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

Subject: Security Cover details under Regulation 54(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"] for the quarter ended December 31, 2022.

Dear Sir/ Madam,

This is with reference to the captioned subject, please find the enclosed Security Cover Certificate for the quarter ended December 31, 2022.

Kindly take the same on records.

Yours faithfully,

For A. K. Capital Finance Limited

GOVIND LALWANI

Digitally signed by GOVIND LALWANI
DN: c=IN, o=PERSONAL, title=7393, pseudonym=d35fe9f816084c94aa6fbb474454adad, 2.5.4.20=fbb417d1b37e8256b87a96ed359859255fc48beea4440979c5f0b5c093ccda6, postalCode=302004, st=Rajasthan, serialNumber=ae888dfb06b0c87d8c45490ad2191c45b7bbc3f39eab91f78020345dd14cdb73, cn=GOVIND LALWANI
Date: 2023.02.06 19:03:41 +05'30'

A. K. CAPITAL FINANCE LIMITED

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

Date: February 6, 2023
Place: Mumbai

S. Bhandari & Co LLP
Chartered Accountants
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, auditors@sbhandari.co.in
bhandariss@hotmail.com rupalkumbhat@gmail.com
FRN: 000560C/C400334

To
The Board of Directors
A.K. Capital Finance Limited
601-602, 6th Floor,
Windsor, Off CST Road, Kalina,
Santacruz (East),Mumbai – 400 098.

Certificate on Statement of asset cover and compliance with relevant covenants with respect to listed non-convertible debentures outstanding as at December 31, 2022

1. The certificate is issued in accordance with the terms of our engagement vide mail dated January 25, 2023.

2. We, S. Bhandari & Co. LLP, Chartered Accountants, statutory auditors of A.K. Capital Finance Limited (the "Company"), have been requested by the Management of the Company to certify the book value of assets charged against the listed Secured Non-Convertible Debentures (NCDs) ("listed debt securities") issued by the Company mentioned in the accompanying "Statement of assets cover as on December 31, 2022" enclosed as Appendix-1 (the "Statement") and compliance with covenants / terms of issue in respect of listed debt securities of the Company as mentioned in the accompanying "Statement of assets cover and compliance with covenants as on December 31, 2022" ("Annexure A") for submission to the Securities and Exchange Board of India ("SEBI") pursuant to Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended vide circular no. SEBI /HO/ MIRSD /MIRSD _ CRADT/COR/P/2022/67 dated May 19, 2022, and to Debenture Trustees of the listed debt securities pursuant to Regulation 15(1)(t) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time, (together referred to as the "Regulations"). The Statement and Annexure A have been stamped by us for identification purpose only.

Management's Responsibility

3. The preparation of the accompanying Statement and Annexure A from the unaudited books of account, unaudited financial results of the Company for the nine months ended December 31, 2022, and other relevant records and documents is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Management is also responsible for maintenance of asset cover and compliance with all the covenants of the respective Offer Document / Information Memorandum / Debenture Trust deeds in the manner as may be specified by SEBI and adherence with all other applicable conditions mentioned in the Regulations in connection with the Statement and Annexure A.

Auditor's Responsibility

5. Our responsibility is to provide a limited assurance as to whether:

   i. the particulars contained in the aforesaid Statement with respect to book value of asset charged against listed debt securities issued by the Company are in agreement with the unaudited books of accounts, unaudited financial results for the nine months ended December 31, 2022, and other relevant records and documents maintained by the Company and;

   ii. the Company has complied with covenants / terms of the issue in respect of listed debt securities of the Company as mentioned in the accompanying Annexure A. This does not include the evaluation of adherence by the Company with all the applicable guidelines of the Regulations, Offer documents / Information memorandum and Debenture Trust deeds.

6. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.

7. The unaudited financial results for the nine months ended December 31, 2022, have been reviewed by us, on which we have issued an unmodified conclusion vide our report dated February 06, 2023. Our review of these financial results was conducted 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 ("ICAI"). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement.

8. We conducted our examination of the Statement and Annexure A in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the "Guidance Note") issued by the Institute of Chartered Accountant of India (ICAI) and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this Certificate, which includes the concepts of test checks and materiality. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.



9. 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

10. Based on our review as detailed in paragraph 5 above and according to the information, explanation and representations provided to us by the Management of the Company, nothing has come to our attention that causes us to believe that:

    i. the particulars contained in the aforesaid Statement with respect to book value of asset charged against listed debt securities issued by the Company are not in agreement with the unaudited books of accounts, unaudited financial results for the nine months ended December 31, 2022, and other relevant records and documents maintained by the Company and;

    ii. the Company has not complied with covenants / terms of the issue in respect of listed debt securities of the Company as mentioned in the accompanying **Annexure A.**

Restriction on Use

11. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to Debenture Trustees and SEBI in accordance with the Regulations and should not be used 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 report is shown or into whose hands it may come without our prior consent in writing.

