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INDEPENDENT AUDITORS' REPORT

To
The Members of
A. K. Capital Finance 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 2020, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity 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 2020, its profit including other comprehensive income, its cash flows and the changes in equity 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 the 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 (ICAI) 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.

Emphasis of Matter

We draw attention to Note 41 of the standalone financial statements which describe the management's assessment of the impact of the COVID-19 pandemic on the financial result of the Company and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

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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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Sr. No.	Key Audit Matter	How Our audit addressed the key audit matter
1 (a)	**Measurement of investments in accordance with Ind AS 109 "Financial Instruments"** (note 1, 4, 5, 35, 36 and 37 to the Standalone Financial Statements) 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 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	**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 judgments applied by the management; • Evaluated the design of internal controls relating to the measurement and also tested the operating effectiveness of the aforesaid controls; • Ensured that the Company has used 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, including consideration of the current economic and market conditions due to COVID-19 pandemic; • Obtained and assessed the valuation certificate of independent valuer in respect of fair value investments; and • Assessed the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.

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	as per Ind AS 109 is determined to be a key audit matter in our audit of the standalone financial statements.	
1 (b)	**Impairment loss on investments measured at amortized cost:** (note 1, 4, 35, 36 and 37 to the Standalone Financial Statements) Recognition and measurement of impairment relating to the investments measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are: - Credit ratings of the investments; - Investment staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and - Forward looking macro-economic factors. The Company considered current and anticipated future economic conditions relating to industries the Company deals. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its investments to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID - 19. There is a large increase in the data inputs required for the computation of ECL of investments. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model and therefore we identified allowance for credit losses of investments as a key audit matter.	**Principal Audit Procedures** • Analysed the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions arising from the COVID-19 pandemic; • For a sample of investments and allowance for the credit loss thereon, we tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. • Verified the data inputs used for probability of default and loss given defaults; • Verified the computation of the allowance for credit losses and tested the mathematical accuracy ; and • Assessed the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.
2	**Loans and impairment loss allowance** (note 1, 3, 35, 36 and 37 of the Standalone Financial Statements) The value of loans as at 31 March 2020 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.	**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.

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	Recognition and measurement of impairment relating to the loans measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. The Company's impairment allowance is computed based on estimates including the historical default and loss ratios. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are: - Credit ratings of the parties to whom loans have been given - Loans staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and - Forward looking macro-economic factors. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its loans to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. There is a large increase in the data inputs required for the computation of ECL of loans. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model and therefore we identified allowance for credit losses of loans as a key audit matter.	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. • Analyzing the understanding of the management's estimate of business impact based on the current market and economic condition arising from the COVID 19 pandemic.
3	**Related party transactions and disclosures** (as described in note 34 of the Standalone Financial Statements) The Company has undertaken transactions with its related parties in the normal course of business. We identified the accuracy and completeness of related party transactions and its disclosure as set out in respective notes to the standalone financial statements as a key audit matter to verify whether the transactions are recorded at arm length basis, disclosure of such transactions in the financial statements and regulatory compliance thereon during the year ended 31 March 2020.	**Principal Audit Procedures** - Obtained, read and assessed the Company's policies, processes and procedures in respect of identifying related parties, evaluation of arm's length, obtaining necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with the regulations. - We tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents for appropriate authorization and approval for such transactions. - We read minutes of meeting of the Board and its relevant committee meetings and minutes of meetings of those charged with governance in connection with transactions with related parties affected during the year and Company's assessment of related party transactions being in the ordinary course of business at arm's



		length and in accordance with the regulations. - Assessed and tested the disclosures made in accordance with the requirements of Ind AS and the applicable regulations.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report and Shareholder's Information, 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 during the course of our 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 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), cash flows and changes in equity 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.

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

Auditors' Responsibility for the audit of the 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:

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- 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

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, statement of cash flows and statement of changes in equity 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 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting;

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 were no amounts which were 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

RAMESH GUPTA

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Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 20102306AAAAAW7980

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place: Mumbai
Date: 23 June 2020

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 stock of 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 have 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 explanations 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 2020 for a period of more than six months from the date they became payable. As informed, during the year, 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, service tax, goods and service tax, duty of customs, 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 standalone 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 as referred to in section 192 of the Act. 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

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Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 20102306AAAAAW7980

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place: Mumbai
Date: 23 June 2020

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 as of 31 March 2020 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 and the Standards 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 Ind AS 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone 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 further 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 2020, 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 Control 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

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Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 20102306AAAAAW7980

Place: Mumbai
Date: 23 June 2020

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Auditors' Additional Report

The Board of Directors,
A. K. Capital Finance Limited,
30-39, Free Press House,
3rd Floor, Free Press Journal Marg,
215, Nariman Point,
Mumbai – 400 021.

Report on the Financial Statements

We report that the statutory audit of A. K. Capital Finance 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 23 June 2020 along with a copy of each of the audited balance sheet as at 31 March 2020, statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity of the Company for the year ended on 31 March 2020 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 2020 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 standalone 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, cash flows and changes in equity 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.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

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 2020, books of account and other 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 2020 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 2020.

(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 2019 for the non-acceptance of any public deposits.

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

(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 standalone financial statements for the year ended 31 March 2020.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

(iv) The Company being a Systemically Important Non- Deposit taking NBFC as defined in Paragraph 3 (xxxi) 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(xx) 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 2020.

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

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

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

RAMESH GUPTA

Digitally signed by RAMESH GUPTA
DN: cn=RAMESH GUPTA, c=IN, st=Maharashtra, o=Personal, serialNumber=58850e070d0e07728c8ee6722c28b26751a5166 1a740bf3955d17900be0b41
Date: 2020.06.23 19:09:58 +05'30'

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 20102306AAAAAW7980

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Place: Mumbai
Date: 23 June 2020

A. K. Capital Finance Limited

Balance Sheet as at 31 March 2020

Rs. in Lakhs

Particulars	Notes	As at 31-March-2020	As at 31-March-2019
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	2	8,511.18	651.45
(b) Loans	3	27,216.04	73,059.71
(c) Investments	4	54,592.30	70,763.81
(d) Other financial assets			
(i) Stock of securities	5	48,379.26	86,876.68
(ii) Other financial assets	6	2,583.88	1,710.20
Total financial assets		**1,41,282.66**	**2,33,061.85**
(2) Non-financial assets			
(a) Current tax assets (net)		-	160.58
(b) Deferred tax assets (net)	17	235.79	-
(c) Investment properties	7	1,027.84	1,045.72
(d) Property, plant and equipment	8	1,518.50	1,510.26
(e) Intangibles assets	9	12.86	19.28
(f) Other non financial assets	10	74.86	37.35
Total non-financial assets		**2,869.85**	**2,773.19**
TOTAL ASSETS		**1,44,152.51**	**2,35,835.04**
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		86.85	97.33
(b) Debt securities	12	50,722.00	71,752.00
(c) Borrowings (other than debt securities)	13	33,428.59	1,06,031.50
(d) Deposits	14	28.97	26.59
(e) Other financial liabilities	15	2,940.64	3,330.57
Total financial liabilities		**87,207.05**	**1,81,237.99**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)		128.82	32.24
(b) Provisions	16	71.25	67.65
(c) Deferred tax liabilities (net)	17	-	40.31
(d) Other non-financial liabilities	18	80.94	79.35
Total non-financial liabilities		**281.01**	**219.55**
TOTAL LIABILITIES		**87,488.06**	**1,81,457.54**
EQUITY			
(a) Equity share capital	19(a)	8,829.38	8,829.38
(b) Other equity	19(b)	47,835.07	45,548.12
TOTAL EQUITY		**56,664.45**	**54,377.50**
TOTAL LIABILITIES AND EQUITY		**1,44,152.51**	**2,35,835.04**

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

RAMESH GUPTA
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Date: 2020.06.23 19:10:23 +05'30'

Ramesh Gupta
Partner
Membership No. 102306

SURESH SURANA & ASSOCIATES LLP — Chartered Accountants — MUMBAI

For and on behalf of the Board of Directors of
A. K. Capital Finance Limited

ATUL KUMAR MITTAL
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Date: 2020.06.23 19:35:11 +05'30'

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

ANNU GARG
Digitally signed by ANNU GARG
DN: c=IN, o=Personal, postalCode=400025, st=MAHARASHTRA, serialNumber=260c4176eecc241aa1fbd24ad8fd32a155d5c710567313cb42b0ac8602f677b4b, cn=ANNU GARG
Date: 2020.06.23 18:16:31 +05'30'

Annu Garg
Director
(DIN : 07817550)

MAHESH KUMAR BHOOTRA
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Date: 2020.06.23 18:56:05 +05'30'

Mahesh Bhootra
Chief Financial Officer

GOVIND LALWANI
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Date: 2020.06.23 18:56:09 +05'30'

Govind Lalwani
Company Secretary
(ACS : A38806)

