A.K. CAPITAL FINANCE LIMITED

AUDITED STANDALONE FINANCIAL STATEMENTS

FOR THE YAER ENDED

31 MARCH 2019

Suresh Surana & Associates LLP
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To,
The Members of
A. K. Capital Finance Limited
(Formerly known as A. K. Capital Finance Private Limited)

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of A. K. Capital Finance Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, 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 significant 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 Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 as amended ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, the profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the 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 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 together with the ethical requirements that are relevant to our audit of the standalone 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 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	**Transition to Indian Accounting Standards ("Ind AS")** The Company has adopted Ind AS notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from 01 April 2018 and the effective date of such transition is 01 April 2017. Ind AS is new and complex accounting standards which require considerable judgment and interpretation in its implementation. Further, Ind AS 101 ("First-time Adoption of Indian Accounting Standards") allows two categories of exceptions to the first-time adopters which mainly includes prohibition to retrospective application of certain requirements of Ind AS and exemption from some requirements of Ind AS. We consider this transition and the required disclosure to be a key audit matter because new accounting policies have been developed by the Company to comply with these standards and judgment. Note 1 "Significant Accounting Policies", Note 41 First-time adoption of Ind AS, Note 36 "Fair value hierarchy" and Note 35 "Risk management" to the Standalone Ind AS Financial Statements provide detailed information on the significant policies, critical judgment and estimation along with details of exemptions applied from certain requirements under Ind AS based on which these Standalone Financial Statements are prepared. Accordingly, it was determined to be a key audit matter in our audit of the standalone financial statements.	**Principal Audit Procedures** We have performed the following audit procedures in order to obtain sufficient audit evidence: • Assessed the Company's process to identify the impact of adoption and transition to the new accounting standards; • Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of Standalone Financial Statements; • Reviewed the exemptions availed by the Company from certain requirements under Ind AS; • Obtained an understanding of the governance over the determination of key judgments; • Evaluated and tested the key assumptions and judgments adopted by management; • Assessed the disclosures made against the relevant Ind AS; and • Determined the appropriateness of the methodologies and models used along with the responsibility of the outputs.
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), 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 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 equity instruments at fair value through profit or loss (FVTPL) • Equity instruments measured at fair	**Principal Audit Procedures** • Obtained an understanding of Company's business model assessed 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 judgements applied by the management; • Evaluated the design of internal controls relating to the measurement and also tested the operating effectiveness of the aforesaid controls; • Obtained valuation certificate of independent valuer in respect of fair value investments; • Ensured that the Company has used valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure

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	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 at fair value involves critical assumptions, significant risk in valuation and complexity in assessment of business model, 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, 6, 34 and 36 to the standalone financial statements.	fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs; • Assessed the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.
3	**Loans and impairment loss allowance** The value of loans as at 31 March 2019 is significant and there is a high degree of complexity and judgment involved for the Company in estimating individual and collective credit impairment provisions and write-offs against these loans. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three stage impairment model ("ECL Model") including the selection and input of forward-looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modeled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.	**Principal Audit Procedures** We have started our audit procedures with understanding of the internal control environment related to impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company. We also assessed whether the impairment methodology used by the Company is in line with Ind AS 109 "Financial instruments" requirements. Particularly, we assessed the approach of the Company regarding definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.. For loans which are assessed for impairment on a portfolio basis we performed particularly the following procedures: • We read and understood the methodology and policy laid down for loans given by the Company. • We have verified the existence of recovery process plan in the event of default. • We have verified the historical trends of repayment of principal amount of loan and repayment of interest; • We tested the reliability of key data inputs and related management controls; • We checked the stage classification as at the balance sheet date as per definition of default of the Company; • We have assessed the assumptions made by the Company in making provision considering forward looking information.

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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report and Corporate Governance Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the 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 standalone financial statements or our knowledge obtained in the 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 Responsibility for the audit of the Standalone Financial Statements

The Company's Board of Directors is 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 Indian Accounting Standards (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 the 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 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, management is 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 operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the audit of 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)(i) of the Act, we are also responsible for expressing our opinion on whether the Company 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 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 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 31 March 2019 and the transition date opening balance sheet as at 01 April 2017 included in these standalone financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India audited by us in our report for the year ended 31 March 2018 and 31 March 2017 dated 26 May 2018 and 06 May 2017, respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", 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, based on our audit 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 Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;

(e) On the basis of the written representations received from the directors as on 31 March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B",

(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 or provided to its directors during the year is in accordance with the provision 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, as amended, 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 standalone financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Suresh Surana & Associates & LLP
Chartered Accountants
Firm's Registration No. 121750W/W-100010

Madhukar Khandekar
Partner
Membership No.: 13912

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Place: Mumbai
Date: 25 May 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner on yearly basis. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventory of shares and securities has been held in the dematerialized form. The shares and securities held in the dematerialized form have been verified with the demat account statements at reasonable intervals, during the year. No discrepancies were noticed on such verification.

(iii) The Company has granted secured loans to two body corporates covered in the register maintained under Section 189 of the Act.

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the body corporates listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to the bodies corporate listed in the register maintained under Section 189 of the Act, the borrowers have been regular in payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to the bodies corporate listed in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of Companies Act 2013 in respect of grants of loans and making investments as applicable. Further, the Company has not given any guaranty and security in terms of Section 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Sub-section (1) of Section 148 of the Act.

(vii) (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income tax, goods and service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the 31 March 2019 for a period of more than six months from the date they became payable. As informed, statutory dues in the nature of employee state insurance and duty of customs are not applicable to the Company.

b) According to information and explanations given to us, there are no dues on account of sales tax, wealth tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks, financial institutions or debentures holders. Further, the Company has not taken any loan or borrowing from government.



(ix) Based on information and explanations given to us, the term loans have been applied for the purposes for which they were raised. The Company has not raised any money by way of initial public offer or further public offer.

(x) To the best of knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees have been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act 1934, and the registration certificate has been obtained.

For Suresh Surana & Associates & LLP
Chartered Accountants
Firm's Registration No. 121750W/W-100010

M Khandekar

Madhukar Khandekar
Partner
Membership No.: 13912

SURESH SURANA & ASSOCIATES LLP * MUMBAI * Chartered Accountants

Place: Mumbai
Date: 25 May 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls 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 31 March 2019 in conjunction with our audit of the 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 Companies Act, 2013.

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") issued by the ICAI and the Standard on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31 March 2019, 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.

For Suresh Surana & Associates & LLP
Chartered Accountants
Firm's Registration No. 121750W/W-100010





Madhukar Khandekar
Partner
Membership No.: 13912

Place: Mumbai
Date: 25 May 2019

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Auditors' Additional Report

The Board of Directors,
A. K. Capital Finance Limited,
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215, Nariman Point,
Mumbai – 400 021.

Report on the Financial Statements

We report that the statutory audit of A. K. Capital Finance Limited (formerly known as A. K. Capital Finance Private 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 25 May 2019 along with a copy of each of the audited balance sheet as at 31 March 2019, 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 31 March 2019 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 standalone financial statements of the Company for the year ended 31 March 2019 and as required by Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ('The Directions'), issued by the Reserve Bank of India ('RBI') vide notification No. DNBS PPD.03/66.15.001/2016-17/ dated 29 September 2016 pursuant to the powers conferred in terms 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 standalone 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 standalone 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 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (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 standalone financial statements as at and for the year ended 31 March 2019, 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 24 May 2011 as amended on 15 January 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 12 July 2007 issued by Kolkata R.O. of the RBI.

(ii) On the basis of the financial statements for the year ended 31 March 2019 audited by us and as per Paragraph 5 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company is entitled to continue to hold such Certificate of Registration in terms of its asset pattern as on 31 March 2019.

(iii) Based on the net owned fund requirement as laid down in Paragraph 5 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, 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 2 April 2018 for the non-acceptance of any public deposits.

(ii) The Company has not accepted any Public Deposit during the year.

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(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 Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 in the preparation of financial statements for the year ended 31 March 2019.

(iv) The Company being a Systemically Important Non- Deposit taking NBFC as defined in Paragraph 3 (xxx) of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(a) The Capital adequacy ratio as disclosed in the return submitted to the RBI in form NBS-7 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) Presently, there is no requirement of furnishing the annual statement of capital funds, risk assets/exposures and risk assets ratio (NBS 7) to RBI. The Company has furnished to the RBI, the statement of capital funds, risk assets/ exposures and risk asset ratio (NBS-7) within the stipulated period.

(v) Based on the criteria set forth by the RBI in Paragraph 3(xix) of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 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 31 March 2019.

4. Para 3 (D)

(vi) 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

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 to 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 Suresh Surana & Associates & LLP
Chartered Accountants
Firm's Registration No. 121750W/W-100010

Madhukar Khandekar
Partner
Membership No.: 13912

Place: Mumbai
Date: 25 May 2019

A. K. Capital Finance Limited

(Formerly known as A. K. Capital Finance Private Limited)

Balance Sheet as at 31 March 2019

Rs. in Lakhs

Particulars	Notes	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	2	651.45	141.53	485.09
(b) Loans	3	73,193.97	98,046.15	33,001.31
(c) Investments	4	70,763.81	63,335.07	75,311.95
(d) Other financial assets				
(i) Stock of securities	5	86,876.68	50,887.86	91,862.14
(ii) Other financial assets	6	1,869.70	2,709.42	3,845.82
Total financial assets		2,33,355.61	2,15,120.03	2,04,506.31
(2) Non-financial assets				
(a) Current tax assets (net)		160.58	203.27	40.17
(b) Investment property	7	1,045.72	1,063.55	-
(c) Property, plant and equipment	8	1,510.26	1,945.10	1,188.78
(d) Intangibles assets	9	19.28	8.88	4.95
(e) Other non financial assets	10	37.35	62.61	49.87
Total non-financial assets		2,773.19	3,283.41	1,283.77
TOTAL ASSETS		2,36,128.80	2,18,403.44	2,05,790.08
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Trade payables	11			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		97.33	51.89	68.28
(b) Debt securities	12	71,752.00	46,200.00	23,500.00
(c) Borrowings (other than debt securities)	13	1,06,031.50	1,19,594.91	1,40,500.96
(d) Deposits	14	26.59	23.47	-
(e) Other financial liabilities	15	3,330.57	1,545.24	260.30
Total financial liabilities		1,81,237.99	1,67,415.51	1,64,329.54
(2) Non-financial liabilities				
(a) Income tax liabilities (net)		32.24	0.50	0.32
(b) Provisions	16	361.41	454.70	155.43
(c) Deferred tax liabilities (net)	17	40.31	187.01	492.73
(d) Other non-financial liabilities	18	79.35	94.79	28.50
Total non-financial liabilities		513.31	737.00	676.98
TOTAL LIABILITIES		1,81,751.30	1,68,152.51	1,65,006.52
EQUITY				
(a) Equity share capital	19	8,829.38	8,829.38	2,329.38
(b) Other equity	19(b)	45,548.12	41,421.55	38,454.18
TOTAL EQUITY		54,377.50	50,250.93	40,783.56
TOTAL LIABILITIES AND EQUITY		2,36,128.80	2,18,403.44	2,05,790.08

Significant accounting policies 1

The accompanying notes are an integral part of financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration Number : 121750W/W-100010

SURESH SURANA & ASSOCIATES LLP * MUMBAI * Chartered Accountants

Madhukar Khandekar
Partner
Membership No 13912

Place: Mumbai
Dated : May 25, 2019

For and on behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN : 00698377)

Annu Garg
Director
(DIN : 07817550)

Mahesh Bhootra
Chief Financial Officer

Govind Lalwani
Company Secretary
(ACS : A38806)

Place: Mumbai
Dated : May 25, 2019

A. K. Capital Finance Limited

(Formerly known as A. K. Capital Finance Private Limited)

Statement of profit and loss for the year ended 31 March 2019

Rs. in Lakhs

Particulars	Notes	For the year ended 31-March-2019	For the year ended 31-March-2018
Revenue from operations			
Interest income	20	19,732.25	17,420.93
Fees and commission income	21	867.30	28.32
Dividend income		36.61	-
Net gain on fair value changes	22	1,713.48	1,809.34
Rental income		83.53	26.66
Total revenue from operations		22,433.17	19,285.25
Other income	23	-	6.50
Total income		22,433.17	19,291.75
EXPENSES			
Finance costs	24	13,560.95	10,478.85
Fees and commission expense	25	213.74	220.08
Employee benefits expenses	26	1,749.00	1,431.13
Depreciation and amortization expense		89.67	74.44
Other expenses	27	676.32	827.68
Total expenses		16,289.68	13,032.18
Profit before exceptional items and tax		6,143.49	6,259.57
Exceptional items		-	-
Profit before tax		6,143.49	6,259.57
Tax expense:			
Current tax		1,695.71	2,100.00
Deferred tax expense/ (credit)		(149.47)	(303.68)
Profit for the year after tax [A]		4,597.25	4,463.25
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit and loss	28	6.08	(992.84)
Less: Income tax expense on above		(2.75)	2.03
Other comprehensive income for the year [B]		3.33	(990.81)
Total comprehensive Income for the year [A+B]		4,600.58	3,472.44
Earnings per equity share (Rs.)	32		
Basic earnings per share		17.70	17.29
Diluted earnings per share		17.32	17.29