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

For S.BHANDARI & CO LLP
Chartered Accountants
Firm Reg. No.: 000560C/C40034

S BHANDARI & CO LLP ★ Chartered Accountants ★

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, o=Personal, serialNumber=433e8f0892085982 4a3dc84ae71f563637534 4ab7d26173e3205c4992b8c864b, pseudonym=1170545f61734069ba04243823db0618, 2.5.4.20=c1d75b3dc124d5d4303e58f68e954e36039ee04b6 98929cbea3807fb7ca3422, email=RUPALKUMBHAT@GMAIL.COM, cn=RUPAL KUMBHAT
Date: 2023.02.06 18:38:01 +05'30'

(RUPAL KUMBHAT)
Chartered Accountant
UDIN:23401084BGZBYQ9578
Membership No. 401084
Dated: February 6, 2023

Encl. **Appendix-1** and **Annexure-A**.

Annexure A

Statement of asset cover and compliance with covenants as on December 31, 2022

Asset cover in respect of listed debt securities of the listed entity under SEBI Circular SEBI /HO/ M IRSD/MIRSD _ CRADT/CIR/P/2022/67 dated May 19, 2022

We hereby certify that:

A. The listed entity i.e. **A.K. Capital Finance Limited** ('the Company') has vide its Board Resolutions, Information Memorandums / Offer Documents and under various Debenture Trust Deeds, issued the listed debt securities (Non-Convertible Debentures/ NCD's) and the amount outstanding (including interest accrued but not due) as at December 31, 2022 is Rs. 678.88 crores as per **Exhibit 1.**

B. **Assets cover for Secured debt securities**

i. The financial information as on December 31, 2022, has been extracted from the unaudited books of account, unaudited financial results for the nine months ended December 31, 2022, and other relevant records and documents maintained by the Company.

ii. 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.

C. Compliance of all the covenants / terms of the issue in respect of listed debt securities of the listed entity

We have examined the compliances made by the listed entity in respect of the following covenants/ terms of the issue of the listed debt securities (NCDs) and certify that such covenants/ terms of the issue have been complied by the listed entity:

1. Maintain 100% asset cover or more as per the terms of Offer document/ Information memorandum and / or Debenture Trust Deed at all the time on total amount outstanding (including interest accrued) for the NCDs as on 31st December, 2022.

2. Other covenants specified in Offer document/ Information memorandum and / or Debenture Trust Deed in respect of outstanding NCDs as on 31st December, 2022.

S BHANDARI & CO LLP ★ Chartered Accountants ★ CA

Notes:

I. This Statement is prepared in accordance with Regulation 15(1)(t) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as amended vide notification No. SEBVLAO-NRO/GN/2020/34 dated October 8, 2020 and notification No. SEBVJ.ADNRO/GN/2022/78 dated April 11, 2022 and to the Securities and Exchange Board of India ("SEBI") pursuant to Regulation 54 read with Regulation 56(1)(d) of the SEBI (listing Obligations and Disclosure Requirements) Regulations 2015 as amended vide circular no. EBVHO /MIRSD/MIRSD_CRADT/COR/P/2022/67 dated May 19, 2022 (together referred to as the "Regulations").

II. Other than that stated above, there is no financial covenant specified in the Offer Document / Information memorandum of the listed non-convertible debt securities that the Company needs to comply with.

III. The assets offered as security are loans and investment given by the Company and hence not eligible for market valuations.

S no	ISIN	Facility	Mode of Issue	Type of charge	Outstanding amount as on 31st December 2022 (Rs. In Crs)
1	INE197P07292	Non-Convertible Debt Securities	Private Placement	Exclusive	114.34
2	INE197P07300	Non-Convertible Debt Securities	Private Placement	Exclusive	55.23
3	INE197P07144	Non-Convertible Debt Securities	Private Placement	Exclusive	61.29
4	INE197P07169	Non-Convertible Debt Securities	Private Placement	Exclusive	70.96
5	INE197P07276	Non-Convertible Debt Securities	Private Placement	Exclusive	149.83
6	INE197P07029	Non-Convertible Debt Securities	Private Placement	Exclusive	17.29
7	INE197P07052	Non-Convertible Debt Securities	Private Placement	Exclusive	28.09
8	INE197P07094	Non-Convertible Debt Securities	Private Placement	Exclusive	5.38
9	INE197P07102	Non-Convertible Debt Securities	Private Placement	Exclusive	16.15
10	INE197P07193	Non-Convertible Debt Securities	Private Placement	Exclusive	70.44
11	INE197P07284	Non-Convertible Debt Securities	Private Placement	Exclusive	53.05
12	INE197P07227	Non-Convertible Debt Securities	Private Placement	Exclusive	36.83
	Total				**678.88**

