S Bhandari & Co LLP
Chartered Accountants
P-7, Tilak Marg, C-Scheme
Jaipur – 302005, India
T- +91-141-2385412, 2385003
2385329, 4002306
Fax - +91-141-2385241
Website – www.sbhandari.in
Email- auditors@sbhandari.in, rupalkumbhat@sbhandari.co.in,

Independent Auditors' Review Report on the unaudited quarter and nine 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 nine months ended 31st December 2023 ("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 Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

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

RUPAL KUMBHAT

Rupal Kumbhat
Partner
Membership No.: 401084
UDIN.: 24401084BKESON5255

Place: Jaipur
Date: 03rd February, 2024

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 NINE MONTHS ENDED 31 DECEMBER 2023

(Rs. in Lakhs except per share data)

Sr. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31 December 2023	30 September 2023	31 December 2022	31 December 2023	31 December 2022	31 March 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Revenue from operations**	(Refer Note 3)		(Refer Note 3)			
	Interest income	5,715.49	5,594.23	4,711.41	16,683.06	12,398.78	17,426.99
	Fees and commission income	900.79	462.67	204.38	1,417.51	995.01	1,269.65
	Net gain on fair value changes	1,186.52	1,209.00	1,144.19	3,934.46	3,810.98	5,712.71
	Net gain on derecognition of financial instruments under amortised cost category	98.18	-	342.97	33.00	265.36	480.78
	Rental income	-	-	25.27	-	73.34	98.61
	Total revenue from operations	**7,900.98**	**7,265.90**	**6,428.22**	**22,068.03**	**17,543.47**	**24,988.74**
2	Other income	0.45	2.74	3.08	3.19	3.08	3.08
	Total income (1+2)	**7,901.43**	**7,268.64**	**6,431.30**	**22,071.22**	**17,546.55**	**24,991.82**
3	**Expenses**						
	Finance costs	3,897.96	3,637.39	2,813.86	10,910.47	7,157.94	10,149.39
	Fees and commission expenses	377.18	291.46	408.94	957.93	1,183.99	1,603.15
	Net loss on derecognition of financial instruments under amortised cost category	-	57.67	-	-	-	-
	Impairment of financial instruments (net)	(67.89)	(38.32)	(39.81)	(71.30)	28.74	28.36
	Employee benefits expenses	1,440.01	1,010.21	965.40	3,494.88	2,454.14	3,580.66
	Depreciation and amortization expense	94.72	93.23	90.66	275.44	246.56	334.12
	Other expenses	282.89	251.75	267.93	772.53	778.35	1,279.79
	Total expenses	**6,024.87**	**5,303.39**	**4,506.98**	**16,339.95**	**11,849.72**	**16,975.47**
4	**Profit before exceptional items and tax (1+2-3)**	**1,876.56**	**1,965.25**	**1,924.32**	**5,731.27**	**5,696.83**	**8,016.35**
5	Exceptional items	-	-	-	-	-	-
6	**Profit before tax (4+5)**	**1,876.56**	**1,965.25**	**1,924.32**	**5,731.27**	**5,696.83**	**8,016.35**
7	**Tax expense**						
	Current tax	319.00	362.00	568.00	1,171.00	1,535.00	1,948.00
	Prior period tax adjustments	(4.79)	-	(11.67)	(4.79)	(11.68)	(11.35)
	Deferred tax expense/ (credit)	88.73	146.43	(62.29)	211.93	(80.39)	8.65
8	**Profit for the year/ period (6-7)**	**1,473.62**	**1,456.82**	**1,430.28**	**4,353.13**	**4,253.90**	**6,071.05**
9	**Other comprehensive income for the year/ period**						
	Item that will not to be reclassified to the statement of profit and loss	(14.11)	(14.82)	(10.52)	(23.41)	(31.87)	(37.17)
	Less: Income tax expense on above	3.55	3.73	2.65	5.90	8.02	9.35
10	**Total comprehensive income for the year/ period (8+9)**	**1,463.06**	**1,445.73**	**1,422.41**	**4,335.62**	**4,230.05**	**6,043.23**
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)**						62,691.58
13	**Earning per share (of Rs. 10 each) (annualised / not annualised) :**						
	Basic (in Rs.)	5.55	5.49	5.39	16.40	16.03	22.87
	Diluted (in Rs.)	5.55	5.49	5.39	16.40	16.03	22.87

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Notes :

1 The above unaudited Standalone Financial Results has been reviewed and recommended by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 03 February 2024 and subjected to limited review by statutory auditors.

2 These unaudited standalone financial results of A. K. Capital Finance Limited ("the Company") have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting as prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards), Rules 2015, amended from time to time, and other accounting principles generally accepted in India and in compliance with the format prescribed under Regulation 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended.

3 The figures reported in the unaudited standalone financial results for the quarter ended 31 December 2023 and 31 December 2022 are the balancing figures between the unaudited standalone figures for the nine months ended 31 December 2023 and 31 December 2022 and the unaudited standalone figures for half year ended 30 September 2023 and 30 September 2022, 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 previous year end of 31st March 2023 (A)	Of (A), aggregate debt that slipped into NPA during the nine months ended 31 December 2023	Of (A) amount written off during the nine months ended 31 December 2023	Of (A) amount paid by the borrowers during nine months ended 31 December 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31st December 2023
Personal Loans	Nil	Nil	Nil	Nil	Nil
Corporate persons					
of which, MSMEs	Nil	Nil	Nil	Nil	Nil
Others (Small Business)	650.00	250.00	Nil	400.00	Nil
Total	**650.00**	**250.00**	**Nil**	**400.00**	**Nil**

7 Details of loans transferred / acquired during the quarter and nine months ended 31 December 2023 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 quarter and nine months ended 31 December 2023 - Nil
(b) Details of any stressed loans transferred or acquired during the quarter and nine months ended 31 December 2023 - 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 complying with the applicable requirements of SBR.

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9 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 31 December 2023 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.

10 **Disclosure in compliance with Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the quarter and nine months ended 31 December 2023**

Particular	Quarter ended			Nine Months ended		Year ended
	31 December 2023	30 September 2023	31 December 2022	31 December 2023	31 December 2022	31 March 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Debt Equity Ratio	2.61	2.66	2.06	2.61	2.06	2.26
Outstanding redeemable preference shares (quantity and value)	-	-	-	-	-	-
Capital redemption reserve / Debenture redemption reserve (Rs. in lakhs)	-	-	-	-	-	-
Net worth (Total Equity) (Rs. in lakhs)	75,076.58	74,004.59	70,098.85	75,076.58	70,098.85	71,520.96
Total debts to total assets (%)	70.53	71.13	65.80	70.53	65.80	67.56
Net profit margin (%)	18.65	20.04	22.24	19.72	24.24	24.29
Sector specific equivalent ratios						
(a) Gross Stage 3 (%)	0.57%	0.63%	-	0.57%	-	0.02%
(b) Net Stage 3 (%)	0.34%	0.38%	-	0.34%	-	-
(c) Capital to risk-weighted assets ratio (%)	31.82	30.99	34.81	31.82	34.81	33.56

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.

11 The Board of Directors of the Company in their board meeting held on 18 December 2023, have approved an interim dividend @ 12% on its preference shares having face value of Rs.100 each for the period 01 April 2023 to 30 September 2023, which resulted in total cash outflow of Rs.391.07 lakhs

12 The above unaudited standalone financial results 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 results 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

A. K. Mittal
Managing Director
DIN: 00698377

Place: Mumbai
Date: 03 February 2024