Significant accounting policies 1

The accompanying notes are an integral part of financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration Number : 121750W/W-100010

Madhukar Khandekar
Partner
Membership No. 13912

SURESH SURANA & ASSOCIATES LLP * MUMBAI * Chartered Accountants

Place: Mumbai
Dated : May 25, 2019

For and on behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN : 00698377)

Annu Garg
Director
(DIN : 07817550)

Mahesh Bhootra
Chief Financial Officer

Govind Lalwani
Company Secretary
(ACS : A38806)

Place: Mumbai
Dated : May 25, 2019

A. K. Capital Finance Limited

(Formerly known as A. K. Capital Finance Private Limited)

Statement of changes in equity for the year ended 31 March 2019

A. Equity share capital

Equity shares — Rs. in Lakhs

Particulars	Number of shares	Amount
At 1 April 2017	2,32,93,750	2,329.38
Issue of share capital	-	-
At 31 March 2018	2,32,93,750	2,329.38
Issue of share capital	-	-
At 31 March 2019	2,32,93,750	2,329.38

Compulsory convertible preference shares — Rs. in Lakhs

Particulars	Number of shares	Amount
At 1 April 2017	-	-
Issue of share capital	65,00,000	6,500.00
At 31 March 2018	65,00,000	6,500.00
Issue of share capital	-	-
At 31 March 2019	65,00,000	6,500.00

Total equity share capital	**8,829.38**

B. Other equity — Rs. in Lakhs

Particulars	Reserves and surplus			Items of other comprehensive income		Total
	Special reserve	Securities premium	Retained earnings	Acturial gain/ (loss) on defined benefits obligations	Equity instruments through other comprehensive income	
Balance at 1 April 2017	**2,229.93**	**27,321.88**	**9,541.37**	-	**(639.00)**	**38,454.18**
Profit for the year	-	-	4,463.25	-	-	**4,463.25**
Other comprehensive income net of tax for the year	-	-	-	(4.94)	(985.87)	**(990.81)**
Transfer (to) /from reserves	810.00	-	(810.00)	-	-	-
Expenses incurred in relation to share capital	-	-	(70.40)	-	-	**(70.40)**
Dividend paid on CCPS	-	-	(361.15)	-	-	**(361.15)**
Dividend distribution tax paid	-	-	(73.52)	-	-	**(73.52)**
Balance at 31 March 2018	**3,039.93**	**27,321.88**	**12,689.55**	**(4.94)**	**(1,624.87)**	**41,421.55**
Profit for the year	-	-	4,597.25	-	-	**4,597.25**
Other comprehensive income net of tax for the year	-	-	-	6.70	(3.37)	**3.33**
Transfer (to) /from reserves	920.00	-	(920.00)	-	-	-
Dividend paid on CCPS	-	-	(393.21)	-	-	**(393.21)**
Dividend distribution tax paid	-	-	(80.80)	-	-	**(80.80)**
Balance at 31 March 2019	**3,959.93**	**27,321.88**	**15,892.79**	**1.76**	**(1,628.24)**	**45,548.12**

Significant accounting policies (refer note 1)

The accompanying notes are an integral part of financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration Number : 121750W/W-100010

Madhukar Khandekar
Partner
Membership No. 13912

Place: Mumbai
Dated : May 25, 2019

For and on behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN : 00698377)

Annu Garg
Director
(DIN : 07817550)

Mahesh Bhootra
Chief Financial Officer

Govind Lalwani
Company Secretary
(ACS : A38806)

Place: Mumbai
Dated : May 25, 2019

A. K. Capital Finance Limited

(Formerly known as A. K. Capital Finance Private Limited)

Statement of Cash Flows for the year ended 31 March 2019

Rs. in Lakhs

Particulars	For the year ended 31-March-2019	For the year ended 31-March-2018
Cash flow from/(used in) operating activities		
Profit /(loss) before tax	6,143.49	6,259.57
Adjustment for:		
Depreciation	89.67	74.44
Loss / (Profit) on sale of property, plant and equipment	17.68	(6.50)
Amortisation of processing fees income	(18.77)	(83.13)
Amortisation of processing fees expenses	(23.42)	1.43
Unwinding Income	(15.83)	(1.14)
Unwinding Expense	1.25	0.71
Amortisation of security deposits	14.51	0.43
Net gain on fair value changes	(220.48)	(889.30)
Bad debts	-	0.12
Interest income	(5,192.66)	(5,112.71)
Provision for expected credit loss	187.19	-
Contingent provision for standard assets	(99.43)	274.11
Interest expenses	13,560.94	10,475.98
Movement in working capital:		
Increase/(decrease) in trade payable and other financial liabilities	45.83	(4.30)
(Increase)/decrease in trade receivables and other financial assets	839.72	1,136.28
(Increase)/decrease in loans	24,870.95	(64,958.04)
(Purchase) / sale of stock of securities	(35,721.30)	23,145.49
(Increase)/decrease in other assets	(178.54)	(57.42)
Increase/(decrease) in provision	15.58	18.19
Increase/(decrease) in deposits	3.12	23.47
Increase/(decrease) in other liabilities	(16.69)	61.91
Cash generated from/(used in) operations	4,302.81	(29,640.41)
Income tax paid	(1,621.28)	(2,265.79)
Cash generated from/(used in) operations [A]	2,681.53	(31,906.20)
Cash flow from/(used in) investing activities		
Proceeds from sale of investments (net)	(7,666.33)	29,709.10
Payment for acquisition of Property, plant and equipments including capital advances	(8.59)	(2,037.33)
Payment for acquisition of intangible assets	(17.76)	(8.10)
Proceeds from sale of Property, plant and equipments	361.29	149.50
Interest received	5,192.66	5,112.71
Cash generated from/(used in) investing activities [B]	(2,138.75)	32,925.88
Cash flow from/(used in) financing activities		
Proceeds from long-term borrowings	79,500.00	23,700.00
Repayment of long-term borrowings	(11,697.86)	(10,026.17)
Proceeds from / (repayment) of short-term borrowings (net)	(55,584.99)	(11,831.74)
Dividends paid	(474.01)	(434.67)
Interest paid	(11,776.00)	(9,200.26)
Expenses incurred in relation to share capital	-	(70.40)
Proceeds from issue of preference share capital	-	6,500.00
Cash generated from/(used in) financing activities [C]	(32.86)	(1,363.24)
Net increase/(decrease) in cash and cash equivalents [A+B+C]	509.92	(343.56)
Add: Cash and cash equivalents at the beginning of the year	141.53	485.09
Cash and cash equivalents at the end of the year	651.45	141.53

Reconciliation of liabilities arising from financing activities

Rs. in Lakhs

Particular	Long-term borrowings	Short-term borrowings	Interest on above borrowings
As at 01 April 2017	44,308.44	1,19,692.52	198.71
Cash Flows	13,673.83	(11,831.74)	(9,200.26)
Transaction cost	(27.44)	(20.70)	-
Interest accrual	-	-	10,473.11
As at 31 March 2018	57,954.83	1,07,840.08	1,471.56
Cash Flows	67,802.14	(55,584.99)	(11,776.00)
Transaction cost	(254.39)	25.85	
Interest accrual	-	-	13,560.94
As at 31 March 2019	1,25,502.58	52,280.94	3,256.50

Significant accounting policies -See note 1

The accompanying notes are an integral part of financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration Number : 121750W/W-100018

SURESH SURANA & ASSOCIATES LLP ★MUMBAI★ Chartered Accountants

Madhukar Khandekar
Partner
Membership No. 13912

Place: Mumbai
Dated : May 25, 2019

For and on behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN : 00698377)

Mahesh Bhoota
Chief Financial Officer

Annu Garg
Director
(DIN : 07817550)

Govind Lalwani
Company Secretary
(ACS : A38806)

Place: Mumbai
Dated : May 25, 2019

1 Corporate information and significant accounting policies

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 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 Company is primarily involved in Debt Market and is into trading of Debt securities (Non-SLR) and Investment in Government securities (SLR). The Company offers multitude of fee-based financial services to its Corporate and Institutional clients, across various business sectors. It also provides funding to the Corporates, thereby catering to the diversified needs of the clients. The registered address of the Company is situated at 30-39, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400021. The financial statements are approved for issue by the Company's Board of Directors on 25 May 2019.

Significant accounting policies

1.01 Basis of preparation and presentation 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.

The 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 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.

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31 March 2019 are the first financials which the Company has prepared in accordance with Ind AS. Refer to note 41 for information on how the Company has adopted Ind AS.

1.02 First-time adoption of Ind AS

Ind AS 101 requires that all Ind AS effective for the first Ind AS financial statements, be applied consistently and retrospectively for all fiscal years presented. However, this standard provides some exception and exemption to this general requirement in specific cases. The application of relevant exception and exemption are

Exceptions to retrospective application of other Ind AS

(a) **Estimates:** An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates considered in accordance with Previous GAAP.

(b) **Ind AS 109-Financial Instruments (Classification and measurement financial assets) :**
Classification and measurement shall be made on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured the financial assets on the date of transition.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Exemptions from retrospective application of Ind AS

(a) **Ind AS 16 Property, Plant and Equipment/ Ind AS 38 Intangible Assets :** If there is no change in the functional currency, an entity may elect to measure an item of property, plant and equipment /Intangible assets at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of property, plant and equipment/intangible assets by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost.
The Company has elected to continue with the carrying amount for all of its Property, Plant and Equipment and Intangible Assets, measured as per Previous GAAP and use that as its deemed cost as at the date of transition i.e. 01 April 2017

(b) **Ind AS 40 Investment Property** :If there is no change in the functional currency, an entity may elect to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the date of transition. The Company has elected to continue with the previous GAAP carrying amount of investment Property as deemed cost at the date of transition i.e. 01 April 2017

(c) **Ind AS 17 Leases:** An entity shall determine based on facts and circumstances existing at the date of transition to Ind AS whether an arrangement contains a Lease and when a lease includes both land and building elements, an entity shall assess the operating lease. The Company has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.

(d) **Ind AS 109-Financial Instruments:** Ind AS 109 permits an entity to designate a financial liability and financial asset (meeting certain criteria) at fair value through profit or loss. A financial liability and financial asset shall be designated at fair value through profit or loss, on the basis of facts and circumstances that exist at the date of transition.

1.03 Functional and presentation currency

Items included in the 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.

1.04 Use of estimates

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

- Valuation of financial instruments
- Measurement of defined employee benefit obligation
- Useful life of property, plant and equipment
- Useful life of investment property
- Provisions

1.05 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 Company.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

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 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.

All assets and liabilities for which fair value is measured or disclosed in the 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 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.

1.06 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

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 fees based activities are recognised point in time.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

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.

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 Company 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

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

1.07 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.

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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.

1.08 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.

Upon first time adoption of IND-AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount at its deemed cost on the date of transition to IND-AS i.e. 01 April, 2017.

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 is calculated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013.

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

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.

1.09 Investment property

Property that is held for long term rental yield or for capital appreciation or both , and that is not occupied by the Company, is classified as Investment property. Investors properties measured initially at cost including related transactions cost and where applicable borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is incurred the carrying amount of replaced part is derecognised.

Investment properties other than land are depreciated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 i.e. 60 years for office premises.

1.10 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.

The Company has elected to continue with the previous GAAP carrying amount of all intangible assets as deemed cost at the date of transition i.e. 01 April 2017.

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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.

1.11 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.

1.12 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 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.

1.13 Impairment of assets

a) **Financial assets**
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. The Company applies a simplified approach in calculating Expected Credit Losses (ECLs) on trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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 is recognized as an impairment gain or loss in the Statement of profit or loss.

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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.

1.14 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.

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, 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 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 Company changes its business model for managing financial assets.

Trade Receivables and Loans:

Trade receivables 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.

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(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 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 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 derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

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 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 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 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.

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(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. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

(c) Deposits:
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.

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.

1.15 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.

1.16 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 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.

1.17 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.

1.18 Retirement benefits

i) Defined contribution plans (Provident fund)
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.