A. K. CAPITAL FINANCE LIMITED — MUMBAI

Place: Mumbai
Dated : 23 June 2020

Place: Mumbai
Dated : 23 June 2020

A. K. Capital Finance Limited

Statement of profit and loss for the year ended 31 March 2020

Rs. in Lakhs

Particulars	Notes	For the year ended 31-March-2020	For the year ended 31-March-2019
Revenue from operations			
Interest income	20	14,959.21	19,732.25
Fees and commission income	21	-	867.30
Net gain on fair value changes	22	2,964.06	1,713.48
Net gain on derecognition of financial instruments under amortised cost category		68.73	-
Dividend income		-	36.61
Rental income		86.76	83.53
Total revenue from operations		**18,078.76**	**22,433.17**
Other income	23	169.73	-
Total income		**18,248.49**	**22,433.17**
EXPENSES			
Finance costs	24	10,386.77	13,560.95
Fees and commission expenses	25	664.82	213.74
Impairment on financial instruments	26	(11.80)	87.76
Employee benefits expenses	27	1,649.00	1,749.00
Depreciation and amortization expense		231.32	89.67
Other expenses	28	704.77	588.56
Total expenses		**13,624.88**	**16,289.68**
Profit before exceptional items and tax		**4,623.61**	**6,143.49**
Exceptional items		-	-
Profit before tax		**4,623.61**	**6,143.49**
Tax expense:			
Current tax		1,065.00	1,703.00
Prior period tax adjustments		167.58	(7.29)
Deferred tax expense/ (credit)		(271.94)	(149.47)
Profit for the year [A]		**3,662.97**	**4,597.25**
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit and loss	29	(16.14)	6.08
Less: Income tax expense on above		4.16	(2.75)
Other comprehensive income for the year [B]		**(11.98)**	**3.33**
Total comprehensive Income for the year [A+B]		**3,650.99**	**4,600.58**
Earnings per equity share (Rs.)	32		
Basic earnings per share		**13.80**	**17.32**
Diluted earnings per share		**13.80**	**17.32**

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

RAMESH GUPTA
Digitally signed by RAMESH GUPTA
DN: cn=RAMESH GUPTA, c=IN, st=Maharashtra, o=Personal, serialNumber=58850e070d0e07728cfeae5722c26b267511a51661a740bf3955d17900be0b41
Date: 2020.06.23 19:10:43 +05'30'

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Ramesh Gupta
Partner
Membership No. 102306

Place: Mumbai
Dated : 23 June 2020

For and on behalf of the Board of Directors of
A. K. Capital Finance Limited

ATUL KUMAR MITTAL
Digitally signed by ATUL KUMAR MITTAL
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Date: 2020.06.23 15:39:41 +05'30'

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

ANNU GARG
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Date: 2020.06.23 18:18:15 +05'30'

Annu Garg
Director
(DIN : 07817550)

MAHESH KUMAR BHOOTRA
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Date: 2020.06.23 18:56:52 +05'30'

Mahesh Bhootra
Chief Financial Officer

GOVIND LALWANI
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Date: 2020.06.23 18:50:49 +05'30'

Govind Lalwani
Company Secretary
(ACS : A38806)

Place: Mumbai
Dated : 23 June 2020

A. K. CAPITAL FINANCE LIMITED MUMBAI

A. K. Capital Finance Limited

Statement of Cash Flows for the year ended 31 March 2020

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Cash flow from/(used in) operating activities		
Profit before tax	4,623.61	6,143.49
Adjustment for:		
Depreciation and amortisation	231.32	89.67
Loss / (Profit) on sale of property, plant and equipment	(89.50)	17.68
Loss / (Profit) on termination of lease	(0.23)	-
Loss / (Profit) on redemption of non convertible debenture	(80.00)	-
Amortisation of processing fees income	145.41	(18.77)
Amortisation of processing fees expenses	47.96	(23.42)
Unwinding Income	(20.76)	(15.83)
Unwinding Expense	23.65	1.25
Amortisation of security deposits	(29.24)	14.51
Net gain on fair value changes	662.80	(220.48)
Interest income	(5,170.78)	(5,192.66)
Impairment on financial instruments	(11.80)	87.76
Interest expenses	10,377.73	13,560.94
Movement in working capital:		
Increase/(decrease) in trade payable and other financial liabilities	(1.52)	45.83
(Increase)/decrease in trade receivables and other financial assets	417.38	368.89
(Increase)/decrease in loans	45,998.83	24,711.45
(Increase)/decrease of stock of securities	37,758.23	(35,721.30)
(Increase)/decrease in other assets	72.65	(178.54)
Increase/(decrease) in provision	9.68	15.58
Increase/(decrease) in deposits	2.62	3.12
Increase/(decrease) in other liabilities	1.59	(16.69)
Cash generated from/(used in) operations	**94,969.63**	**3,672.48**
Income tax paid	(984.46)	(1,621.28)
Cash generated from/(used in) operations [A]	**93,985.17**	**2,051.20**
Cash flow from/(used in) investing activities		
Proceeds from sale / (payment for purchases) of investments (net)	16,075.75	(7,666.33)
Payment for acquisition of property, plant and equipments including capital advances	(49.93)	(8.59)
Payment for acquisition of intangible assets	(3.60)	(17.78)
Proceeds from sale of Property, plant and equipments	276.14	361.29
Interest received	3,851.53	5,822.99
Cash generated from/(used in) investing activities [B]	**20,149.89**	**(1,508.42)**
Cash flow from/(used in) financing activities		
Proceeds from long-term borrowings	-	79,500.00
Repayment of long-term borrowings	(41,510.09)	(11,697.86)
Proceeds from / (repayment) of short-term borrowings (net)	(52,302.85)	(55,584.99)
Repayment of lease liabilities	(114.90)	-
Dividends paid	(1,364.04)	(474.01)
Interest paid	(10,983.45)	(11,776.00)
Cash generated from/(used in) financing activities [C]	**(106,275.33)**	**(32.86)**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**7,859.73**	**509.92**
Add: Cash and cash equivalents at the beginning of the year	651.45	141.53
Cash and cash equivalents at the end of the year	8,511.18	651.45

Reconciliation of liabilities arising from financing activities

Rs. in Lakhs

Particular	Long-term borrowings	Short-term borrowings	Lease liabilities	Interest on above borrowings
As at 31 March 2019	**125,502.58**	**52,280.92**	**-**	**3,256.50**
Cash Flows	(41,510.09)	(52,302.85)	(137.44)	(10,983.45)
Transaction cost	158.10	21.93	299.19	22.54
Interest accrual	-	-	22.54	10,377.73
As at 31 March 2020	**84,150.59**	**-**	**184.29**	**2,673.32**

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-100010

RAMESH GUPTA
Digitally signed by RAMESH GUPTA
DN: cn=RAMESH GUPTA, c=IN, st=Maharashtra, o=Personal, serialNumber=58850e070d0e07728cfeae5722c26b267511a5f481a760bf3955d17900be0b41
Date: 2020.06.23 19:11:12 +05'30'

Ramesh Gupta
Partner
Membership No. 102306

Place: Mumbai
Dated : 23 June 2020

For and on behalf of the Board of Directors of
A. K. Capital Finance Limited

ATUL KUMAR MITTAL
Digitally signed by ATUL KUMAR MITTAL
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Date: 2020.06.23 15:43:52 +05'30'

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

MAHESH KUMAR BHOOTRA
Digitally signed by MAHESH KUMAR BHOOTRA
Date: 2020.06.23 18:59:22 +05'30'

Mahesh Bhootra
Chief Financial Officer

Place: Mumbai
Dated : 23 June 2020

ANNU GARG
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Date: 2020.06.23 18:20:07 +05'30'

Annu Garg
Director
(DIN : 07817550)

GOVIND LALWANI
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Date: 2020.06.23 18:51:12 +05'30'

Govind Lalwani
Company Secretary
(ACS : A38806)

A. K. Capital Finance Limited

Statement of changes in equity for the year ended 31 March 2020

A. Equity share capital

Equity shares — **Rs. in Lakhs**

Particulars	Number of shares	Amount
At 31 March 2018	23,293,750	2,329.38
Issue of share capital	-	-
At 31 March 2019	**23,293,750**	**2,329.38**
Issue of share capital	-	-
At 31 March 2020	**23,293,750**	**2,329.38**

Compulsory convertible preference shares — **Rs. in Lakhs**

Particulars	Number of shares	Amount
At 31 March 2018	6,500,000	6,500.00
Issue of share capital	-	-
At 31 March 2019	**6,500,000**	**6,500.00**
Issue of share capital	-	-
At 31 March 2020	**6,500,000**	**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 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**
Profit for the year	-	-	3,662.97	-	-	**3,662.97**
Other comprehensive income net of tax for the year	-	-	-	(11.98)	-	**(11.98)**
Transfer (to) /from reserves	733.00	-	(733.00)	-	-	**-**
Dividend paid on CCPS	-	-	(1,134.92)	-	-	**(1,134.92)**
Dividend distribution tax paid	-	-	(229.12)	-	-	**(229.12)**
Balance at 31 March 2020	**4,692.93**	**27,321.88**	**17,458.72**	**(10.22)**	**(1,628.24)**	**47,835.07**

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

RAMESH GUPTA
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Date: 2020.06.23 19:11:54 +05'30'

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Ramesh Gupta
Partner
Membership No. 102306

Place: Mumbai
Dated : 23 June 2020

For and on behalf of the Board of Directors of
A. K. Capital Finance Limited

ATUL KUMAR MITTAL
Digitally signed by ATUL KUMAR MITTAL
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Date: 2020.06.23 15:48:33 +05'30'

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

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Date: 2020.06.23 18:21:52 +05'30'

Annu Garg
Director
(DIN : 07817550)

MAHESH KUMAR BHOOTRA
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Date: 2020.06.23 19:00:38 +05'30'

Mahesh Bhootra
Chief Financial Officer

GOVIND LALWANI
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Date: 2020.06.23 18:51:31 +05'30'

Govind Lalwani
Company Secretary
(ACS : A38806)

Place: Mumbai
Dated : 23 June 2020

A. K. CAPITAL FINANCE LIMITED
MUMBAI

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 provides funding to the Corporates, thereby catering to the diversified needs of the clients. The Company also offers multitude of fee-based financial services to its Corporate and Institutional clients, across various business sectors. 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 23 June 2020.