Appendix 1 - Security Cover Certificate as on 31 December 2022 as per Regulation 54 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets**	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+ N)
		Book Value	Book Value	Yes/ No	Book Value	Book Value						Relating to Column F		
ASSETS														
Property, Plant and Equipment	Refer Note 1	-	657.80	YES	9.57	NA	903.41	-	1,570.78	-	-	11.25	-	11.25
Investment Property		-	-	NO	NA	NA	978.74	-	978.74	-	-	-	-	-
Capital Work-in- Progress		-	-	NO	NA	NA	-	-	-	-	-	-	-	-
Right of Use Assets		-	-	NO	NA	NA	765.33	-	765.33	-	-	-	-	-
Goodwill		-	-	NO	NA	NA	-	-	-	-	-	-	-	-
Intangible Assets		-	-	NO	NA	NA	8.08	-	8.08	-	-	-	-	-
Intangible Assets under Development		-	-	NO	NA	NA	-	-	-	-	-	-	-	-
Investments	Identified Business Assets	51,252.59	48,917.19	NO	NA	NA	17,443.79	-	117,613.57	52,294.49	-	-	-	52,294.49
Loans	Identified Business Assets	5,535.35	36,385.92	NO	NA	NA	9,700.16	-	51,621.43	-	5,541.59	-	-	5,541.59
Stock of Securities	Identified Business Assets	19,079.92	17,052.00	NO	NA	NA	5,758.01	-	41,889.93	19,293.51	-	-	-	19,293.51
Trade Receivables		-	-	NO	NA	NA	-	-	-	-	-	-	-	-
Cash and Cash Equivalents		-	-	NO	NA	NA	627.11	-	627.11	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		-	380.00	NO	NA	NA	18.26	-	398.26	-	-	-	-	-
Others	Identified Business Assets	612.56	1,036.26	NO	NA	NA	2,334.40	-	3,983.22	-	612.56	-	-	612.56
Total		**76,480.42**	**104,429.17**				**38,537.29**	**-**	**219,456.45**	**71,588.00**	**6,154.15**	**11.25**	**-**	**77,753.40**
LIABILITIES														
Debt securities to which this certificate pertains		67,888.81	-				-	-	67,888.81		67,888.81	-	-	67,888.81
Other debt sharing pari-passu charge with above debt			-				-	-	-	-	-	-	-	-
Other Debt			-				-	-	-	-	-	-	-	-
Subordinated debt			-				-	-	-	-	-	-	-	-
Borrowings			-				-	-	-	-	-	-	-	-
Bank			48,415.61				-	-	48,415.61	-	-	-	-	-
Debt Securities		*not to be filled*	-				-	-	-	-	-	-	-	-
Others			31,448.89				-	-	31,448.89	-	-	-	-	-
Trade payables			-				118.23	-	118.23	-	-	-	-	-
Lease Liabilities			-				832.44	-	832.44	-	-	-	-	-
Provisions			-				177.26	-	177.26	-	-	-	-	-
Others			-				476.36	-	476.36	-	-	-	-	-
Total		**67,888.81**	**79,864.50**	**-**	**-**	**-**	**1,604.29**	**-**	**149,357.60**		**67,888.81**	**-**	**-**	**67,888.81**
Cover on Book Value		1.13	1.31											
Cover on Market Value											1.15			1.15
		Exclusive Security Cover Ratio	1.15		**Pari-Passu Security Cover Ratio**	NA								

Notes:-

1. The Company in addition to above mentioned exclusive charge on identified business assets (i.e Securities / Receivables), has also created a pari-passu charge over the immovable property situated at Chennai on the debt securities (i.e. Non Convertible Debentures). The market value is taken based on the valuation report dated 6 May 2022.
2. The loans under financing activities which are part of non trading book and in nature of held to maturity and created with a sole objective of collecting principal and interest. Therefore Company has considered the book value (before netting off impariments) for the certificate.

S BHANDARI & CO LLP Chartered Accountants

ATUL KUMAR MITTAL

Digitally signed by ATUL KUMAR MITTAL
DN: c=IN, o=Personal, pseudonym=2d1246250e8e4f9660d29234bb9f8b65a7d194d931c7408be2811869a7e0afe5, postalCode=400005, st=MAHARASHTRA, serialNumber=fd3e66815a1143e5a2bedd45aad6610d8adcbf7bad98737ba6eb497fb683fc2f, cn=ATUL KUMAR MITTAL
Date: 2023.02.06 18:07:04 +05'30'

K CAPITAL FINANCE LIMITED MUMBAI