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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 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.

1.19 Lease

As a lessee:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized at their fair value at the inception of the lease or at the present value of the minimum lease payments, whichever is lower.

Operating lease payments are recognised to the Statement of Profit and Loss on a straight line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for lessors expected inflationary costs increases, in which case the same are recognised as an expense in line with the contractual terms.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

As a lessor:

Leases under which the Company does not transfer substantially all the risks and rewards of ownership are classified as operating leases. Rental income arises from operating leases is accounted for on straight-line basis over the lease term, and is included in rental income in Statement of Profit and Loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms. Contingent rents are recognised as revenue in the period in which they are earned.

1.20 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.

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1.21 Recent accounting pronouncements

Ind-AS 116 – Leases:

On 30 March 2019 , Ministry of Corporate Affairs has notified Ind AS 116 , Leases . Ind AS 116 will replace the existing leases Standard, Ind AS17 Leases , and related Interpretations . The Standard sets out the principles for the recognition, measurement , presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit &Loss.

The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after 01 April 2019. The standard permits two possible methods of transition:

• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (01 April,2019). Accordingly, comparatives for the year ended 31 March 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The effect of adoption as on transition date is expected to be insignificant.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is financial periods beginning on or after 01 April 2019.
The Company will adopt the standard on 01 April 2019.The effect on adoption of Ind AS 12 Appendix C is expected to be insignificant.

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Amendment to Ind AS 12 – Income taxes

On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The effective date for adoption of Ind AS 12 is financial periods beginning on or after 01 April 2019.

The Company will adopt the standard on 01 April 2019.The effect on adoption of Ind AS 12 is expected to be insignificant.

Amendment to Ind AS 19 – Employee Benefits

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The effective date for adoption of Ind AS 19 is financial periods beginning on or after 01 April 2019.

The Company will adopt the standard on 01 April 2019.The effect on adoption of Ind AS 19 is expected to be insignificant.

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Rs. in Lakhs

2 Cash and cash equivalents

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
Cash on hand	31.08	16.09	15.38
Balances with banks	620.37	125.44	469.71
	651.45	141.53	485.09

3 Loans (at amortised cost)

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
(A) Loans			
(i) Loans repayable on demand	400.00	1,500.00	1,500.00
(ii) Term loans	72,793.97	96,546.15	31,501.31
Total (A) -Gross	73,193.97	98,046.15	33,001.31
Less: Impairment loss allowance	-	-	-
Total (A) - Net	73,193.97	98,046.15	33,001.31
(B)			
(i) Secured by tangible assets	71,273.21	95,563.81	32,501.31
(ii) Unsecured	1,920.76	2,482.34	500.00
Total (B)-Gross	73,193.97	98,046.15	33,001.31
Less: Impairment loss allowance	-	-	-
Total (B)-Net	73,193.97	98,046.15	33,001.31
(C)			
(I) Loans in India	-	-	-
(i) Public sector	73,193.97	98,046.15	33,001.31
(ii) Others	-	-	-
(II) Loans outside India	73,193.97	98,046.15	33,001.31
Total (C)- Gross	-	-	-
Less: Impairment loss allowance	73,193.97	98,046.15	33,001.31
Total(C)-Net			

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Rs. in Lakhs

4 Investments

Particulars	As at 31-March-2019					
	Amortised cost	At fair value		Subtotal	At cost	Total
		Through other comprehensive income*	Through profit or loss			
(I) Government securities	13,220.98	-	-	-	-	13,220.98
i) Quoted	13,220.98	-	-	-	-	13,220.98
(II) Debt securities	41,643.97	-	13,625.60	13,625.60	-	55,269.57
i) Quoted	41,643.97	-	13,625.60	13,625.60	-	55,269.57
(III) Equity instruments	-	-	-	-	1,101.00	1,101.00
i) Unquoted	-	-	-	-	1,101.00	1,101.00
- in subsidiaries						
11,010,000 Equity shares of Family Home Finance Private Limited of Rs 10 each					1,101.00	1,101.00
- in other companies	-	-	-	-	-	-
221,000 Equity shares of Neesa Leisure Limited of Rs.10 each*						
(IV) Units of securitisation trust	1,359.45	-	-	-	-	1,359.45
Total – Gross (A)	56,224.40	-	13,625.60	13,625.60	1,101.00	70,951.00
(i) Investments in India	56,224.40	-	13,625.60	13,625.60	1,101.00	70,951.00
(ii) Investments outside India	-	-	-	-	-	-
Total (B)	56,224.40	-	13,625.60	13,625.60	1,101.00	70,951.00
Less: Allowance for Impairment loss (C)	187.19	-	-	-	-	187.19
Total – Net D= (A)-(C)	56,037.21	-	13,625.60	13,625.60	1,101.00	70,763.81

Rs. in Lakhs

Particulars	As at 31-March-2018					
	Amortised cost	At fair value		Subtotal	At cost	Total
		Through other comprehensive income*	Through profit or loss			
(I) Government securities	13,220.98	-	-	-	-	13,220.98
i) Quoted	13,220.98	-	-	-	-	13,220.98
(II) Debt securities	28,927.82	-	16,149.76	16,149.76	-	45,077.58
i) Quoted	28,927.82	-	16,149.76	16,149.76	-	45,077.58
(III) Equity instruments	-	894.15	-	894.15	1,101.00	1,995.15
i) Quoted	-	894.15	-	894.15	-	894.15
- in other companies	-	894.15	-	894.15	-	894.15
950,210 Equity Shares of Union Bank Of India of Rs. 10 each						
ii) Unquoted	-	-	-	-	1,101.00	1,101.00
- in subsidiaries						
11,010,000 Equity shares of Family Home Finance Private Limited of Rs 10 each	-	-	-	-	1,101.00	1,101.00
- in other companies	-	-	-	-	-	-
221,000 Equity shares of Neesa Leisure Limited of Rs.10 each*						
(IV)Units of Securitisation Trust	3,041.36	-	-	-	-	3,041.36
Total – Gross (A)	45,190.16	894.15	16,149.76	17,043.91	1,101.00	63,335.07
(i) Investments in India	45,190.16	894.15	16,149.76	17,043.91	1,101.00	63,335.07
(ii) Investments outside India	-	-	-	-	-	-
Total (B)	45,190.16	894.15	16,149.76	17,043.91	1,101.00	63,335.07
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-
Total – Net D= (A)-(C)	45,190.16	894.15	16,149.76	17,043.91	1,101.00	63,335.07

Rs. in Lakhs

Particulars	As at 1-April-2017					
	Amortised cost	At fair value		Subtotal	At cost	Total
		Through other comprehensive income*	Through profit or loss			
(I) Government securities	4,852.33	-	54,537.75	54,537.75	-	59,390.08
Quoted	4,852.33	-	54,537.75	54,537.75	-	59,390.08
(II) Debt securities	4,554.72	-	11,367.15	11,367.15	-	15,921.87
Quoted	4,554.72	-	11,367.15	11,367.15	-	15,921.87
(III) Equity instruments	-	-	-	-	-	-
Unquoted	-	-	-	-	-	-
- in other companies	-	-	-	-	-	-
250,000 Equity shares of Neesa Leisure Limited of Rs.10 each*						
Total – Gross (A)	9,407.05	-	65,904.90	65,904.90	-	75,311.95
(i) Investments in India	9,407.05	-	65,904.90	65,904.90	-	75,311.95
(ii) Investments outside India	-	-	-	-	-	-
Total (B)	9,407.05	-	65,904.90	65,904.90	-	75,311.95
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-
Total – Net D= (A)-(C)	9,407.05	-	65,904.90	65,904.90	-	75,311.95

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5 Stock of securities (measured at fair value through profit or loss)

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
(I) State development loans			
Quoted	-	-	6,103.50
(II) Debt securities			
Quoted	86,866.82	50,806.09	83,221.81
(III) Exchange traded funds			
Quoted	9.86	81.77	91.69
(IV) Commercial papers			
Quoted	-	-	2,445.14
Total – Gross (A)	86,876.68	50,887.86	91,862.14
(i) Stock of securities in India	86,876.68	50,887.86	91,862.14
(ii) Stock of securities outside India	-	-	-
Total (B)	86,876.68	50,887.86	91,862.14
Less: Allowance for Impairment loss (C)	-	-	-
Total – Net D= (A)-(C)	86,876.68	50,887.86	91,862.14

6 Other financial assets

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
Deposits			
Earnest money deposits	3.00	3.00	1.00
Rental deposits			
i) with other parties	29.16	27.33	32.40
ii) with relatives and directors	250.00	250.00	250.00
Other deposits	14.79	28.29	37.29
Interest accrued and due on			
Loans to a related party	-	-	26.89
Loans to others	-	-	64.56
Interest accrued but not due on			
Loans to a related party	-	55.47	-
Loans to others	159.50	93.95	741.78
Investments / stock of securities	862.19	1,492.52	2,691.90
Other receivables	551.06	758.86	-
Total	1,869.70	2,709.42	3,845.82

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7 Investment property

Rs. in Lakhs

Particulars	Building under lease	Total
Gross block		
As at 1 April 2017	-	-
Additions	1,070.00	1,070.00
Disposals	-	-
As at 31 March 2018	**1,070.00**	**1,070.00**
Additions	-	-
Disposals	-	-
As at 31 March 2019	**1,070.00**	**1,070.00**
Accumulated depreciation		
As at 1 April 2017	-	-
Additions	6.45	6.45
Disposals	-	-
As at 31 March 2018	**6.45**	**6.45**
Additions	17.83	17.83
Disposals	-	-
As at 31 March 2019	**24.28**	**24.28**
Net Block		
As at 1 April 2017	-	-
As at 31 March 2018	**1,063.55**	**1,063.55**
As at 31 March 2019	**1,045.72**	**1,045.72**

7(a) Reconciliation of changes in the fair vale of investment property

The fair value of the Company's investment properties as at 31 March, 2019 have been arrived at on the basis of valuation carried out at the respective date by an external independent valuer registered with the authority which governs the valuer in India. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. Considering the type of the asset, market approach (sales comparable method) to estimate the fair value of the subject property is adopted.

Rs. in Lakhs

Particulars	Building under lease	Total
As at 1 April 2017	-	-
Additions	1,070.00	1,070.00
Changes in the fair value	-	-
Closing balance as on 31 March 2018	**1,070.00**	**1,070.00**
Changes in the fair value	51.64	51.64
Closing balance as on 31 March 2019	**1,121.64**	**1,121.64**

7(b) Direct operating expenses arising from investment property

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Rental income derived from investment properties	83.53	26.66
Direct operating expenses (including repairs & maintenance) generating rental income	1.21	1.21
Profit arising from investment properties before depreciation and indirect expenses	**82.32**	**25.45**
Less: Depreciation	17.83	6.45
Profit arising from investment properties before indirect expenses	**64.49**	**19.00**

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8 Property, plant and equipment

Rs. in Lakhs

Particulars	Computers	Office equipments	Furniture and fixtures	Building	Vehicles	Total
Cost (Deemed cost- refer note 8.a below)						
As at 1 April 2017	11.12	7.45	42.21	920.61	207.39	1,188.78
Additions	12.48	4.93	6.73	865.61	73.39	963.14
Disposals	-	-	-	-	146.43	146.43
As at 31 March 2018	23.60	12.38	48.94	1,786.22	134.35	2,005.49
Additions	2.35	1.00	-	5.24	-	8.59
Disposals	1.28	-	-	364.51	37.93	403.72
As at 31 March 2019	24.67	13.38	48.94	1,426.95	96.42	1,610.36
Depreciation:						
As at 1 April 2017	-	-	-	-	-	-
Additions	5.47	2.86	4.84	26.81	23.84	63.82
Disposals	-	-	-	-	3.43	3.43
As at 31 March 2018	5.47	2.86	4.84	26.81	20.41	60.39
Additions	7.77	3.10	5.44	25.51	22.64	64.46
Disposals	-	-	-	5.89	18.86	24.75
As at 31 March 2019	13.24	5.96	10.28	46.43	24.19	100.10
Net Block						
As at 1 April 2017	11.12	7.45	42.21	920.61	207.39	1,188.78
As at 31 March 2018	18.13	9.52	44.10	1,759.41	113.94	1,945.10
As at 31 March 2019	11.43	7.42	38.66	1,380.52	72.23	1,510.26

1) Vehicles include vehicles hypothecated against loan taken having net block of as at 31 March 2019 Rs. 63.87 lakhs (as at 31 March 2018 Rs.74.14 lakhs and as at 1 April 2017 Rs.165.18 lakhs)

2) Building include premises hypothecated against loan taken having net block of as at 31 March 2019 Rs. 706.03 lakhs (as at 31 March 2018 Rs.718.81 lakhs and as at 1 April 2017 Rs.731.71 lakhs)

3) Building include premises mortgaged against non convertible debenture issued having net block as at 31 March 2019 of Rs. 192.78 lakhs (as at 31 March 2018 Rs.196.11 lakhs and as at 1 April 2017 Rs.Nil)

8a Note:

The Company used carrying amount as per previous GAAP as on 1 April 2017 in its opening IND AS statement of financial position as deemed cost for an item of property, plant and equipment.