1 Significant accounting policies

1.01 Basis of preparation 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 instruements 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 unless otherwise specified.

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.

1.02 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. All amounts are rounded to two decimal places to the nearest lakh, unless otherwise stated

1.03 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

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1.04 Fair value measurement and heirachy

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.

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.

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1.05 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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.

Interest income

a) 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 aset 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 carying amount of the assets.

Fees and commission income

Revenue from fee-based activities are recognized when the services are rendered. Fees earned from contract with customer is recognised as and when performance obligation is satisfied. Fees or compnents of fees that are linked to certain performance are recognised after fulfilling the corresponding criteria.

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 balace 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 separetely 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.





1.06 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 comrehensive 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.

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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exist to set-off current tax assets and current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.07 Property, plant and equipment

Property, plant and equipement 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.

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.

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1.08 Investment properties

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.

1.09 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.

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.

1.10 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.

1.11 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.

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

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.

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.

1.13 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, including interest income and dividend income if any, is recognised 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.

(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 in 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, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity Instruments:
All investments in equity instruments 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 as other income 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 initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. 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.

(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. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. 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.

1.14 Investments in equity instruments of subsidiaries

Investments in 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.

1.15 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.

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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.

1.16 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.

1.17 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.

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.

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1.18 Lease

As a lessee:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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.

1.19 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.

1.20 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

1.21 Other changes to Ind AS

Following changes of Ind AS have also become applicable from financial year beginning 1 April 2019. However, the adoption of these changes does not have any impact on the financial statements as there are no transactions covered under these amendments:

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
Amendments to Ind AS 109: Prepayment Features with Negative Compensation
Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement
Amendments to Ind AS 28: Long-term interests in associates and joint ventures
Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation
Amendments to Ind AS 111: Joint Arrangements
Amendments to Ind AS 12: Income Taxes
Amendments to Ind AS 23: Borrowing Costs

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Rs. in Lakhs

2 Cash and cash equivalents

Particulars	As at 31-March-2020	As at 31-March-2019
Cash on hand	20.18	31.08
Balances with banks	1,491.00	620.37
Fixed deposits with bank with maturity of less than 3 months	7,000.00	-
	8,511.18	**651.45**

3 Loans (at amortised cost)

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
(A) Loans		
(i) Loans repayable on demand	4,500.00	400.00
(ii) Term loans	22,825.85	72,953.47
Total (A) -Gross	**27,325.85**	**73,353.47**
Less: Impairment loss allowance	109.81	293.76
Total (A) - Net	**27,216.04**	**73,059.71**
(B)		
(i) Secured by tangible and other assets	26,468.98	71,431.01
(ii) Unsecured	856.87	1,922.46
Total (B)-Gross	**27,325.85**	**73,353.47**
Less: Impairment loss allowance	109.81	293.76
Total (B)-Net	**27,216.04**	**73,059.71**
(C)		
(I) Loans in India		
(i) Public sector	-	-
(ii) Others	27,325.85	73,353.47
(II) Loans outside India	-	-
Total (C)- Gross	**27,325.85**	**73,353.47**
Less: Impairment loss allowance	109.81	293.76
Total(C)-Net	**27,216.04**	**73,059.71**

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4 Investments

Rs. in Lakhs

Particulars	As at 31-March-2020					
	Amortised cost	At fair value		Subtotal	At cost	Total
		Through other comprehensive Income*	Through profit or loss			
(I) Units of Mutual Funds	**-**	**-**	**2,201.25**	**2,201.25**	**-**	**2,201.25**
i) Quoted	-	-	2,201.25	2,201.25	-	2,201.25
(II) Government securities	**-**	**-**	**10,375.33**	**10,375.33**	**-**	**10,375.33**
i) Quoted	-	-	10,375.33	10,375.33	-	10,375.33
(III) Debt securities	**37,669.44**	**-**	**3,604.62**	**3,604.62**	**-**	**41,274.06**
i) Quoted	37,669.44	-	3,604.62	3,604.62	-	41,274.06
(IV) Equity instruments	**-**	**-**	**-**	**-**	**-**	**-**
i) Unquoted						
- in other companies	-	-	-	-	-	-
221,000 Equity shares of Neesa Leisure Limited of Rs.10 each*	-	-	-	-	-	-
(V) Others	**-**	**-**	**-**	**-**	**1,101.00**	**1,101.00**
- in subsidiaries	**-**	**-**	**-**	**-**	**1,101.00**	**1,101.00**
11,010,000 Equity shares of Family Home Finance Private Limited of Rs 10 each	-	-	-	-	1,101.00	1,101.00
Total – Gross (A)	**37,669.44**	**-**	**16,181.20**	**16,181.20**	**1,101.00**	**54,951.64**
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	37,669.44	-	16,181.20	16,181.20	1,101.00	54,951.64
Total (B)	**37,669.44**	**-**	**16,181.20**	**16,181.20**	**1,101.00**	**54,951.64**
Less: Allowance for Impairment loss (C)	359.34	-	-	-	-	359.34
Total – Net D= (A)-(C)	**37,310.10**	**-**	**16,181.20**	**16,181.20**	**1,101.00**	**54,592.30**

Rs. in Lakhs

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	**-**	**-**	**-**	**-**	**-**	**-**
i) Unquoted						
- 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
(V) Others	**-**	**-**	**-**	**-**	**1,101.00**	**1,101.00**
- in subsidiaries	**-**	**-**	**-**	**-**	**1,101.00**	**1,101.00**
11,010,000 Equity shares of Family Home Finance Private Limited of Rs 10 each	-	-	-	-	1,101.00	1,101.00
Total – Gross (A)	**56,224.40**	**-**	**13,625.60**	**13,625.60**	**1,101.00**	**70,951.00**
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	56,224.40	-	13,625.60	13,625.60	1,101.00	70,951.00
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**

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

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
(I) Debt securities		
Quoted	48,314.48	86,866.82
(II) Exchange traded funds		
Quoted	64.78	9.86
Total – Gross (A)	**48,379.26**	**86,876.68**
(i) Stock of securities outside India	-	-
(ii) Stock of securities in India	48,379.26	86,876.68
Total (B)	**48,379.26**	**86,876.68**

6 Other financial assets

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Deposits		
Earnest money deposits	3.00	3.00
Rental deposits		
i) with relatives and directors	226.08	250.00
ii) with other parties	24.89	29.16
Other deposits	68.29	14.79
Interest accrued but not due on Investments / stock of securities	2,181.44	862.19
Other receivables	80.18	551.06
Total	**2,583.88**	**1,710.20**

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7 Investment properties **Rs. in Lakhs**

Particulars	Building under lease	Total
Gross block		
As at 31 March 2018	1,070.00	1,070.00
Additions	-	-
Disposals	-	-
As at 31 March 2019	**1,070.00**	**1,070.00**
Additions	-	-
Disposals	-	-
As at 31 March 2020	**1,070.00**	**1,070.00**
Accumulated depreciation		
As at 31 March 2018	6.45	6.45
Additions	17.83	17.83
Disposals	-	-
As at 31 March 2019	**24.28**	**24.28**
Additions	17.88	17.88
Disposals	-	-
As at 31 March 2020	**42.16**	**42.16**
Net Block		
As at 31 March 2019	**1,045.72**	**1,045.72**
As at 31 March 2020	**1,027.84**	**1,027.84**

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

The fair value of the Company's investment properties as at 31 March 2019 was arrived on the basis of valuation carried out by an external independent valuer registered with the authority which governs the valuer in India. However, for the year ended 31 March 2020, the management has considered the input based on prevailing average market rate of the nearby similar properties. 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. Since the fair value of the properties is determined by the management for the year ended 31 March 2020, the management has considered to give the sensitivity analysis for the value of the properties due to COVID-19 pandemic.

Sensitivity Level (a hypothetical increase / (decrease) by) 10% would result in increase / (decrease) in fair value by Rs. 132.30 lakhs.

