2022 of Para 1 o of th is circular pertaining to upgrade of Non performing accounts. However, the Company has not opted for this deferment. Accordingly the same does not have any impact on the financial results for the quarter ended 30 June 2022.

8 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 June 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.

9

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

Particular	Quarter ended			Year ended
	30 June 2022	31 March 2022	30 June 2021	31 March 2022
	Unaudited	Audited	Unaudited	Audited
Debt Equity Ratio	1.37	2.09	1.64	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)	67,629.86	66,257.73	62,831.80	66,257.73
Total debts to total assets (%)	56.92	65.87	60.81	65.87
Net profit margin (%)	25.96	24.44	32.68	27.96
Sector specific equivalent ratios				
(a) Gross Stage 3 (%)	-	-	-	-
(b) Net Stage 3 (%)	-	-	-	-
(c) Capital to risk-weighted assets ratio (%)	42.84	32.94	44.71	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.

S. BHANDARI & CO. Chartered Accountants

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10 The Indian Parliament has approved the Code on Social Security, 2020, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial results in the period in which the code becomes effective and related rules are published.

11 The Board of Direcotrs of the Company in their board meeting held on 25 July 2022, have approved a final dividend @ 12% on its compulsorily convertible preference share having face value of Rs. 100 each for the period 1 October 2021 to 31 March 2022, which will result in total cash outflow of Rs. 388.93 Lakhs.

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.

S. BHANDARI & CO. Chartered Accountants

Place: Mumbai
Date: 25 July 2022

A. K. CAPITAL FINANCE LIMITED MUMBAI

For A. K. Capital Finance Limited

ATUL KUMAR MITTAL

A. K. Mittal
Managing Director
DIN: 00698377