Following are the disclosures with regard to its gross block value, accumulated depreciation and net block value as per previous GAAP as on 1 April 2017:

Particulars	Original Cost	Accumulated depreciation	Net Block
Computors	24.79	13.67	11.12
Office Equipments	13.29	5.84	7.45
Furniture and Fixtures	47.95	5.74	42.21
Building	959.38	38.77	920.61
Vehicles	264.17	56.78	207.39
Total	1,309.58	120.80	1,188.78

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A. K. Capital Finance Limited

(Formerly known as A. K. Capital Finance Private Limited)

Notes to the financial statements for the year ended 31 March 2019

9 Intangible assets

Rs. in Lakhs

Particulars	Software	Total
Cost (Deemed cost- refer note 9.a below)		
As at 1 April 2017	4.95	4.95
Additions	8.10	8.10
Disposals	-	-
As at 31 March 2018	**13.05**	**13.05**
Additions	17.78	17.78
Disposals		-
As at 31 March 2019	**30.83**	**30.83**
Accumulative amortisation:		
As at 1 April 2017	-	-
Additions	4.17	4.17
Disposals	-	-
As at 31 March 2018	**4.17**	**4.17**
Additions	7.38	7.38
Disposals		-
As at 31 March 2019	**11.55**	**11.55**
Net book value:		
As at 1 April 2017	**4.95**	**4.95**
As at 31 March 2018	**8.88**	**8.88**
As at 31 March 2019	**19.28**	**19.28**

9 Note:

The Company used carrying amount as per previous GAAP as on 1 April 2017 in its opening IND AS statement of financial position as deemed cost for an item of intangible assets. Following are the disclosures with regard to its gross block value, accumulated depreciation and net block value as per previous GAAP as on 1 April 2017:

Rs. in Lakhs

Particulars	Original cost	Accumulated amortisation	Net block
Software	34.81	29.86	4.95
Total	**34.81**	**29.86**	**4.95**

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10 Other non-financial assets

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
Balance with government authorities	11.04	37.29	3.79
Prepaid expenses	26.02	20.51	44.59
Capital advance	-	4.19	-
Other advances	0.29	0.62	1.49
Total	37.35	62.61	49.87

11 Trade payables

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	97.33	51.89	68.28
Total	97.33	51.89	68.28

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 :

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(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	-	-	-

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2 Debt Securities (At amortised cost)

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
Non-convertible debentures (Refer note no. 40)	71,752.00	46,200.00	23,500.00
Total (A)	**71,752.00**	**46,200.00**	**23,500.00**
Debt securities in India	71,752.00	46,200.00	23,500.00
Debt securities outside India	-	-	-
Total (B)	**71,752.00**	**46,200.00**	**23,500.00**

(Secured by a first charge over the identified "business assets" i.e. investments/receivables of the Company and a Pari-passu charge over the immovable properties of the Company situated at Chennai and Pune.)

13 Borrowings (Other than Debt Securities) (At Amortised Cost)

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
(a)Term loans			
(i) from banks*	53,108.42	11,052.52	20,003.91
(ii) from NBFC**	588.91	633.36	676.31
(b) Loans repayable on demand			
(i) from banks***	40,280.92	72,152.65	49,669.41
(c) Other loans			
Collaterlised Borrowing and Lending Obligation (CCIL)****	12,000.00	11,300.00	41,950.00
NBFCs*****	-	17,497.55	-
Repo account******	-	-	18,286.01
Vehicle loans*******	53.25	68.95	128.22
Commercial papers	-	6,889.88	9,787.10
Total (A)	**1,06,031.50**	**1,19,594.91**	**1,40,500.96**
Borrowings in India	1,06,031.50	1,19,594.91	9,787.10
Borrowings outside India	-	-	-
Total (B)	**1,06,031.50**	**1,19,594.91**	**1,40,500.96**
Secured	1,06,031.50	1,12,705.03	1,30,713.86
Unsecured	-	6,889.88	9,787.10
Total (C)	**1,06,031.50**	**1,19,594.91**	**1,40,500.96**

* Loan from banks are repayable in 8 to 16 quarterly installments along with interest from the date of loan. The loans are secured by Pari- passu first charge by way of hypothecation/assignment of assets financed including current and future receivables of the Company, in favour of the security trustee.

** Housing loan from NBFC 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.

*** (A) Loan repayable on demand from bank is secured against pledge/lien on government securities and other debt securities and corporate guarantee of the holding company, A. K. Capital Services Limited and demand promissory note.

***(B) Loan against receivables is secured by first pari passu charge by way of hypothecation/ assignment of assets financed including current and future receivables of the company, in favour of the security trustee.

**** Loan from Collaterlised Borrowing and Lending Obligation (CCIL) is secured against lien on government securities and cash deposit.

***** Loan from non banking finance company is secured by hypothecation on first pari passu charge over the "business assets", in favour of the security trustee.

****** Secured against corporate debt securities under repo transaction.

******* Vehicle loans from bank is repayable in 36 to 60 equated monthly installments along with interest from the date of loan. The loans are secured by hypothecation of motor vehicle purchased there against.

14 Deposits (At amortised cost)

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
Rental deposits	26.59	23.47	-
Total	**26.59**	**23.47**	**-**

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15 Other financial liabilities

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
Interest accrued and due on borrowings	-	45.25	65.74
Interest accrued but not due on borrowings	3,256.50	1,426.31	132.97
Employee dues	74.07	72.18	61.09
Sundry creditors for capital goods	-	0.96	0.48
Other payables	-	0.54	0.02
Total	**3,330.57**	**1,545.24**	**260.30**

16 Provisions:

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
Provision for employee benefits			
Gratuity (Refer Note No. 37)	58.94	53.55	30.76
Leave encashment	8.71	7.96	5.59
Others			
Contingent provision for standard assets	293.76	393.19	119.08
Total	**361.41**	**454.70**	**155.43**

17 Deferred tax (assets) / liabilities

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
Deferred tax liabilities			
On account of:			
Depreciation	107.79	112.73	72.40
Fair value gain on investments in debt securities	53.73	237.81	481.30
Transaction cost on financial assets	19.19	12.37	15.19
Less: Deferred tax assets:			
Expenses disallowed under section 35D	(11.16)	(14.89)	(10.64)
Contingent provisions against standard assets	(85.56)	(114.50)	-
Expenses allowable on payment basis (gratuity)	(17.16)	(15.59)	-
Transaction cost on financial liabilities	(26.52)	(30.92)	(65.52)
Deferred tax liabilities (net)	**40.31**	**187.01**	**492.73**

18 Other non-financial liabilities

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
Statutory dues	78.13	88.72	28.50
Processing fees received in advance	-	3.67	-
Deferred lease income	1.22	2.40	-
Total	**79.35**	**94.79**	**28.50**

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19 (a) Equity Share capital

Rs. in Lakhs

(i) Equity shares

Particulars	As at 31-March-2019		As at 31-March-2018		As at 1-April-2017	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorized:						
Equity shares of Rs. 10 each	3,00,00,000	3,000.00	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		3,000.00
Issued, subscribed and paid-up:						
Equity shares of Rs. 10 each fully paid up	2,32,93,750	2,329.38	2,32,93,750	2,329.38	2,32,93,750	2,329.38
Compulsorily Convertible Preference shares of Rs 100 each fully paid up	65,00,000	6,500.00	65,00,000	6,500.00		
		8,829.38		8,829.38		2,329.38

Details of the shares hold by its holding company :

Name of the shareholder	As at 31-March-2019		As at 31-March-2018		As at 1-April-2017	
	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding
Equity shares of Rs.10 per share	2,29,97,490	98.73%	2,29,97,490	98.73%	2,29,97,490	98.73%
Preference shares of Rs 100 per share	25,00,000	38.46%	25,00,000	38.46%		

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

Name of the shareholder	As at 31-March-2019		As at 31-March-2018		As at 1-April-2017	
	Numbers of shares	Percentage of shareholding	Numbers of shares	Percentage of shareholding	Numbers of shares	Percentage of shareholding
A K Capital Services Limited	2,29,97,490	98.73%	2,29,97,490	98.73%	2,29,97,490	98.73%

The reconciliation of the number of shares outstanding:

Particulars	As at 31-March-2019	As at 31-March-2018	As at 01-April-2017
Shares at the beginning of the year	2,32,93,750	2,32,93,750	2,32,93,750
Add :Shares issued during the year			
Shares at the end of the year	2,32,93,750	2,32,93,750	2,32,93,750

(ii) 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 March 2019		As at 31 March 2018		As at 1 April 2017	
	Numbers of debentures	Percentage holding	Numbers of debentures	Percentage holding	Numbers of debentures	Percentage holding
A. K. Mittal	30,00,000	46.16%	30,00,000	46.16%		
A. K. Capital Services Limited	25,00,000	38.46%	25,00,000	38.46%		
A. K. Services Private Limited	10,00,000	15.38%	10,00,000	15.38%		

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Shares at the beginning of the year	65,00,000		
Add :Shares issued during the year		65,00,000	
Shares at the end of the year	65,00,000	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

During the previous year, the Company has issued 6,500,000 Compulsory Convertible Preference Shares (CCPS) of Rs 100 each fully paid-up. The 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 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 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.

(b) Other equity

Particulars	As at 31-March-2019	As at 31-March-2018
Special reserve		
At the beginning of the year	3,039.93	2,229.93
Add: Current year transfer	920.00	810.00
Closing balance of special reserve (A)*	3,959.93	3,039.93
Security Premium Account		
At the beginning of the year	27,321.88	27,321.88
Add: Current year transfer		
Closing balance of security premium account (B)	27,321.88	27,321.88
Other comprehensive income		
At the beginning of the year	(1,629.81)	(639.00)
Add: Other comprehensive income for the year	3.33	(990.81)
Closing balance of other comprehensive income (C)	(1,626.48)	(1,629.81)
Retained earnings		
At the beginning of the year	12,689.55	9,541.37
Add: Net profit for the current year	4,597.25	4,463.25
Less: Expenses incurred in relation to share capital		70.40
Less: Dividend paid on CCPS	393.21	361.15
Less: Dividend distribution tax paid	80.80	73.52
Less: Transfer to special reserve	920.00	810.00
Closing balance of retained earnings (D)	15,892.79	12,689.55
Total (A+B+C+D)	45,548.12	41,421.55

*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.

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20 Interest income

Rs. in Lakhs

Particulars	For the year ended 31 March 2019			For the year ended 31 March 2018		
	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	11,574.41	-	11,574.41	7,089.26	-	7,089.26
Processing fees income	199.22	-	199.22	528.70	-	528.70
Interest income from investments	4,287.01	905.65	5,192.66	2,686.92	2,425.79	5,112.71
Interest income from stock of securities	-	2,750.13	2,750.13	-	4,689.12	4,689.12
Other Interest Income	15.83	-	15.83	1.14	-	1.14
Total	16,076.47	3,655.78	19,732.25	10,306.02	7,114.91	17,420.93

21 Fees and commission Income

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Syndication and other fees	867.30	28.32
Total	867.30	28.32

22 Net gain/(loss) on fair value changes

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net gain/(loss) on financial instruments at fair value		
-Investments	51.95	(131.78)
-Stock of securities	1,661.53	1,941.12
	1,713.48	1,809.34
Net gain/(loss) on financial instruments at fair value		
-Realised	1,493.00	920.04
-Unrealised	220.48	889.30
Total	1,713.48	1,809.34
Additional Information :		
Profit / (loss) on sale of Investments (actual) (A)	726.13	495.51
Net gain/(loss) on investments due to fair value change (B)		
-Realised	(600.58)	(631.48)
-Unrealised	(73.60)	4.19
Total (A+B)	51.95	(131.78)
Profit on sale of stock of securities (actual) (C)	1,490.11	1,730.26
Net gain/(loss) on stock of securities due to fair value change (D)		
-Realised	(122.66)	(674.25)
-Unrealised	294.08	885.11
Total (C+D)	1,661.53	1,941.12

23 Other income

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit on sale of property, plant and equipment	-	6.50
Total	-	6.50

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24 Finance costs (On Financial liabilities measured at amortised cost)

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on borrowings	6,564.24	4,571.59
Interest on debt securities	6,253.83	3,384.03
Interest on income tax	0.01	2.87
Other interest expense	742.87	2,520.36
Total	**13,560.95**	**10,478.85**

25 Fees and commission expense

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Incentive expenses	213.74	220.08
Total	**213.74**	**220.08**

26 Employee benefits expenses

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	1,707.00	1,387.27
Gratuity	17.98	15.82
Employers contribution to provident fund	14.11	19.31
Staff welfare expenses	9.91	8.73
Total	**1,749.00**	**1,431.13**

27 Other expenses

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Rent, taxes and energy costs	175.12	182.29
Travelling expense	90.65	66.00
Repairs and maintenance	23.30	22.80
Advertisement and publicity	23.84	31.18
Bad debts	-	0.12
Auditor's fees and expenses		
-for audit fees	3.46	2.80
-for other services	1.68	0.49
Legal and Professional charges	96.31	114.64
Loss on sale of property, plant and equipment	17.68	-
Corporate social responsibilities (Refer Note No.30)	32.00	-
Provision for expected credit loss	187.19	-
Contingent for provision for standard assets	(99.43)	274.11
Insurance expenses	6.26	4.54
Communication Costs	7.38	9.69
Director"s fees, allowances and expenses	7.45	0.89
Other expenditure	103.43	118.14
Total	**676.32**	**827.68**

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28 Other comprehensive income

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Items that will not be reclassified to profit or loss		
a. Remeasurement of defined benefit obligation	9.44	(6.97)
b. Equity instruments through other comprehensive income	(3.36)	(985.87)
Total	**6.08**	**(992.84)**

29 Segment reporting

In accordance with Indian Accounting Standard (Ind AS) 108, the Company operates in a single operating segment t i.e. "Investment and Financing 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.