Rs. in Lakhs

Particulars	Building under lease	Total
As at 1 April 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**
Changes in the fair value	201.32	201.32
Closing balance as on 31 March 2020	**1,322.96**	**1,322.96**

7(b) Direct operating expenses arising from investment properties

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Rental income derived from investment properties	86.76	83.53
Direct operating expenses (including repairs & maintenance) generating rental income	1.21	1.21
Direct operating expenes (including repairs & maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	**85.55**	**82.32**
Less: Depreciation	17.88	17.83
Profit arising from investment properties before indirect expenses	**67.67**	**64.49**

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8 Property, plant and equipment

Rs. in Lakhs

Particulars	Computers	Office equipments	Furniture and fixtures	Vehicles	Building Owner-occupied property	Building Right-of-use (Refer note 33)	Total
Cost							
As at 31 March 2018	23.60	12.38	48.94	134.35	1,786.22	-	2,005.49
Additions	2.35	1.00	-	-	5.24	-	8.59
Disposals	1.28	-	-	37.93	364.51	-	403.72
As at 31 March 2019	**24.67**	**13.38**	**48.94**	**96.42**	**1,426.95**	**-**	**1,610.36**
Additions	45.93	1.55	2.45	-	-	356.51	406.44
Disposals	-	-	-	9.96	188.90	9.27	208.13
As at 31 March 2020	**70.60**	**14.93**	**51.39**	**86.46**	**1,238.05**	**347.24**	**1,808.67**
Depreciation:							
As at 31 March 2018	5.47	2.86	4.84	20.41	26.81	-	60.39
Additions	7.77	3.10	5.44	22.64	25.51	-	64.46
Disposals	-	-	-	18.86	5.89	-	24.75
As at 31 March 2019	**13.24**	**5.96**	**10.28**	**24.19**	**46.43**	**-**	**100.10**
Additions	14.70	3.09	5.48	12.34	22.75	145.06	203.42
Disposals	-	-	-	4.52	7.71	1.12	13.35
As at 31 March 2020	**27.94**	**9.05**	**15.76**	**32.01**	**61.47**	**143.94**	**290.17**
Net Block							
As at 31 March 2019	**11.43**	**7.42**	**38.66**	**72.23**	**1,380.52**	**-**	**1,510.26**
As at 31 March 2020	**42.66**	**5.88**	**35.63**	**54.45**	**1,176.58**	**203.30**	**1,518.50**

1) Vehicles include vehicles hypothecated against loan taken having net block of as at 31 March 2020 Rs. 48.09 lakhs (as at 31 March 2019 Rs.63.87 lakhs)
2) Building include premises hypothecated against loan taken having net block of as at 31 March 2020 Rs. 693.16 lakhs (as at 31 March 2019 Rs.706.03 lakhs).
3) Building include premises mortgaged against non convertible debenture issued having net block as at 31 March 2020 of Rs. 10.00 lakhs (as at 31 March 2019 Rs.192.78 lakhs).





9 Intangible assets

Rs. in Lakhs

Particulars	Software	Total
Cost		
As at 31 March 2018	13.05	13.05
Additions	17.78	17.78
Disposals	-	-
As at 31 March 2019	**30.83**	**30.83**
Additions	3.60	3.60
Disposals		-
As at 31 March 2020	**34.43**	**34.43**
Accumulative amortisation:		
As at 31 March 2018	4.17	4.17
Additions	7.38	7.38
Disposals	-	-
As at 31 March 2019	**11.55**	**11.55**
Additions	10.02	10.02
Disposals		-
As at 31 March 2020	**21.57**	**21.57**
Net book value:		
As at 31 March 2019	**19.28**	**19.28**
As at 31 March 2020	**12.86**	**12.86**

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10 Other non-financial assets

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Balance with government authorities	53.34	11.04
Prepaid expenses	20.41	26.02
Other advances	1.11	0.29
Total	**74.86**	**37.35**

11 Trade payables

Particulars	As at 31-March-2020	As at 31-March-2019
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	86.85	97.33
Total	**86.85**	**97.33**

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-2020	As at 31-March-2019
(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	-	-





12 Debt Securities (At amortised cost)

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Non-convertible debentures (Refer note no. 43)	50,722.00	71,752.00
Total (A)	**50,722.00**	**71,752.00**
Debt securities in India	50,722.00	71,752.00
Debt securities outside India	-	-
Total (B)	**50,722.00**	**71,752.00**

(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-2020	As at 31-March-2019
(a)Term loans		
(i) from banks*	32,851.01	53,108.42
(ii) from NBFC**	541.40	588.91
(b) Loans repayable on demand		
(i) from banks***	-	40,280.92
(c) Other loans		
Collaterlised Borrowing and Lending Obligation (CCIL)****	-	12,000.00
Vehicle loans*****	36.18	53.25
Total (A)	**33,428.59**	**106,031.50**
Borrowings in India	33,428.59	106,031.50
Borrowings outside India	-	-
Total (B)	**33,428.59**	**106,031.50**
Secured	33,428.59	106,031.50
Unsecured	-	-
Total (C)	**33,428.59**	**106,031.50**

* 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.

***** 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-2020	As at 31-March-2019
Rental deposits	28.97	26.59
Total	**28.97**	**26.59**

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15 Other financial liabilities

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Interest accrued but not due on borrowings	2,673.32	3,256.50
Lease liabilities	184.29	-
Employee dues	82.50	74.07
Other payables	0.53	-
Total	**2,940.64**	**3,330.57**

16 Provisions:

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Provision for employee benefits		
Gratuity (Refer Note No. 38)	71.25	58.94
Leave encashment	-	8.71
Total	**71.25**	**67.65**

17 Deferred tax (assets) / liabilities

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Deferred tax liabilities		
On account of:		
Depreciation	123.53	107.79
Right-of-use and lease liabilities	4.79	-
Fair value gain on investments in debt securities	-	108.24
Transaction cost on financial liabilities	4.52	19.19
Less: Deferred tax assets:		
Disallowance of share issue expenses	(6.43)	(11.16)
Impairment allowance on loans and advances	(27.64)	(85.56)
EIR on HTM Securities	(2.39)	-
Impairment allowance on investments	(90.44)	(54.51)
Fair value gain on investments in debt securities	(165.20)	-
Expenses allowable on payment basis (gratuity)	(17.93)	(17.16)
Transaction cost on financial assets	(58.60)	(26.52)
Deferred tax liabilities (net)	**(235.79)**	**40.31**

18 Other non-financial liabilities

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Statutory dues	80.72	78.13
Deferred lease income	0.22	1.22
Total	**80.94**	**79.35**

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19 (a) Equity Share capital

(i) Equity shares

Particulars	As at 31-March-2020		As at 31-March-2019	
	Number of shares	Amount (Rs. in lakhs)	Number of shares	Amount (Rs. in lakhs)
Authorized:				
Equity shares of Rs. 10 each	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**
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
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**

Details of the shares held by its holding company (i.e. A. K.Capital Services Limited):

Name of the shareholder	As at 31-March-2020		As at 31-March-2019	
	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%
Preference shares of Rs 100 per share	45,00,000	69.23%	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-2020		As at 31-March-2019	
	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%

The reconciliation of the number of shares outstanding:

Particulars	As at 31-March-2020	As at 31-March-2019
Shares at the beginning of the year	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**

(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 2020		As at 31 March 2019	
	Numbers of shares	Percentage holding	Numbers of shares	Percentage holding
A. K. Mittal	20,00,000	30.77%	30,00,000	46.16%
A. K. Capital Services Limited	45,00,000	69.23%	25,00,000	38.46%
A. K. Services Private Limited	-	-	10,00,000	15.38%

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

Particulars	As at 31 March 2020	As at 31 March 2019
Shares at the beginning of the year	65,00,000	65,00,000
Add :Shares issued during the year	-	-
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

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 (i.e.28 September 2017) 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.

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(b) Other equity **Rs. in Lakhs**

Particulars	As at 31-March-2020	As at 31-March-2019
Special reserve		
At the beginning of the year	3,959.93	3,039.93
Add: Current year transfer	733.00	920.00
Closing balance of special reserve (A)*	**4,692.93**	**3,959.93**
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	(1,626.48)	(1,629.81)
Add: Other comprehensive income for the year	(11.98)	3.33
Closing balance of other comprehensive income (C)	**(1,638.46)**	**(1,626.48)**
Retained earnings		
At the beginning of the year	15,892.79	12,689.55
Add: Net profit for the current year	3,662.97	4,597.25
Less: Dividend paid on CCPS	1,134.92	393.21
Less: Dividend distribution tax paid	229.12	80.80
Less: Transfer to special reserve	733.00	920.00
Closing balance of retained earnings (D)	**17,458.72**	**15,892.79**
Total (A+B+C+D)	**47,835.07**	**45,548.12**

*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-2020			For the year ended 31-March-2019		
	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	5,448.51	-	5,448.51	11,574.41	-	11,574.41
Processing fees income	311.17	-	311.17	199.22	-	199.22
Interest income from investments	3,642.01	1,528.77	5,170.78	4,287.01	905.65	5,192.66
Interest income from stock of securities	-	4,006.33	4,006.33	-	2,750.13	2,750.13
Interest on deposits with Banks	1.66	-	1.66	-	-	-
Other Interest Income	20.76	-	20.76	15.83	-	15.83
Total	**9,424.11**	**5,535.10**	**14,959.21**	**16,076.47**	**3,655.78**	**19,732.25**

21 Fees and commission Income

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Syndication and other fees	-	867.30
Total	**-**	**867.30**

22 Net gain/(loss) on fair value changes

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Net gain/(loss) on financial instruments at fair value		
-Investments	1,836.00	51.95
-Stock of securities	1,196.79	1,661.53
	3,032.79	**1,713.48**
Net gain/(loss) on financial instruments at fair value		
-Realised	3,695.59	1,493.00
-Unrealised	(662.80)	220.48
Total	**3,032.79**	**1,713.48**
Additional Information :		
Profit / (loss) on sale of Investments (actual) (A)	1,831.12	726.13
Net gain/(loss) on investments due to fair value change (B)		
-Realised	(71.51)	(600.58)
-Unrealised	76.39	(73.60)
Total (A+B)	**1,836.00**	**51.95**
Profit on sale of stock of securities (actual) (C)	2,229.75	1,490.11
Net gain/(loss) on stock of securities due to fair value change (D)		
-Realised	(293.77)	(122.66)
-Unrealised	(739.19)	294.08
Total (C+D)	**1,196.79**	**1,661.53**