30 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.

Rs. in Lakhs

Particulars	For the year ended 31 March 2019
Gross amount required to be spent by the Company during the financial year (including previous years' shortfall of Rs. 72.08 lakhs)	165.47

Amount spent during the 2018-19	Yet to be paid in Cash (Rs.)	In Cash (Rs.)	Total (Rs.)
(i) Construction/acquisitionof any asset	-	-	-
(ii) Donation for promoting education	-	32.00	32.00
(iii) Donation for promoting preventive health care and sanitation	-	-	-
(iii) Donation for empowering woman and setting up homes	-	-	-
Short fall in CSR Expenditure			**133.47**

31 Leases

(i) Where the Company is lessee:

The future minimum lease payments as per the lease agreements are as follows:

Rs. in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Not later than one year	-	36.45	-
Later than one year and not later than five years	-	-	-

The amount of minimum lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year 2018-2019 is Rs.149.41 lakhs and for financial year 2017-2018 is Rs. 130.11 lakhs.

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(ii) Where the Company is lessor:

The future minimum lease payments receivable as per the lease agreements are as follows:

Rs. in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Not later than one year	40.63	48.82	-
Later than one year and not later than five years	8.43	49.06	-

The amount of minimum lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year 2018-2019 is Rs.83.53 lakhs and for financial year 2017-2018 is Rs 26.66 lakhs.

32 Earnings per share (EPS)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net profit after tax available for equity share holders before preference dividend (Rs in lakhs.) [A]	4,597.25	4,463.25
Less : Preference dividend (including dividend distribution tax) ((Rs in lakhs) [B]	474.01	434.67
Net profit after tax available for equity share holders for basic earning per share (Rs in lakhs.) [A-B=C]	4,123.24	4,028.58
Weighted average number of equity shares outstanding during the year for basic earnings per share (Nos.) [D]	2,32,93,750	2,32,93,750
Increase in weighted average number of equity shares on dilution of non cumulative compulsory convertible preference shares (Nos.) [E]	32,50,000	16,47,260
Weighted average number of equity shares outstanding during the year for diluted earnings per share (Nos.) [D+E=F]	2,65,43,750	2,49,41,010
Basic earnings per share (Rs.) [C/D]	17.70	17.29
Diluted earnings per share (Rs.)* [A/F]	17.32	17.29
Nominal value of share (Rs.)	10.00	10.00

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33 Related party disclosures

Related party relationships:

Nature of relationship	Name of Related Party
Holding company	A. K. Capital Services Limited
Subsidiary company	Family Home Finance Private Limited (w.e.f. 29 June 2017)
Fellow subsidiary	A. K. Stockmart Private Limited A. K. Capital Corporation Limited A. K. Wealth Management Private Limited
Key managerial personnel	Mr. A. K. Mittal (Managing director) Mrs. Sneh Lata Mittal (Executive director) Mr. Abhinav Kumar Mittal (Upto 20 September 2018) (Executive director) Mr. Mahesh Bhootra (Chief financial officer) Mr. Govind Lalwani (Company secretary from 28 December 2017) Ms. Meeta Sanghavi (Company secretary till 27 December 2017) Mr. Raghubinder Rai Bajaj (Independent director) Mr. Rajiv Kumar Bakshi (Independent director) Mr. Khimji Shamji Pandav (Independent director from 11 August 2018)
Relatives of key managerial personnel	Mrs. Anshu Mrs.Aditi Mittal
Enterprise controlled by key management personnel	Family Home Consultancy Services Private Limited M Square Automobile Private Limited A. K. Services Private Limited A. K. Capital Markets Limited
Enterprises in which relative of key management personal is having significant influence	Goodwill Capital Services 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' and the same have been relied upon by the auditors.

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.

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33 Related party transactions (Continued)

Related party transactions during the year: Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Brokerage paid		
A. K. Stockmart Private Limited	61.63	64.96
Demat charges paid		
A. K. Stockmart Private Limited	1.10	0.25
Key managerial remuneration *		
Short term benefits	426.29	287.42
Director's sitting fees	7.00	0.80
Rent paid		
Mr. A. K. Mittal	36.00	36.00
Mrs. Aditi Mittal	24.00	24.00
Mrs. Anshu	18.00	18.00
Purchase of car		
M Square Automobile Private Limited	-	73.39
Repairs and maintainance of car		
M Square Automobile Private Limited	1.13	-
Interest income on loan given		
A. K. Services Private Limited	-	8.14
M Square Automobile Private Limited	206.89	78.15
Goodwill Capital Services Private Limited	111.62	123.34
Investment in subsidiary company		
Family Home Finance Private Limited	-	1,101.00
Loan given		
A. K. Services Private Limited	-	1,000.00
M Square Automobile Private Limited	1,600.00	2,235.00
(Revolving Credit Sanction Limits amounting to Rs.3,500 lacs)		
Goodwill Capital Services Private Limited	11,510.00	-
(Revolving Credit Sanction Limit amounting to Rs.5,000 lacs)		
Goodwill Capital Services Private Limited (Term Loan)	-	30.00
Repayment of loan given		
A. K. Services Private Limited	-	1,000.00
M Square Automobile Private Limited	2,700.00	1,235.00
(Revolving Credit Sanction Limits amounting to Rs.3,500 lacs)		
Goodwill Capital Services Private Limited	11,510.00	-
(Revolving Credit Sanction Limit amounting to Rs.5,000 lacs)		
Goodwill Capital Services Private Limited (Term Loan)	1,030.00	-
Non convertible debentures issued (excluding accrued interest)		
A. K. Capital Services Limited	500.00	2,500.00
A. K. Stockmart Private Limited	1,700.00	500.00

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33 Related party transactions (Continued)

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expenses on non convertible debentures		
A. K. Capital Services Limited	-	8.65
A. K. Capital Corporation Private Limited	3.11	8.65
A. K. Wealth Management Private Limited	1.95	15.87
A. K. Stockmart Private Limited	3.40	4.33
Family Home Consultancy Services Private Limited	0.71	-
A. K. Capital Markets Limited	0.89	-
A. K. Services Private Limited	0.03	-
Purchase of securities (excluding accrued interest)		
A. K. Stockmart Private Limited	61,206.56	970.36
A. K. Services Private Limited	38,061.71	6,508.17
A. K. Wealth Management Private Limited	2,850.00	-
Mrs. Aditi Mittal	18.54	-
Goodwill Capital Services Private Limited	-	2,530.50
Sale of securities (excluding accrued interest)		
A. K. Stockmart Private Limited	17,062.45	1,429.64
A. K. Services Private Limited	1,927.29	2,577.54
Mr. A. K. Mittal	-	197.80
Abhinav Kumar Mittal	-	9.80
Mrs. Aditi Mittal	-	40.00
A. K. Capital Markets Limited	-	69.40
A. K. Wealth Management Private Limited	363.43	234.97
Family Home Consultancy Services Private Limited	-	79.40
Repurchase of non convertible debentures (excluding accrued interest)		
A. K. Stockmart Private Limited	42.00	-
A. K. Services Private Limited	1.00	-
A. K. Wealth Management Private Limited	46.00	-
A. K. Capital Markets Limited	10.00	-
Family Home Consultancy Services Private Limited	24.00	-
Issue of non cumulative compulsory convertible preference shares		
Mr. A. K. Mittal	-	3,000.00
Mrs. Aditi Mittal	-	2,500.00
A. K. Capital Markets Limited	-	1,000.00

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33 Related party transactions (Continued)

Related party closing balances:

Rs. in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Rent deposit given as at year end			
Mr. A. K. Mittal	100.00	100.00	100.00
Mrs. Anshu	50.00	50.00	50.00
Mrs. Aditi Mittal	100.00	100.00	100.00
Trade payable			
A. K. Stockmart Private Limited	1.13	0.14	0.95
M Square Automobile Private Limited	0.49	-	-
Loan given			
M Square Automobile Private Limited	400.00	1,500.00	500.00
Goodwill Capital Services Private Limited	-	1,030.00	1,000.00
Investment in subsidiary company			
Family Home Finance Private Limited	1,101.00	1,101.00	-
Non convertible debentures held			
A. K. Capital Services Limited	-	150.00	1,640.00
A. K. Wealth Management Private Limited	-	275.00	-
A. K. Capital Corporation Private Limited	-	150.00	-
A. K. Stockmart Private Limited	25.00	75.00	600.00
A. K. Services Private Limited			53.00
Interest accrued on non convertible debentures held			
A. K. Capital Services Limited	-	8.65	8.71
A. K. Capital Corporation Private Limited	-	8.65	-
A. K. Wealth Management Private Limited	-	15.87	-
A. K. Stockmart Private Limited	0.20	4.33	3.95
A. K. Services Private Limited			0.35
Interest accrued but not due on loan given (net of TDS)			
Goodwill Capital Services Private Limited	-	55.47	-
Guarantee			
Corporate Guarantee given by Holding Company to bank for working capital demand loan taken by the Company	27,500.00	27,500.00	17,500.00

Note - Transaction amount is excluding taxes wherever applicable.

* 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

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34 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 and fair value of financial instrument by categories as of 31 March 2019 were as follows: **Rs. in Lakhs**

Particulars	At amortised cost	At Fair value through profit and loss	At fair value through Other Comprehensive Income	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	651.45			651.45	651.45
Loans	73,193.97	-	-	73,193.97	73,578.32
Investments	56,037.21	13,625.60	-	69,662.81	70,722.93
Stock of securities	-	86,876.68	-	86,876.68	86,876.68
Other financial assets	1,869.70	-	-	1,869.70	1,869.70
TOTAL	**1,31,752.33**	**1,00,502.28**	**-**	**2,32,254.61**	**2,33,699.08**
Liabilities:					
Trade payables	97.33	-	-	97.33	97.33
Debt Securities	71,752.00			71,752.00	71,752.00
Borrowings	1,06,031.50	-	-	1,06,031.50	1,06,377.24
Deposits	26.59	-	-	26.59	26.59
Other financial liabilities	3,330.57	-	-	3,330.57	3,330.57
TOTAL	**1,81,237.99**	**-**	**-**	**1,81,237.99**	**1,81,583.73**

The carrying value and fair value of financial instrument by categories as of 31 March 2018 were as follows: **Rs. in Lakhs**

Particulars	At amortised cost	At Fair value through profit and loss	At fair value through Other Comprehensive Income	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	141.53	-	-	141.53	141.53
Loans	98,046.15	-	-	98,046.15	98,148.67
Investments	45,190.16	16,149.76	894.15	62,234.07	62,291.56
Inventories	-	50,887.86	-	50,887.86	51,233.16
Other financial assets	2,709.42	-	-	2,709.42	2,709.42
TOTAL	**1,46,087.26**	**67,037.62**	**894.15**	**2,14,019.03**	**2,14,524.34**
Liabilities:					
Trade payables	51.89	-	-	51.89	51.89
Debt Securities	46,200.00	-	-	46,200.00	46,200.00
Borrowings	1,19,594.91	-	-	1,19,594.91	1,19,712.10
Deposits	23.47	-	-	23.47	23.47
Other financial liabilities	1,545.24	-	-	1,545.24	1,545.24
TOTAL	**1,67,415.51**	**-**	**-**	**1,67,415.51**	**1,67,532.70**

The carrying value and fair value of financial instrument by categories as of 1 April 2017 were as follows: **Rs. in Lakhs**

Particulars	At amortised cost	At Fair value through profit and loss	At fair value through Other Comprehensive Income	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	485.09	-	-	485.09	485.09
Loans	33,001.31	-	-	33,001.31	33,190.62
Investments	9,407.05	65,904.90	-	75,311.95	75,662.72
Inventories	-	91,862.14	-	91,862.14	91,921.51
Other financial assets	3,845.82	-	-	3,845.82	3,845.82
TOTAL	**46,739.27**	**1,57,767.04**	**-**	**2,04,506.31**	**2,05,105.76**
Liabilities:					
Trade payables	68.28	-	-	68.28	68.28
Debt Securities	23,500.00	-	-	23,500.00	23,500.00
Borrowings	1,40,500.96	-	-	1,40,500.96	1,40,569.99
Other financial liabilities	260.30	-	-	260.30	260.30
TOTAL	**1,64,329.54**	**-**	**-**	**1,64,329.54**	**1,64,398.57**

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35 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 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.

a) The following table gives details in respect of fees and income from loans generated from top customer and top 5 customers.

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from top customer	862.20	639.85
Revenue from top 5 customers	3,663.03	2,150.86

Exposure to credit risk

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

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
Financial assets at amortised cost			
Loans	73,193.97	98,046.15	33,001.31
Investments	56,037.21	45,190.16	9,407.05
Other financial assets	1,869.70	2,709.42	3,845.82
At end of the year	**1,31,100.88**	**1,45,945.73**	**46,254.18**

The Company's exposure to customers is diversified and no single customer contributes to more than 15% of outstanding loans, investment, and other financial assets which are measured at amortised cost as at March 31, 2019, March 31, 2018 and 01 April 2017.

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Balances with banks and other financial assets:

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.
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.
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.

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:

Rs. in Lakhs

Particulars	As at 31-March-2019	As at 31-March-2018	As at 1-April-2017
Financial assets			
Interest bearing			
- fixed interest rate			
Loans	41,773.86	68,352.99	32,008.79
Investments	62,183.85	56,541.80	75,311.95
Stock of securities	86,866.82	50,806.09	91,770.45
- floating interest rate			
Loans	31,420.11	29,693.16	992.52
Investments	7,478.96	4,798.12	-
Financial Liabilities			
Interest bearing			
- fixed interest rate			
Borrowings	83,805.25	64,458.83	93,651.33
- floating interest rate			
Borrowings	93,978.26	1,01,336.08	70,349.61

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:

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Increase in basis points	50.00	50.00
Effect on profit before tax	(275.40)	(334.22)
Decrease in basis points	50.00	50.00
Effect on profit before tax	275.40	334.22

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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 2019, 31 March 2018 and 01 April 2017 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 with maturity profile ranging between 0 to 5 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:

Rs. in Lakhs

Particulars	On demand	Less than 3 months	3 to12 months	1 to 5 years	>5 years	Total
As at 31 March 2019						
Borrowings including debt securities	35,302.75	21,342.34	22,778.08	1,06,013.70	29,825.17	**2,15,262.04**
Trade and other payables		97.33	-	-	-	**97.33**
Deposits		14.86	-	13.03	-	**27.89**
Other financial liabilities	-	1,690.42	1,640.15	-	-	**3,330.57**
	35,302.75	**23,144.95**	**24,418.23**	**1,06,026.73**	**29,825.17**	**2,18,717.83**
As at 31 March 2018						
Borrowings including debt securities	50,497.87	33,543.54	32,631.13	50,627.83	23,637.74	**1,90,938.11**
Trade and other payables	-	51.89	-	-	-	**51.89**
Deposits	-	13.51	-	12.41	-	**25.92**
Other financial liabilities	-	1,235.83	309.41	-	-	**1,545.24**
	50,497.87	**34,844.77**	**32,940.54**	**50,640.24**	**23,637.74**	**1,92,561.16**
As at 01 April 2017						
Borrowings including debt securities	37,396.36	79,882.70	13,130.24	31,146.27	19,826.52	**1,81,382.09**
Trade and other payables		68.28	-	-	-	**68.28**
Other financial liabilities	-	162.40	97.90	-	-	**260.30**
	37,396.36	**80,113.38**	**13,228.14**	**31,146.27**	**19,826.52**	**1,81,710.67**

Capital management

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.

Rs. in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Borrowings including debt securities	1,77,783.50	1,65,794.91	1,64,000.96
Trade payables	97.33	51.89	68.28
Other financial liabilities	3,330.57	1,545.24	260.30
Deposits	26.59	23.47	-
Less: cash and cash equivalents	(651.45)	(141.53)	(485.09)
Net debt (A)	**1,80,586.54**	**1,67,273.98**	**1,63,844.45**
Equity share capital	8,829.38	8,829.38	2,329.38
Other equity	45,548.12	41,421.55	38,454.18
Total member's capital (B)	**54,377.50**	**50,250.93**	**40,783.56**
Capital and net debt (C=A+B)	**2,34,964.04**	**2,17,524.91**	**2,04,628.01**
Gearing ratio (%) (A/C)	**76.86**	**76.90**	**80.07**

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 period.

No changes were made in the objectives, policies or processes for managing capital during the aforesaid financial period.

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36 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 2019:

Rs. in Lakhs

Particulars	As at 31-March-2019	Fair value measurement at end of the reporting year using		
		Level I	Level 2	Level 3
Financial Assets:				
Investments				
Debt instruments at FVTPL	13,625.60	-	13,625.60	-
Equity instruments at FVTOCI	Nil	-	-	Nil
Stock of securities				
Debt instruments at FVTPL	86,866.82	-	86,866.82	-
Exchange Traded funds at FVTPL	9.86	9.86	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2018:

Particulars	As at 31-March-2018	Fair value measurement at end of the reporting year using		
		Level I	Level 2	Level 3
Financial Assets:				
Investments				
Debt instruments at FVTPL	16,149.76	-	16,149.76	-
Equity instruments at FVTOCI	894.15	894.15	-	Nil
Stock of securities				
Debt instruments at FVTPL	-	-	50,806.09	-
Exchange Traded funds at FVTPL	81.77	81.77	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 1 April 2017:

Particulars	As at 1-April-2017	Fair value measurement at end of the reporting year using		
		Level I	Level 2	Level 3
Financial Assets:				
Investments				
Debt instruments at FVTPL	11,367.15	-	11,367.15	-
Government securities at FVTPL	-	-	54,537.75	-
Equity instruments at FVTOCI	Nil	-	-	Nil
Stock of securities				
Debt instruments at FVTPL	-	-	83,221.81	-
Exchange Traded funds at FVTPL	86,868.74	91.69	-	-
Commercial Papers at FVTPL	-	-	2,445.14	-
State development loans at FVTPL	-	-	6,103.50	-

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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.
		2.Latest traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-5 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.

The management assessed that cash and cash equivalents, Trade receivable and other financial asset, trade payables and other financial liabilities approximate their carrying amount largely due to short term maturity of these instruments.

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37 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.

Rs. in Lakhs

Particulars	For the year ended 31-March-2019	For the year ended 31-March-2018
Contribution to provident fund	14.11	19.31

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 2018 - Rs 20.00 Lacs)

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37 Employee Benefit Obligation

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:

Rs. in Lakhs

Particulars	For the year ended 31-March-2019	For the year ended 31-March-2018
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	13.84	9.54
Past service cost	-	3.96
Interest cost on defined benefit obligation	4.14	2.32
(Gain) / losses on settlement	-	
Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)	**17.98**	**15.82**
(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	7.20	5.25
Actuarial loss / (gain) arising from change in demographical assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	(16.64)	1.73
Amount recognised in Other Comprehensive Income (B)	**(9.44)**	**6.98**
Gratuity expense recognised in the statement of profit and loss and Other Comprehensive Income (A+B)	**8.54**	**22.80**
(c) Reconciliation of net liability / asset		
Opening defined benefit liability / (assets)	53.56	30.76
Expense charged to profit & loss account	17.98	15.82
Amount recognised in outside profit and loss account	(9.44)	6.98
Benefit paid	(3.15)	-
Closing net defined benefit liability / (asset)	**58.95**	**53.56**
(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	53.56	30.76
Current service cost	13.84	9.54
Past service cost	-	3.96
Interest on defined benefit obligation	4.14	2.32
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	7.20	5.25
Actuarial loss / (gain) arising from change in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	(16.64)	1.73
Benefits paid	(3.15)	-
Closing defined benefit obligation [liability / (asset)] recognised in balance sheet	**58.95**	**53.56**

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37 Employee Benefit Obligation

(e) The principal assumptions used in determining gratuity benefit obligation for the company's plans are shown below:

Discount rate	7.65%	7.74%
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
Upto 30 Years	30.00%	31.75%
Upto 31-44 Years	30.00%	42.11%
Above 45 Years	20.00%	61.54%
Mortality pre-retirement	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

(g) 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:

Rs. in Lakhs

Indian gratuity plan:

Particulars	For the year ended 31-March-2019	For the year ended 31-March-2018
Assumptions -Discount rate	0.50%	0.50%
Sensitivity Level (a hypothetical increase / (decrease) by)	(0.87)	(0.40)
Impact on defined benefit obligation -increase of sensitivity level	0.90	0.40
Impact on defined benefit obligation -decrease of sensitivity level		
Assumptions -Future salary escalations rates	0.50%	0.50%
Sensitivity Level (a hypothetical increase / (decrease) by)	0.91	0.27
Impact on defined benefit obligation-increase of sensitivity level	(0.89)	(0.27)
Impact on defined benefit obligation-decrease of sensitivity level		

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

Rs. in Lakhs

Particulars	For the year ended 31-March-2019	For the year ended 31-March-2018
Within 1-2 year	37.53	35.85
2-3 year	48.84	37.64
3-4 year	63.02	39.52
5-6 year	79.19	41.50
6-7 year	95.13	43.57

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (31 March 2018- 5.63 years)

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38 Income Tax

A The major components of income tax expense for the years are:

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current income tax:		
Current income tax charge	1,703.00	2,100.00
Adjustments in respect of previous year	(7.29)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(149.47)	(303.68)
Income tax expense reported in the statement of profit or loss	**1,546.24**	**1,796.32**

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:

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before income tax	6,143.49	6,259.57
Rate of Income tax	29.12%	34.61%
Computed expected tax expenses	1,788.98	2,166.31
Tax effect due to exempt income	(10.66)	-
Tax effect due to non-deductible expenses	10.36	6.51
Tax effect due to deductible expenses	(7.08)	(2.56)
Tax effect due to recognition / non recognition of deferred tax assets / (liabilities)	(228.12)	(314.24)
Tax effect due to change in tax rate	-	(68.34)
Adjustments in respect of current income tax of previous year	(7.29)	-
Others	0.05	8.64
Income tax expense reported in the statement of profit or loss	**1,546.24**	**1,796.32**

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38 Income Tax

C The Gross movement in the current income tax asset/(Liability) for the year ended March 31, 2019 and March 31, 2018 is as follows

Rs. in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Net current income tax asset/(liability) at the beginning	202.77	39.85
Income tax paid	1,621.28	2,265.79
Current tax expenses	(1,703.00)	(2,100.00)
Interest on tax expenses	-	(2.87)
Excess short provision of earlier year	7.29	-
Net current income tax asset/(liability) at the end	**128.34**	**202.77**

39 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.