23 Other income

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Profit on sale of property, plant and equipment (net)	89.50	-
Profit on redemption of non convertible debentures	80.00	-
Gain on termination of lease	0.23	-
Total	**169.73**	**-**

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

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Interest on borrowings	4,281.89	6,564.24
Interest on debt securities	5,818.58	6,253.83
Interest on income tax	9.04	0.01
Other interest expense	277.26	742.87
Total	**10,386.77**	**13,560.95**

25 Fees and commission expense

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Incentive expenses	664.82	213.74
Total	**664.82**	**213.74**

26 Impairment of financial instruments

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
On financial instruments measured at amortised cost		
Loans (net)	(183.95)	(99.43)
Investments (Refer note no. 46(ii))	172.15	187.19
Total	**(11.80)**	**87.76**

27 Employee benefits expense

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Salaries and wages	1,609.25	1,707.00
Gratuity	16.91	17.98
Employers contribution to provident fund	12.23	14.11
Staff welfare expenses	10.61	9.91
Total	**1,649.00**	**1,749.00**

28 Other expenses

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Rent, taxes and energy costs	20.37	175.12
Travelling expense	78.52	90.65
Repairs and maintenance	16.35	23.30
Advertisement and publicity	8.43	23.84
Auditor's fees and expenses		
-for audit fees	4.90	2.86
-for tax audit fees	0.60	0.60
-for other services	3.09	1.68
Legal and professional charges	127.49	96.31
Loss on sale of property, plant and equipment (net)	-	17.68
Corporate social responsibilities (Refer note no.31)	233.50	32.00
Insurance expenses	8.36	6.26
Communication costs	9.27	7.38
Software expenses	70.97	0.08
Director"s fees, allowances and expenses	9.17	7.45
Miscellaneous expenses	113.75	103.35
Total	**704.77**	**588.56**

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29 Other comprehensive income **Rs. in Lakhs**

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Items that will not be reclassified to profit or loss		
a. Remeasurement of defined benefit obligation	(16.14)	9.44
b. Equity instruments through other comprehensive income	-	(3.36)
Total	**(16.14)**	**6.08**

30 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.

31 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-2020
Gross amount required to be spent by the Company during the financial year (including previous years' shortfall of Rs.133.47 lakhs)	248.39

Amount spent during the 2019-20	Yet to be paid in Cash (Rs.)	In Cash (Rs.)	Total (Rs.)
(i) Construction/acquisitionof any asset	-	-	-
(ii) Donation for promoting education	-	-	-
(iii) Donation for promoting preventive health care and sanitation	-	-	-
(iv) Donation for empowering woman and setting up homes	-	-	-
(v) contribution to any fund set up by the Central Government for socio-economic development and relief qualifies	-	233.50	233.50
Short fall in CSR Expenditure			**14.89**

32 Earnings per share (EPS)

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Net profit after tax available for equity share holders (Rs in lakhs.) [A]	3,662.97	4,597.25
Weighted average number of equity shares outstanding during the year for basic and diluted earnings per share (Nos.)* [B]	26,543,750	26,543,750
Basic earnings per share (Rs.) [A/B]	13.80	17.32
Diluted earnings per share (Rs.) [A/B]	13.80	17.32
Nominal value of share (Rs.)	10.00	10.00

*Weighted average number of equity shares outstanding includes weighted average numbers of compulsorily convertibles preference shares.

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33 Leases

(i) Lease commitments as lessee:

The Company has entered into agreements for taking on lease certain guest house and office on lease and licence basis. The lease term is for a period ranging from 36 to 52 months. The Company has contracts which have fixed rentals.

Transition

From 01 April 2019, the Indian Accounting Standard i.e. IND-AS 116 "Leases" became effective, the Company has adopted the standard with modified retrospective approach as per Para C8 (c) (ii) of IND AS 116 and recognised asset in the form of "Right of use asset", (representing its right of use the leased asset over the lease term) and also liability towards the present value of the balance of future lease payments for the leases.

The following is the summary of practical expedients elected on initial application:

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Following are the changes in the carrying value of right-of-use assets (disclosed under note 8 - property, plant and equipment) for the year ended 31 March 2020:

Rs. in Lakhs

Particulars	**Building Right-of-use**
Measurment on account of adoption of Ind AS 116	356.51
Deduction on account of termination of lease	9.27
Closing gross block value of account on adoption of Ind AS 116	**347.24**
Depreciation charged for the year	145.06
Deduction on account of termination of lease	1.12
Closing accumulated depreciation of account on adoption of Ind AS 116	**143.94**
Closing net block value as at 31 March 2020	**203.30**

Carrying value of lease liabilities is disclosed under note 15 - other financial liabilities at Rs. 184.29 Lakhs as at 31 March 2020.

The following is the movement in lease liabilities during the year ended 31 March 2020

Rs. in Lakhs

Particulars	**For the year ended 31-March-2020**
Balance at the beginning of the year	-
Additions	307.28
Finance cost accrued during the year	22.54
Deletions	(8.09)
Payment of lease liabilities	(137.44)
Balance at the end of the year	**184.29**

In the Statement of profit and loss for the year ended 31 March 2020, the nature of expenses in respect of operating leases has changed from lease rent to depreciation cost for the right of use asset and finance cost for interest accrued on lease liability. To this extent, performance for the year ended 31 March 2020 is not comparable with previous year.

Rs. in Lakhs

Adjustments to Increase/ (decrease) in net profit	**For the year ended 31-March-2020 comparable basis**	**Changes due to IND AS 116 Increase / (decrease)**	**For the year ended 31-March-2020 as reported**
Other income	169.50	0.23	169.73
Other expense	842.21	(137.44)	704.77
Finance costs	10,364.23	22.54	10,386.77
Depreciation and amortisation expense	86.26	145.06	231.32
Profit before tax	4,653.54	(29.93)	4,623.61

Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the Company's financial statements for year ended 31 March 2020.

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Contractual maturities of lease liabilities:

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

Rs. in Lakhs

Particulars	As at 31-March-2020
Not later than one year	136.32
Later than one year and not later than five years	61.60
More than five years	-

The cash outflow of lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year 2019-2020 is Rs.137.44 lakhs.

(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-2020	As at 31-March-2019
Not later than one year	8.43	40.63
Later than one year and not later than five years	-	8.43

The amount of minimum lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year 2019-2020 is Rs.86.76 lakhs and for financial year 2018-2019 is Rs.83.53 lakhs.

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34 Related party relationships:

Nature of relationship	Name of Related Party
Holding company	A. K. Capital Services Limited
Subsidiary company	Family Home Finance Private Limited
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 (Upto 25 July 2019) (Executive director) Mr. Abhinav Kumar Mittal (Upto 20 September 2018) (Executive director) Ms. Annu Garg (Executive Director from 02 April 2019) Mr. Mahesh Bhootra (Chief financial officer) Mr. Govind Lalwani (Company secretary) 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 India Bond 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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Notes to the financial statements for the year ended 31 March 2020

34 Related party transactions (Continued) **Rs. in Lakhs**

Related party transactions during the year:

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Brokerage paid		
A. K. Stockmart Private Limited	89.23	61.63
Demat charges paid		
A. K. Stockmart Private Limited	1.11	1.10
Key managerial remuneration *		
Short term benefits	203.96	426.29
Director's sitting fees	8.25	7.00
Rent paid		
Mr. A. K. Mittal	36.00	36.00
Mrs. Aditi Mittal	24.00	24.00
Mrs. Anshu	18.00	18.00
Repairs and maintainance of car		
M Square Automobile Private Limited	1.63	1.13
Interest income on loan given		
A. K. Services Private Limited	458.95	-
M Square Automobile Private Limited	81.13	206.89
Goodwill Capital Services Private Limited	-	111.62
Loan given		
A. K. Services Private Limited	13,750.00	-
(Revolving Credit Sanction Limits amounting upto a maximum amount of Rs.8,000 lakhs)		
M Square Automobile Private Limited	1,845.00	1,600.00
(Revolving Credit Sanction Limits amounting to C.Y. Rs.1,450 lakhs P.Y. Rs.3,500 lakhs)		
Goodwill Capital Services Private Limited	-	11,510.00
(Revolving Credit Sanction Limit amounting to Rs.5,000 lakhs valid till 31 March 2019)		
Repayment of loan given		
A. K. Services Private Limited	9,250.00	-
(Revolving Credit Sanction Limits amounting upto a maximum amount of Rs.8,000 lakhs)		
M Square Automobile Private Limited	2,245.00	2,700.00
(Revolving Credit Sanction Limits amounting to C.Y. Rs.1,450 lakhs P.Y. Rs.3,500 lakhs)		
Goodwill Capital Services Private Limited	-	11,510.00
(Revolving Credit Sanction Limit amounting to Rs.5,000 lakhs valid till 31 March 2019)		
Goodwill Capital Services Private Limited (Term Loan)	-	1,030.00
Non convertible debentures issued (excluding accrued interest)		
A. K. Capital Services Limited	-	500.00
A. K. Stockmart Private Limited	-	1,700.00
Interest expenses on non convertible debentures		
A. K. Capital Corporation Private Limited	0.76	3.11
A. K. Wealth Management Private Limited	-	1.95
A. K. Stockmart Private Limited	-	3.40
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	60,528.59	61,206.56
A. K. Services Private Limited	53,670.10	38,061.71
A. K. Wealth Management Private Limited	500.08	2,850.00
A. K. Capital Corporation Private Limited	1,310.12	-
Family Home Consultancy Services Private Limited	100.00	-
Family Home Finance Private Limited	1,710.00	-
A. K. Capital Markets Limited	20.00	-
A. K. Capital Services Limited	45,541.45	-
Mrs. Aditi Mittal	-	18.54