Rs. in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Type of goods or service		
Fees and commission Income	867.30	28.32
Total revenue from contracts with the customers	**867.30**	**28.32**
Geographical markets		
-India	867.30	28.32
-Outside India	-	-
Total revenue from contracts with the customers	**867.30**	**28.32**
Relation with customer		
-Non related party	867.30	28.32
-Related Party	-	-
Total revenue from contracts with the customers	**867.30**	**28.32**
Timing of revenue recognition		
-Service transferred over a period of time	-	-
-Service transferred over a point of time	867.30	28.32
Total revenue from contracts with the customers	**867.30**	**28.32**

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

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40 Details of secured redeemable non-convertible debentures

A Details of secured redeemable non-convertible debentures as at 31 March 2019

Name of Security	Number	Amount (Rs. in lakhs)	Allotment Date	Redemption Date
9.60% Non Convertible Debentures - Series A-I	500.00	500.00	23-Jun-17	23-Jun-27
9.60% Non Convertible Debentures - Series A-II	500.00	500.00	07-Mar-17	07-Mar-27
9.60% Non Convertible Debentures - Series A-III	3,500.00	3,500.00	18-Sep-18	18-Sep-25
9.60% Non Convertible Debentures - Series B-I	7,100.00	7,100.00	28-Jun-18	28-Jun-25
9.70% Non Convertible Debentures - Series B-II	7,500.00	7,500.00	06-Dec-17	06-Dec-24
9.60% Non Convertible Debentures - Series B-III	6,452.00	6,452.00	10-Aug-17	10-Aug-24
9.40% Non Convertible Debentures - Series B-IV	1,500.00	1,500.00	21-Mar-17	21-Mar-24
9.50% Non Convertible Debentures - Series B-V	500.00	500.00	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures - Series B-VI	2,600.00	2,600.00	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures - Series B-VII	2,500.00	2,500.00	07-Mar-17	07-Mar-24
9.55% Non Convertible Debentures - Series C	500.00	500.00	28-Aug-18	28-Aug-23
9.50% Non Convertible Debentures - Series E-I	2,500.00	2,500.00	29-Jun-18	29-Jun-23
9.00% Non Convertible Debentures - Series E-II	5,000.00	5,000.00	03-Apr-18	03-Apr-23
9.02% Non Convertible Debentures - Series F	500.00	500.00	09-Nov-17	09-Nov-22
8.80% Non Convertible Debentures - Series G	10,000.00	10,000.00	07-Jul-17	07-Jul-22
9.40% Non Convertible Debentures - Series H	10,000.00	10,000.00	24-Mar-17	14-Apr-22
9.40% Non Convertible Debentures - Series I	1,500.00	1,500.00	25-Sep-18	25-Mar-22
9.20% Non Convertible Debentures - Series J	300.00	300.00	20-Mar-17	20-Mar-22
9.75% Non Convertible Debentures - Series K	200.00	200.00	20-Mar-17	20-Mar-22
9.75% Non Convertible Debentures - Series L	400.00	400.00	09-Mar-17	09-Mar-22
9.60% Non Convertible Debentures - Series M	3,000.00	3,000.00	07-Mar-17	07-Mar-22
9.95% Non Convertible Debentures - Series N	3,200.00	3,200.00	08-May-18	08-Nov-21
9.50% Non Convertible Debentures - Series O	2,000.00	2,000.00	09-Mar-17	09-Sep-21

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

2. Non convertible debentures Series A, Series B, Series E, Series G, Series H, Series I, Series J, Series K, Series L, Series M, Series N and Series O are redeemable at a call option in the range of 24 months to 48 months.

B Details of secured redeemable non-convertible debentures as at 31 March 2018

Name of Security	Number	Amount (Rs. in lakhs)	Allotment Date	Redemption Date
9.50% Non Convertible Debentures-Series E-I	500	500	23-Jun-17	23-Jun-27
9.70% Non Convertible Debentures-Series B-II	500	500	07-Mar-17	07-Mar-27
9.40% Non Convertible Debentures-Series H	5,200	5,200	06-Dec-17	06-Dec-24
9.00% Non Convertible Debentures-Series E-II	6,500	6,500	10-Aug-17	10-Aug-24
9.70% Non Convertible Debentures-Series B-VII	1,500	1,500	21-Mar-17	21-Mar-24
9.60% Non Convertible Debentures-Series B-VI	500	500	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures-Series B-III	2,600	2,600	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures-Series B-I	2,500	2,500	07-Mar-17	07-Mar-24
8.80% Non Convertible Debentures-Series G	500	500	09-Nov-17	09-Nov-22
9.02% Non Convertible Debentures-Series F	10,000	10,000	07-Jul-17	07-Jul-22
9.55% Non Convertible Debentures-Series C	10,000	10,000	24-Mar-17	14-Apr-22
9.60% Non Convertible Debentures-Series A-III	300	300	20-Mar-17	20-Mar-22
9.50% Non Convertible Debentures-Series B-V	200	200	20-Mar-17	20-Mar-22
9.60% Non Convertible Debentures-Series A-II	400	400	09-Mar-17	09-Mar-22
9.60% Non Convertible Debentures-Series A-I	3,000	3,000	07-Mar-17	07-Mar-22
9.40% Non Convertible Debentures-Series B-IV	2,000	2,000	09-Mar-17	09-Sep-21

1. Face Value of all the Non-Convertible Debentures is Rs. 100,000.

2. Non Convertible Debentures Series A, Series B, Series E, Series G and Series H are redeemable at a call option in the range of 24 Months to 48 Months

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40 Details of secured redeemable non-convertible debentures

C Details of secured redeemable non-convertible debentures as at 31 March 2017

Name of Security	Number	Amount (Rs.)	Issue Date	Redemption Date
9.70% Non Convertible Debentures-Series B-II	500	5,00,00,000	07-Mar-17	07-Mar-27
9.70% Non Convertible Debentures-Series B-VII	1,500	15,00,00,000	21-Mar-17	21-Mar-24
9.60% Non Convertible Debentures-Series B-VI	500	5,00,00,000	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures-Series B-III	2,600	26,00,00,000	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures-Series B-I	2,500	25,00,00,000	07-Mar-17	07-Mar-24
9.55% Non Convertible Debentures-Series C	10,000	1,00,00,00,000	24-Mar-17	14-Apr-22
9.60% Non Convertible Debentures-Series A-III	300	3,00,00,000	20-Mar-17	20-Mar-22
9.50% Non Convertible Debentures-Series B-V	200	2,00,00,000	20-Mar-17	20-Mar-22
9.60% Non Convertible Debentures-Series A-II	400	4,00,00,000	09-Mar-17	09-Mar-22
9.60% Non Convertible Debentures-Series A-I	3,000	30,00,00,000	07-Mar-17	07-Mar-22
9.40% Non Convertible Debentures-Series B-IV	2,000	20,00,00,000	09-Mar-17	09-Sep-21

1. Face Value of all the Non-Convertible Debentures is Rs. 100,000.

2. Non Convertible Debentures Series A and Series B are redeemable at a call option in the range of 24 Months to 48 Months

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41 Reconciliation of Balance Sheet, Total Comprehensive Income, Equity and Cash flows as per previous GAAP to Ind AS.

A Effect of Ind AS adoption on the Balance Sheet as at 31 March 2018 and 01 April 2017

Rs.In Lakhs

Particulars	Notes	As at 31 March 2018			As at 1 April 2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
ASSETS							
(1) Financial assets							
(a) Cash and cash equivalents		141.53	-	141.53	485.09	-	485.09
(b) Loans	e	98,148.67	(102.52)	98,046.15	33,190.62	(189.31)	33,001.31
(c) Investments	a to b	62,902.43	432.64	63,335.07	74,674.05	637.90	75,311.95
(d) Other financial assets							
(i) Stock of securities	b to c	50,495.16	392.70	50,887.86	91,558.30	303.84	91,862.14
(ii) Other financial assets		3,717.06	(1,007.64)	2,709.42	4,035.84	(190.02)	3,845.82
Total financial assets		**2,15,404.85**	**(284.82)**	**2,15,120.03**	**2,03,943.90**	**562.41**	**2,04,506.31**
(2) Non-financial assets							
(a) Current tax assets (net)		202.77	0.50	203.27	39.86	0.31	40.17
(b) Investment property		1,063.55	-	1,063.55	-	-	-
(c) Property, plant and equipment		1,945.10	-	1,945.10	1,188.78	-	1,188.78
(d) Intangible assets		8.88	-	8.88	4.95	-	4.95
(e) Deferred tax assets net		32.23	(32.23)	-	-	-	-
(f) Other non financial assets	f	135.52	(72.91)	62.61	75.00	(25.13)	49.87
Total non-financial assets		**3,388.05**	**(104.64)**	**3,283.41**	**1,308.59**	**(24.82)**	**1,283.77**
TOTAL ASSETS		**2,18,792.90**	**(389.46)**	**2,18,403.44**	**2,05,252.49**	**537.59**	**2,05,790.08**
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		51.89	-	51.89	68.28	-	68.28
(b) Debt securities		46,200.00	-	46,200.00	23,500.00	-	23,500.00
(c) Borrowings (other than debt securities)	d	1,19,712.10	(117.19)	1,19,594.91	1,40,569.99	(69.03)	1,40,500.96
(d) Deposits		25.91	(2.44)	23.47	-	-	-
(e) Other financial liabilities		1,473.05	72.19	1,545.24	199.22	61.08	260.30
Total financial liabilities		**1,67,462.95**	**(47.44)**	**1,67,415.51**	**1,64,337.49**	**(7.95)**	**1,64,329.54**
(2) Non-financial liabilities							
(a) Income tax liabilities (Net)		-	0.50	0.50	-	0.32	0.32
(c) Provisions	g	454.70	-	454.70	155.43	-	155.43
(d) Deferred tax liabilities (net)	h	-	187.01	187.01	61.75	430.98	492.73
(e) Other non-financial liabilities	f	160.90	(66.11)	94.79	89.58	(61.08)	28.50
Total non-financial liabilities		**615.60**	**121.40**	**737.00**	**306.76**	**370.22**	**676.98**
TOTAL LIABILITIES		**1,68,078.55**	**73.96**	**1,68,152.51**	**1,64,644.25**	**362.27**	**1,65,006.52**
EQUITY							
(a) Equity share capital		8,829.38	-	8,829.38	2,329.38	-	2,329.38
(b) Other equity		41,884.97	(463.42)	41,421.55	38,278.86	175.32	38,454.18
TOTAL EQUITY		**50,714.35**	**(463.42)**	**50,250.93**	**40,608.24**	**175.32**	**40,783.56**
TOTAL LIABILITIES AND EQUITY		**2,18,792.90**	**(389.46)**	**2,18,403.44**	**2,05,252.49**	**537.59**	**2,05,790.08**

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41 Reconciliation of Balance Sheet, Total Comprehensive Income, Equity and Cash flows as per previous GAAP to Ind AS.

B Net Profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under :

Rs. in Lakhs

Particulars	Notes	Year ended 31 March 2018
Net profit after tax as reported under Indian GAAP (audited)		4,040.80
Adjustments increasing / (decreasing)		
Fair valuation of securities	a to c	53.70
Remeasurement of defined benefit obligation	g	6.97
Remeasurement of rental deposit	f	(0.43)
Remeasurement of transaction costs on loans given	e	84.27
Remeasurement of transaction costs on borrowings	d	(2.14)
Transaction cost on preference shares directly recognised in equity		70.40
Tax effect on above adjustments	h	209.68
Net profit as per IND AS		4,463.25
Other comprehensive income, net of tax as per IND AS		(990.81)
Total comprehensive income as per IND AS		3,472.44

C Statement of reconciliation of Equity under previous GAAP and Ind AS

Rs. In Lakhs

Particulars	Notes	As at 31 March 2018	As at 01 April 2017
Total equity as reported under previous GAAP (audited)		50,714.35	40,608.24
Adjustments increasing / (decreasing)			
Fair valuation of securities	a to c	(180.46)	751.71
Remeasurement of rental deposit	f	(0.43)	-
Remeasurement of transaction costs on loans given	e	(105.03)	(189.31)
Remeasurement of transaction costs on borrowings	d	41.76	43.91
Tax effect on above adjustments	h	(219.26)	(430.99)
Total equity as per IND AS		50,250.93	40,783.56

D Statement of reconciliation of cash flow under previous GAAP and Ind AS

Rs. In Lakhs

Particulars	Year ended 31 March 2018		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Cash flow from operating activities	(33,598.85)	(1,692.65)	(31,906.20)
Cash flow from financing activities	34,401.60	1,475.72	32,925.88
Cash flow from investing activities	(1,146.30)	216.94	(1,363.24)

a **IND AS 109 Financial instrument – Investments in equity instruments other than subsidiary**
Under previous GAAP, long term investments are carried at cost less provision for diminution , if any, being permanent in nature . Under Ind AS, Investments in equity instruments shall be recorded at Fair value through P&L. However, an irrevocable option is available to measure the same through OCI. The Company has elected the option to recognise the fair value gain or loss in OCI Accordingly, the impact has been recognised.

b **IND AS 109 Financial instrument – Investments in Debt securities**
Under previous GAAP, current investments / stock of securities are carried at cost or market value, whichever is lower. Under Ind AS, investments in debt securities held within the business model objective of realising cash flows through the sale of the assets shall be measured at FVTPL. Accordingly, the Company has fair valued its investments in debt securities held within aforesaid business model and recognised the impact at the date of transition and for the year ended 31 March 2018.

c **IND AS 109 Financial instrument – Investments in exchange traded funds**
Under previous GAAP, the securities was carried at cost or market value, whichever is lower. Under Ind AS, securities shall be measured at FVTPL.

d **IND AS 109 Financial instrument – Transaction costs on borrowings**
Under the previous GAAP, loan needs to be carried at its transaction price less repayment, if any. the transaction cost incurred in relation to borrowings are either to be capitalised if the same relates to qualifying assets or be charged to the statement of profit and loss. However, under Ind AS, At initial recognition, entity shall measure financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

e **IND AS 109 Financial instrument – Transaction costs on assets**
Under the previous GAAP, loan needs to be carried at its transaction price less repayment, if any. the transaction cost incurred in relation to assets are recognised as upfront income to the statement of profit and loss. However, under Ind AS, At initial recognition, entity shall measure financial assets at its fair value plus, in the case of a financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial assets.

f **IND AS 109 Financial instrument – Fair value of security deposits given/ taken**
Under previous GAAP, lease security deposit (that are refundable in the nature on the completion of the lease term) are recorded at the transaction value. However, under Ind AS, security deposits shall be recorded initially fair value and subsequently measured at amortized costs. Day 1 impact would be considered as prepaid rent expense/income and be amortised over the lease term. Unwinding income /expenses shall be recorded in the statement of profit and loss with corresponding increase in deposits.

g **IND AS 19 – Defined benefits plan**
Under previous GAAP, defined benefits plan being unfunded gratuity are recognised based on actuarial. The entire measurement cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, actuarial gain or loss needs to be recorded in other comprehensive income with no subsequent recycling to the statement of profit and loss

h **Tax effect on remeasurement**

Under Ind AS, the Company is required to create deferred tax assets / liabilities on temporary differences calculated based on balance sheet method. Due to adoption of Ind AS, there is change in the carrying value of financial position of Company leading temporary differences and thus, deferred tax has been recognised.

i **Classification and presentation of assets and liabilities**
Under previous GAAP, the Company was not required to present its assets and liabilities bifurcating between financial assets / financial liabilities and non financial assets / non financial liabilities . Under Ind AS, the Company is required to present its assets and liabilities bifurcating between financial assets / financial liabilities and non financial assets / non financial liabilities . Accordingly, the Company has classified and presented its assets and liabilities.

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Notes to the Financial Statements for the year ended 31 March 2019

42 The following table sets out the disclosure as required by the notification no. DNBS. 200 /CGM(PK)-2008 dated 1 August 2008 and DNBR. PD. 008/03.10.119/2016-17 dated 1 September 2016 issued by RBI as amended from time to time.

i) Capital

	Items	Current Year	Previous Year
i)	CRAR (%)	24.67	25.84
ii)	CRAR - Tier I capital (%)	24.54	25.64
iii)	CRAR - Tier II capital (%)	0.13	0.20
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

ii) Investments

1. Value of investments

(Rs. In Crores)

	Items	Current Year	Previous Year
(i)	Gross value of investments		
	- In India	709.51	633.35
	- Outside India,	-	-
(ii)	Provisions for depreciation		
	- In India	1.87	-
	- Outside India,	-	-
(iii)	Net Value of Investments		
	- In India	707.64	633.35
	- Outside India,	-	-

2. Movement of provisions held towards depreciation on investments

(Rs. In Crores)

	Items	Current Year	Previous Year
(i)	Opening balance	-	-
(ii)	Add : Provisions made during the year	1.87	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	1.87	-

iii) Derivatives

The Company did not have any transactions in Derivatives.

iv) Disclosures relating to Securitisation

The Company did not have any transactions relating to Securitisation.

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Notes to the Financial Statements for the year ended 31 March 2019

vi) **Exposures**

A. **Exposures to real estate sector**

(Rs. In Crores)

		Category	Current Year	Previous Year
a)	Direct exposure			
	(i)	**Residential mortgages -**		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
	(ii)	**Commercial Real Estate -**		
		Lending secured by mortgages on commercial real estate's (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	273.60	288.93
	(iii)	**Investments in Mortgage Backed Securities (MBS) and securitised exposures -**		
		a. Residential	-	-
		b. Commercial real estate	-	-
		Total Exposure to Real Estate Sector	**273.60**	**288.93**
b)	Indirect exposure			
	(i)	Funded and Non Funded Exposures through Housing Finance Companies (HFCs)	91.62	156.59
		Total Exposure to Real Estate Sector	**365.22**	**445.52**
c)	Direct Investment			
	(i)	**Commercial Real Estate -**	-	-
	(ii)	**Investments in Mortgage Backed Securities (MBS) and securitised exposures -**		
		a. Residential	-	-
		b. Commercial real estate	32.51	91.58
		Total Exposure to Real Estate Sector	**32.51**	**91.58**
d)	Indirect Investment			
	(i)	Funded and Non Funded Exposures through Housing Finance Companies (HFCs)	291.38	183.95
		Total Investment Exposure to Real Estate Sector	**323.89**	**275.53**

*Investments Exposure means Investment in Mortgaged Backed Securities and other securitized exposures

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Notes to the Financial Statements for the year ended 31 March 2019

B. Exposures to Capital Market

(Rs. In Crores)

Particulars		Current Year	Previous Year
(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;	11.01	19.95
(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)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	**11.01**	**19.95**

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

D. 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.

E. Unsecured Advances
The Company has advanced Rs.19.21 Crores as unsecured advances as on 31 March 2019.

vii) 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 33 of the 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

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Notes to the Financial Statements for the year ended 31 March 2019

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 Commercial Paper - CARE A1+ (A One Plus)
2 Non-Convertible Debentures - BWR AA+ (SO)
3 Non-Convertible Debentures - BWR AA (SO)
4 Long Term Bank Facilities - BWR AA-
5 Non-Convertible Debentures - ACUITE AA+ (SO)
6 Non-Convertible Debentures - ACUITE AA (SO)

During the year, the company has surrendered the rating for Long Term Bank Facilities of CARE Rating Limited.

E. Remuneration of Directors

During the year, sitting fees has been paid to a non-executive directors amounting to Rs. 0.07 Crores.

F. Net Profit or Loss for the year, prior period items and changes in accounting policies

There are no prior period items and change in accounting policies except as reported in the Financial Statements.

G. Revenue Recognition

There are no such circumstances in which revenue recognition has been postponed pending 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.

(viii) Additional Disclosures

A. Provisions and Contingencies

(Rs. In Crores)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		Current Year	Previous Year
(i)	Provisions for depreciation on Investment	1.87	-
(ii)	Provision towards NPA	-	-
(iii)	Provision made towards Income tax (Including Deferred tax and Earlier period tax adjustments)*	15.43	17.98
(iv)	Other Provision and Contingencies (Employee Benefits)*	0.21	0.34
(v)	Provision for Standard Assets	(0.99)	-

* including recognised in other comprehensive income

B. Draw Down from Reserves

There have been no drawdown from Reserves.

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Notes to the Financial Statements for the year ended 31 March 2019

C. Concentration of Deposits, Advances, Exposures and NPAs

a.

Concentration of Deposits (for deposit taking NBFCs)	Amt in Crores
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	Amt in Crores
Total Advances to twenty largest borrowers	529.94
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	72.40%

c.

Concentration of Exposures	Amt in Crores
Total Exposure to twenty largest borrowers / customers (including interest accrued and due)	531.37
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	72.44%

d.

Concentration of NPAs	Amt in Crores
Total Exposure to top four NPA accounts	-

e.

Sector-wise NPAs	
Sector	% of NPAs to Total Advances in that Sector
Agriculture & allied activities	-
MSME	-
Corporate borrowers	-
Services	-
Unsecured personal loans	-
Auto Loans	-
Other personal Loans	-

D. Movements of NPAs
During the year, there are no NPA accounts in the Company.

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.

G. Disclosure of Complaints
During the year, there are no Customer Complaints received from any Customers by the Company.

The financial information in the above disclosure as required by the notification no. DNBS. 200 /CGM(PK)-2008 dated 1 August 2008 and DNBR. PD. 008/03.10.119/2016-17 dated 1 September 2016 issued by RBI as amended from time to time except for Assets Liability Management disclosure, are based on the IND AS financial statements for the year ended 31 March 2019 and 31 March 2018. 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 2019.

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Notes to the Financial Statements for the year ended 31 March 2019

43 There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with Indian Accounting Standard (Ind AS) – 36 'Impairment of Assets'.

44 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.

45 **Subsequent events**
The Board of Directors of the Company in its meeting held on 02 April 2019, have recommended an interim dividend of Rs 12 per preference share having face value of Rs 100 each resulting into total cash outflow of Rs 466.30 Lacs

46 The disclosure required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is given in Annexure 'A'.

Signatures to 1 to 46

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration Number : 121750W/W-100010

Madhukar Khandekar
Partner
Membership No. 13912

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

For and on behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN : 00698377)

Annu Garg
Director
(DIN : 07817550)

Mahesh Bhootra
Chief Financial Officer

Govind Lalwani
Company Secretary
(ACS : A38806)

Place: Mumbai
Dated : May 25, 2019

Place: Mumbai
Dated : May 25, 2019

v) **Asset Liability Management**

Maturity pattern of certain items of Assets and Liabilities as at 31 March 2019

(Rs. In Crores)

	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	-	-	-	-	2.95	-	0.02	-	**2.97**
Advances	34.12	212.20	89.89	78.08	157.80	151.02	9.85	1.48	**734.44**
Investments	135.97	6.82	6.82	-	12.19	547.84	5.65	11.01	**726.30**
Stock of securities	531.17	165.68	165.68	-	-	-	-	-	**862.53**
Borrowings	292.62	122.08	150.66	59.38	123.13	450.13	357.37	258.49	**1,813.86**
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.

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A. K. Capital Finance Limited

(Formerly known as A. K. Capital Finance Private Limited)

Annexure "A"

Schedule to the Balance Sheet of a non deposit taking non banking financial company as on 31 March 2019

Disclosure in terms of Paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

	Particulars		(Amount Rs. In lakhs)	
	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	74,954.74	NIL
		Unsecured	NIL	NIL
		(Other than falling within the meaning of public deposit*)		
	b)	Deferred credits	Nil	Nil
	c)	Term loans	53,192.32	Nil
	d)	Inter - corporate loans and borrowings	Nil	Nil
	e)	Commercial papers	0.00	Nil
	f)	Working capital demand loan from bank	40,299.23	Nil
	g)	Loan from NBFC	593.51	Nil
	h)	Clearing Corporation of India Limited	12,000.20	Nil
	i)	Repo Account	Nil	Nil
	*Refer note no. 1 below			

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

	Asset side		
			(Amount Rs. In lakhs)
3	**Break up of loans and advances including bills receivables other than those included in (4) below**		**Amount outstanding**
		Secured	71,273.21
		Unsecured	1,920.76
		(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

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Annexure "A"

5	Break up of investments		Amount outstanding
		Investments	
	a)	Quoted	
		Shares	Nil
		Equity	Nil
		Preference	Nil
		Debentures and bonds	55,082.38
		Units of mutual funds	Nil
		Government securities	13,220.98
		Others	Nil
	b)	Unquoted	
		Shares	Nil
		Equity	1,101.00
		Preference	Nil
		Debentures and bonds	Nil
		Units of mutual funds	Nil
		Government securities	Nil
		Others	1,359.45

6	Borrowers group wise classification of financed as in (2) above:		Amount outstanding as at 31.03.2019		
	Category		Amount Net of Provisions		
	1	Related parties	Secured	Unsecured	Total
	a	Subsidiaries	Nil	Nil	Nil
	b	Companies in the same group	Nil	Nil	Nil
	c	Other related parties	400.00	Nil	400.00
	2	Other than related parties	70,873.21	1,920.76	72,793.97
		Total	71,273.21	1,920.76	73,193.97
	Refer note no. 2 below				

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A. K. Capital Finance Limited
(Formerly known as A. K. Capital Finance Private Limited)

Annexure "A"

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	1,101.00	1,101.00
b)	Companies in the same group	Nil	Nil
c)	Other related parties	Nil	Nil
2	Other than related parties	69,662.81	69,662.81
	Total	70,763.81	70,763.81

* As per Accounting Standard notified by Central Government of India (Refer note no. 3 below)

8 Other information

Sr. No.	Particulars	As at 31.03.2019 Rupees
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:

1. As defined in point xix of paragraph 3 of Chapter 2 of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
2. Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
3. 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.
4. 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.
5. The financial information in the above disclosure as required in terms of Paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are based on the IND AS financial statements for the year ended 31 March 2019.

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