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Notes to the financial statements for the year ended 31 March 2020

34 Related party transactions (Continued) **Rs. in Lakhs**

Particulars	For the year ended 31-March-2020	For the year ended 31 March 2019
Sale of securities (excluding accrued interest)		
A. K. Stockmart Private Limited	10,275.52	17,062.45
A. K. Services Private Limited	5,754.96	1,927.29
Family Home Consultancy Services Private Limited	99.80	-
Family Home Finance Private Limited	1,260.26	-
A. K. Capital Services Limited	28,145.02	-
A. K. Wealth Management Private Limited	100.00	363.43
Software Expenses		
India Bond Private Limited	60.00	-
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
A. K. Capital Corporation Private Limited	25.00	-
Family Home Consultancy Services Private Limited	-	24.00

Related party closing balances:

Particulars	As at 31-March-2020	As at 31-March-2019
Balances Receivable		
A. K. Stockmart Private Limited	75.60	-
Trade payable		
A. K. Stockmart Private Limited	0.60	1.13
M Square Automobile Private Limited	-	0.49
Investment in subsidiary company		
Family Home Finance Private Limited	1,101.00	1,101.00
Loans outstanding		
A. K. Services Private Limited	4,500.00	-
M Square Automobile Private Limited	-	400.00
Security deposit		
A. K. Mittal	100.00	100.00
Aditi Mittal	100.00	100.00
Anshu	50.00	50.00
Non convertible debentures held		
A. K. Stockmart Private Limited	-	25.00
Interest accrued on non convertible debentures held		
A. K. Stockmart Private Limited	-	0.20
Guarantee		
Corporate Guarantee given by holding company to bank for working capital demand loan taken by the Company	27,500.00	27,500.00

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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35 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 2020 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	8,511.18	-	-	8,511.18	8,511.18
Loans	27,216.04	-	-	27,216.04	27,438.38
Investments	37,310.10	16,181.20	-	53,491.30	55,901.00
Stock of securities	-	48,379.26	-	48,379.26	48,379.26
Other financial assets	402.44	2,181.44	-	2,583.88	2,583.88
TOTAL	**73,439.76**	**66,741.90**	**-**	**140,181.66**	**142,813.70**
Liabilities:					
Trade payables	86.85	-	-	86.85	86.85
Debt Securities	50,722.00	-	-	50,722.00	50,722.00
Borrowings	33,428.59	-	-	33,428.59	33,594.40
Deposits	28.97	-	-	28.97	28.97
Other financial liabilities	2,940.64	-	-	2,940.64	2,940.64
TOTAL	**87,207.05**	**-**	**-**	**87,207.05**	**87,372.86**

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	73,059.71	-	-	73,059.71	73,440.88
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	848.01	862.19	-	1,710.20	1,710.20
TOTAL	**130,596.38**	**101,364.47**	**-**	**231,960.85**	**233,402.14**
Liabilities:					
Trade payables	97.33	-	-	97.33	97.33
Debt Securities	71,752.00	-	-	71,752.00	71,752.00
Borrowings	106,031.50	-	-	106,031.50	106,377.23
Deposits	26.59	-	-	26.59	26.59
Other financial liabilities	3,330.57	-	-	3,330.57	3,330.57
TOTAL	**181,237.99**	**-**	**-**	**181,237.99**	**181,583.72**

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36 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-2020	For the year ended 31-March-2019
Revenue from top customer	512.01	862.20
Revenue from top 5 customers	2,009.57	3,663.03

Investments in debt securities measured at amortised cost

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 impairment of the credit risk on the investments 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.

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-2020	As at 31-March-2019
Financial assets at amortised cost		
Loans	27,216.04	73,059.71
Investments	37,310.10	56,037.21
Other financial assets	402.44	848.01
At end of the year	**64,928.58**	**1,29,944.93**

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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 31 March 2020 and 31 March 2019.

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.

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.

Balances with banks:

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.

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-2020	As at 31-March-2019
Financial assets		
Interest bearing		
- fixed interest rate		
Cash and cash equivalent	7,000.00	-
Loans	16,865.94	41,895.85
Investments	49,476.33	62,371.04
Stock of securities	48,314.48	86,866.82
- floating interest rate		
Loans	10,459.91	31,457.60
Investments	2,173.06	7,478.96
- non interest bearing		
Investment	3,302.25	1,101.00
Stock of securites	64.78	9.86
Cash and cash equivalent	1,511.18	651.45
Other financial assets	2,583.88	1,710.20
Financial Liabilities		
Interest bearing		
- fixed interest rate		
Borrowings	50,758.18	83,805.25
Lease liabilities	184.29	-
- floating interest rate		
Borrowings	33,392.41	93,978.25
- non interest bearing		
Trade payable	86.85	97.33
Deposits	28.97	26.59
Other financial liabilities	2,756.35	3,330.57

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-2020	For the year ended 31-March-2019
Increase in basis points	50.00	50.00
Effect on profit before tax	(103.80)	(275.21)
Decrease in basis points	50.00	50.00
Effect on profit before tax	103.80	275.21

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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 2020 and 31 March 2019 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 2020						
Borrowings including debt securities	-	6,482.62	20,011.26	66,274.53	13,222.53	**105,990.94**
Trade and other payables		86.85	-	-	-	**86.85**
Deposits	-	28.97	-	-	-	**28.97**
Other financial liabilities	-	2,306.61	586.06	61.60	-	**2,954.27**
	-	**8,905.05**	**20,597.32**	**66,336.13**	**13,222.53**	**109,061.03**
As at 31 March 2019						
Borrowings including debt securities	35,302.75	21,342.34	22,778.08	106,013.70	29,825.17	**215,262.04**
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**	**106,026.73**	**29,825.17**	**218,717.83**

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-2020	As at 31-March-2019
Borrowings including debt securities	84,150.59	177,783.50
Trade payables	86.85	97.33
Other financial liabilities	2,940.64	3,330.57
Deposits	28.97	26.59
Less: cash and cash equivalents	(8,511.18)	(651.45)
Net debt (A)	**78,695.87**	**180,586.54**
Equity share capital	8,829.38	8,829.38
Other equity	47,835.07	45,548.12
Total member's capital (B)	**56,664.45**	**54,377.50**
Capital and net debt (C=A+B)	**135,360.32**	**234,964.04**
Gearing ratio (%) (A/C)	**58.14**	**76.86**

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 year.

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

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37 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 2020:

Rs. in Lakhs

Particulars	As at 31-March-2020	Fair value measurement at end of the reporting year using		
		Level I	Level 2	Level 3
Financial Assets:				
Investments				
Mutual fund at FVTPL	2,201.25	2,201.25	-	-
Government securities at FVTPL	10,375.33	-	10,375.33	-
Debt instruments at FVTPL	3,604.62	-	3,604.62	-
Equity instruments at FVTOCI	-	-	-	-
Stock of securities				
Debt instruments at FVTPL	48,314.48	-	48,314.48	-
Exchange Traded funds at FVTPL	64.78	64.78	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

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	-	-	-	-
Stock of securities				
Debt instruments at FVTPL	86,866.82	-	86,866.82	-
Exchange Traded funds at FVTPL	9.86	9.86	-	-

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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 14 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 0-14 days
		3. Weighted average (appropriate weight considered by the company) of; -Future cash flows which are discounted using a discount rate arrived at by adding the spread provided by FIMMDA and -Latest subsequent traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-14 days
		4.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. Further the resulted valuation gain have been discounted at appropriate rate due to market condition arising on account of COVID-19.
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.





38 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-2020	For the year ended 31-March-2019
Contribution to provident fund	12.23	14.11

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 2019 - Rs 20.00 Lacs)

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-2020	For the year ended 31-March-2019
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	12.40	13.84
Past service cost	-	-
Interest cost on defined benefit obligation	4.51	4.14
(Gain) / losses on settlement	-	-
Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)	**16.91**	**17.98**
(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	8.88	7.20
Actuarial loss / (gain) arising from change in demographical assumptions	(7.28)	-
Actuarial loss / (gain) arising on account of experience changes	14.54	(16.64)
Amount recognised in Other Comprehensive Income (B)	**16.14**	**(9.44)**
Gratuity expense recognised in the statement of profit and loss and Other Comprehensive Income (A+B)	**33.05**	**8.54**
(c) Reconciliation of net liability / asset		
Opening defined benefit liability / (assets)	58.94	53.55
Expense charged to profit & loss account	16.91	17.98
Amount recognised in outside profit and loss account	16.14	(9.44)
Benefit paid	(20.74)	(3.15)
Closing net defined benefit liability / (asset)	**71.25**	**58.94**

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38 Employee Benefit Obligation

(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	58.94	53.55
Current service cost	12.40	13.84
Past service cost	-	-
Interest on defined benefit obligation	4.51	4.14
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	8.88	7.20
Actuarial loss / (gain) arising from change in demographic assumptions	(7.28)	-
Actuarial loss / (gain) arising on account of experience changes	14.54	(16.64)
Benefits paid / payable	(20.74)	(3.15)
Closing defined benefit obligation [liability / (asset)] recognised in balance sheet	**71.25**	**58.94**

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

Discount rate	6.91%	7.65%
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
Upto 30 Years	30.00%	30.00%
Upto 31-44 Years	30.00%	30.00%
Above 45 Years	30.00%	20.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14)	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:

Indian gratuity plan: **Rs. in Lakhs**

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Assumptions -Discount rate		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation -increase of sensitivity level	(1.06)	(0.87)
Impact on defined benefit obligation -decrease of sensitivity level	1.09	0.90
Assumptions -Future salary escalations rates		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation-increase of sensitivity level	1.11	0.91
Impact on defined benefit obligation-decrease of sensitivity level	(1.08)	(0.89)

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

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Within 1-2 year	40.01	37.53
2-3 year	47.86	48.84
3-4 year	58.56	63.02
5-6 year	70.25	79.19
6-7 year	82.75	95.13

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.95 years (31 March 2019- 6 years)

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39 Income Tax

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

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Current income tax:		
Current income tax charge	1,065.00	1,703.00
Adjustments in respect of previous year	167.58	(7.29)
Deferred tax:		
Relating to origination and reversal of temporary differences	(271.94)	(149.47)
Income tax expense reported in the statement of profit or loss	**960.64**	**1,546.24**

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-2020	For the year ended 31-March-2019
Profit before income tax	4,623.61	6,143.49
Rate of Income tax	25.17%	29.12%
Computed expected tax expenses	1,163.67	1,788.98
Tax effect due to exempt income	-	(10.66)
Tax effect due to non-deductible items	2.28	10.36
Tax effect due to deductible items	(126.16)	(7.08)
Tax effect due to recognition / non recognition of deferred tax assets / (liabilities)	(246.56)	(228.12)
Tax effect due to change in tax rate	(5.47)	-
Adjustments in respect of current income tax of previous year	167.58	(7.29)
Others	5.30	0.05
Income tax expense reported in the statement of profit or loss	**960.64**	**1,546.24**

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39 Income Tax

C The Gross movement in the current income tax asset/(Liability) for the year ended 31 March 2020 and 31 March 2019 is as follows

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Net current income tax asset/(liability) at the beginning of the year	128.34	202.77
Income tax paid	984.46	1,621.28
Current tax expenses	(1,065.00)	(1,703.00)
Interest on tax expenses	(9.04)	-
Excess short provision of earlier year	(167.58)	7.29
Net current income tax asset/(liability) at the end of the year	**(128.82)**	**128.34**

D The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Net deferred tax asset/(liability) at the beginning of the year	**(40.31)**	**(187.01)**
Property plant and equipments	(15.74)	4.94
Gratuity	0.77	1.57
Disallowance of share issue expenses	(4.73)	(3.72)
Impairment allowance on loans and advances	(57.92)	(28.93)
EIR on HTM Securities	2.39	-
Right-of-use and lease liabilities	(4.79)	-
Impairment allowance on investments	35.93	54.51
Fair value gain on investments in debt securities	273.44	129.55
Processing fees expenses	14.67	(6.82)
Processing fees income	32.08	(4.40)
Net deferred tax asset/(liability) at the end of the year	**235.79**	**(40.31)**

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40 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-2020	For the year ended 31-March-2019
Type of goods or service		
Fees and commission Income	-	867.30
Total revenue from contracts with the customers	**-**	**867.30**
Geographical markets		
-India	-	867.30
-Outside India	-	-
Total revenue from contracts with the customers	**-**	**867.30**
Relation with customer		
-Non related party	-	867.30
-Related Party	-	-
Total revenue from contracts with the customers	**-**	**867.30**
Timing of revenue recognition		
-Service transferred over a period of time	-	-
-Service transferred over a point of time	-	867.30
Total revenue from contracts with the customers	**-**	**867.30**

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

41 The COVID-19 pandemic has significantly impacted economic activities, businesses, individuals across the spectrum in the Country. Reserve Bank of India (RBI)'s guidelines dated 27 March 2020 enabled banks, lending institutions and NBFCs to offer a moratorium upto 3 months on repayment of EMIs, payment of interest on line of credit falling due between 01 March 2020 and 31 May 2020 to all eligible borrowers, which has been extended for a further period of 3 months via RBI circular dated 23 May 2020. The Company based on its Board approved policy, has engaged with its customers whose account were Standard as at 29 February 2020, and offered the moratorium as per their need. As on 31 March 2020, the staging of these accounts is on the basis of days past due status as on 29 February 2020 in line with the aforesaid RBI circulars. Further, the Company apart from loans has also invested in non-convertible debentures on which no moratorium has been requested and granted. As per the Company's assessment, this by itself has not resulted into any significant increase in the credit risk.

The Company recognizes the need to make reasonable estimation of the impact of this pandemic on the repayment ability of its borrowers, and make additional provisions as considered appropriate, over-and-above the extant provisions, for expected credit losses. The Company has segmented its portfolio on the basis of various parameters to ascertain the impact of COVID-19 and basis of its estimates, assumptions and judgements arrived at the additional impairment which is provided for in its financial statements. Given the uncertainty over the potential macro-economic condition, the impact of the COVID-19 may affect the underlying assumptions and estimates used to prepare the financial statements, which may be different from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions and suitable effect will be given in the respective future period.

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42 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Company's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Employee benefit plans

The cost of the defined benefit plan and other employment benefits plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the postemployment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates.

Based on periodic review of the demographic assumptions, attrition rate assumption used for actuarial valuation of liability related to gratuity has been re-assessed during the year ended 31 March 2020. For the purpose of assessing the attrition rate, the Company considered the historical attrition trend and expected rate based on such trend/ experience. The change in assumption resulted in a increase of closing gratuity by Rs. 16.14 Lakhs, for the year ended 31 March 2020.

Further details about gratuity obligations are given in Note - 38.

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42 Significant accounting judgements, estimates and assumptions

(b) Impairment allowance for investments and loans

Recognition and measurement of impairment relating to the investments and loans measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are:

- Credit ratings of the investments and loans;
- Investment and loans staging criteria
- Calculation of probability of default / Loss given default
- Consideration of probability weighted scenarios and
- Forward looking macro-economic factors.

The Company considered current and anticipated future economic conditions relating to industries the Company deals. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its investments to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

(c) Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(d) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for quarter, half year and year ended on 31 March 2020 and re-measured its deferred tax assets based on the rate prescribed in the aforesaid section and recognized the effect of change by revising the effective income tax rate. The rate of income tax is changed from 29.12% to 25.168% during the year ended 31 March 2020. There remeasurement of accumulated deferred tax asset has resulted in a one-time additional deferred tax credit of Rs. 56.11 Lakhs.

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43 Details of secured redeemable non-convertible debentures

A Details of secured redeemable non-convertible debentures as at 31 March 2020

Name of Security	Number	Amount (Rs. in lakhs)	Allotment Date	Redemption Date
9.50% Non Convertible Debentures - Series E-I	500.00	500.00	23-Jun-17	23-Jun-27
9.70% Non Convertible Debentures - Series B-II	500.00	500.00	07-Mar-17	07-Mar-27
9.95% Non Convertible Debentures - Series N	3,500.00	3,500.00	18-Sep-18	18-Sep-25
9.75% Non Convertible Debentures - Series K	7,100.00	7,100.00	28-Jun-18	28-Jun-25
9.40% Non Convertible Debentures - Series H	7,500.00	7,500.00	06-Dec-17	06-Dec-24
9.00% Non Convertible Debentures - Series E-II	6,452.00	6,452.00	10-Aug-17	10-Aug-24
9.60% Non Convertible Debentures - Series B-VII	1,500.00	1,500.00	21-Mar-17	21-Mar-24
9.60% Non Convertible Debentures - Series B-VI	500.00	500.00	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures - Series B-III	2,600.00	2,600.00	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures - Series B-I	2,500.00	2,500.00	07-Mar-17	07-Mar-24
9.60% Non Convertible Debentures - Series M	500.00	500.00	28-Aug-18	28-Aug-23
9.75% Non Convertible Debentures - Series L	2,500.00	2,500.00	29-Jun-18	29-Jun-23
9.40% Non Convertible Debentures - Series I	5,000.00	5,000.00	03-Apr-18	03-Apr-23
8.80% Non Convertible Debentures - Series G	500.00	500.00	09-Nov-17	09-Nov-22
9.50% Non Convertible Debentures - Series O	1,500.00	1,500.00	25-Sep-18	25-Mar-22
9.60% Non Convertible Debentures - Series A-III	10.00	10.00	20-Mar-17	20-Mar-22
9.50% Non Convertible Debentures - Series B-V	200.00	200.00	20-Mar-17	20-Mar-22
9.60% Non Convertible Debentures - Series A-II	300.00	300.00	09-Mar-17	09-Mar-22
9.60% Non Convertible Debentures - Series A-I	2,360.00	2,360.00	07-Mar-17	07-Mar-22
9.20% Non Convertible Debentures - Series J	3,200.00	3,200.00	08-May-18	08-Nov-21
9.40% Non Convertible Debentures - Series B-IV	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 K, Series L, Series M and Series N 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 2019

Name of Security	Number	Amount (Rs. in lakhs)	Allotment Date	Redemption Date
9.50% Non Convertible Debentures - Series E-I	500.00	500.00	23-Jun-17	23-Jun-27
9.70% Non Convertible Debentures - Series B-II	500.00	500.00	07-Mar-17	07-Mar-27
9.95% Non Convertible Debentures - Series N	3,500.00	3,500.00	18-Sep-18	18-Sep-25
9.75% Non Convertible Debentures - Series K	7,100.00	7,100.00	28-Jun-18	28-Jun-25
9.40% Non Convertible Debentures - Series H	7,500.00	7,500.00	06-Dec-17	06-Dec-24
9.00% Non Convertible Debentures - Series E-II	6,452.00	6,452.00	10-Aug-17	10-Aug-24
9.60% Non Convertible Debentures - Series B-VII	1,500.00	1,500.00	21-Mar-17	21-Mar-24
9.60% Non Convertible Debentures - Series B-VI	500.00	500.00	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures - Series B-III	2,600.00	2,600.00	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures - Series B-I	2,500.00	2,500.00	07-Mar-17	07-Mar-24
9.60% Non Convertible Debentures - Series M	500.00	500.00	28-Aug-18	28-Aug-23
9.75% Non Convertible Debentures - Series L	2,500.00	2,500.00	29-Jun-18	29-Jun-23
9.40% Non Convertible Debentures - Series I	5,000.00	5,000.00	03-Apr-18	03-Apr-23
8.80% Non Convertible Debentures - Series G	500.00	500.00	09-Nov-17	09-Nov-22
9.02% Non Convertible Debentures - Series F	10,000.00	10,000.00	07-Jul-17	07-Jul-22
9.55% Non Convertible Debentures - Series C	10,000.00	10,000.00	24-Mar-17	14-Apr-22
9.50% Non Convertible Debentures - Series O	1,500.00	1,500.00	25-Sep-18	25-Mar-22
9.60% Non Convertible Debentures - Series A-III	300.00	300.00	20-Mar-17	20-Mar-22
9.50% Non Convertible Debentures - Series B-V	200.00	200.00	20-Mar-17	20-Mar-22
9.60% Non Convertible Debentures - Series A-II	400.00	400.00	09-Mar-17	09-Mar-22
9.60% Non Convertible Debentures - Series A-I	3,000.00	3,000.00	07-Mar-17	07-Mar-22
9.20% Non Convertible Debentures - Series J	3,200.00	3,200.00	08-May-18	08-Nov-21
9.40% Non Convertible Debentures - Series B-IV	2,000.00	2,000.00	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, Series H, Series I, Series K, Series L, Series M and Series N are redeemable at a call option in the range of 24 months to 48 months.





44 Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies as on 31 March 2020

(i) Funding Concentration based on significant counterparty (both deposits and borrowings):

Sr. No.	Number of Significant Counterparties	Amount (Rs. in Crores)	% of Total deposits	% of Total Liabilities
1	20	786.79	NA	89.93%

Notes:
a. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Systemically Important Non-Deposit taking Non-Banking Finance Company total liabilities.
b. Total liabilities have been computed as Total Assets less Equity share capital less Reserves & Surplus and computed basis extant regulatory ALM guidelines.

(ii) Top 20 large deposits (amount in ₹ crore and % of total deposits): - Not Applicable

(iii) Top 10 borrowings:

Sr. No.	Amount (Rs. in Crores)	% of Total Borrowings
1	661.97	78.66%

Notes:
a. Total Borrowings have been computed as Gross Total Debt basis extant regulatory ALM guidelines.

(iv) Funding Concentration based on significant instrument/product:

Sr. No.	Name of the instrument/product	Amount (Rs. in Crores)	% of Total Liabilities
1	Non-convertible debentures	507.22	57.98%
2	Term loans	334.29	38.21%

(v) Stock Ratios:

Sr. No.	Particular	% as on 31 March 2020
1	Commercial Paper to Total Liabilities	NA
2	Commercial Paper to Total Assets	NA
3	NCDs (Original Maturity < 1 year) to Total Liabilities	Nil
4	NCDs (Original Maturity < 1 year) to Total Assets	Nil
5	Other Short Term Liabilities to Total Liabilities	25.06%
6	Other Short Term Liabilities to Total Assets	15.21%

Notes:
a. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Systemically Important Non-Deposit taking Non-Banking Finance Company total liabilities.
b. Total liabilities have been computed as Total Assets less Equity share capital less Reserves & Surplus and computed basis extant regulatory ALM guidelines.

(vi) Institutional set-up for liquidity risk management:

Asset Liability Management and Liquidity Risk Management Policy of the Company is designed to ensure that funding is available to meet all obligations in times of stress, whether caused by market events or issues specific.

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk.

The Company also has Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The RMC has the primary responsibility of evaluating overall risks faced by the NBFC including liquidity risk, interest rate risk and market risk. The meetings of RMC are held at periodic intervals. The minutes of RMC are placed before the Board of Directors in its next meeting for its perusal/approval/ratification.

The Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset liability management of the Company from risk-return perspective and within the risk appetite and guardrails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provide guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held at periodic intervals. The minutes of ALCO are placed before the Board of Directors in its next meeting for its perusal/approval/ratification.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

A. K. CAPITAL FINANCE LIMITED MUMBAI

45 Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 as required by notification DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020

Rs. in Lakhs

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	27,325.85	109.81	27,216.04	109.30	0.51
	Stage 2	-	-	-	-	-
Subtotal		**27,325.85**	**109.81**	**27,216.04**	**109.30**	**0.51**
Non Performing Assets						
Sub-standard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**-**	**-**	**-**	**-**	**-**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**27,325.85**	**109.81**	**27,216.04**	**109.30**	**0.51**
	Stage 2	**-**	**-**	**-**	**-**	**-**
	Stage 3	**-**	**-**	**-**	**-**	**-**

Note:
The assets includes loans and advances only

A. K. CAPITAL FINANCE LIMITED MUMBAI

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Notes to the Financial Statements for the year ended 31 March 2020

46 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 (%)	49.81	24.67
ii)	CRAR - Tier I capital (%)	49.71	24.54
iii)	CRAR - Tier II capital (%)	0.10	0.13
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	549.52	709.51
	- Outside India,	-	-
(ii)	Provisions for depreciation		
	- In India	3.59	1.87
	- Outside India,	-	-
(iii)	Net Value of Investments		
	- In India	545.93	707.64
	- Outside India,	-	-

2. Movement of provisions held towards depreciation on investments

(Rs. In Crores)

	Items	Current Year	Previous Year
(i)	Opening balance	1.87	-
(ii)	Add : Provisions made during the year	3.59	1.87
(iii)	Less : Write-off / write-back of excess provisions during the year	1.87	-
(iv)	Closing balance	3.59	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.

A.K. CAPITAL FINANCE LIMITED MUMBAI

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v) Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities as at 31 March 2020

(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	-	-	-	-	3.48	-	0.02	-	**3.50**
Advances	14.64	22.68	11.02	31.93	81.98	108.23	3.90	-	**274.38**
Investments	128.12	-	-	6.38	-	406.94	5.65	11.01	**558.10**
Stock of securities	312.76	98.86	98.86	-	-	-	-	-	**510.48**
Borrowings	4.94	4.26	65.47	52.77	119.71	212.54	291.95	118.25	**869.89**
Foreign Currency assets	-	-	-	-	-	-	-	-	**-**
Foreign Currency liabilities	-	-	-	-	-	-	-	-	**-**

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 MUMBAI

Notes to the Financial Statements for the year ended 31 March 2020

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	9.98	274.77
	(iii)	**Investments in Mortgage Backed Securities (MBS) and securitised exposures -**		
		a. Residential	-	-
		b. Commercial real estate	-	-
		Total Exposure to Real Estate Sector	**9.98**	**274.77**
b)	**Indirect exposure**			
	(i)	Funded and Non Funded Exposures through Housing Finance Companies (HFCs)	44.01	91.80
		Total Exposure to Real Estate Sector	**53.99**	**366.57**
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
		Total Exposure to Real Estate Sector	**-**	**32.51**
d)	**Indirect Investment**			
	(i)	Funded and Non Funded Exposures through Housing Finance Companies (HFCs)	247.98	291.38
		Total Investment Exposure to Real Estate Sector	**247.98**	**323.89**

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

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

A. K. CAPITAL FINANCE LIMITED MUMBAI

Notes to the Financial Statements for the year ended 31 March 2020

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	11.01
(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**	**11.01**

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.8.56 Crores as unsecured advances as on 31 March 2020.

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 34 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

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

A.K. CAPITAL FINANCE LIMITED MUMBAI

Notes to the Financial Statements for the year ended 31 March 2020

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 Non-Convertible Debentures - BWR AA+ (SO)
2 Non-Convertible Debentures - BWR AA (SO)
3 Long Term Bank Facilities - BWR AA-
4 Non-Convertible Debentures - ACUITE AA+ (SO)
5 Non-Convertible Debentures - ACUITE AA (SO)

During the year, the Company has surrendered the rating for Commercial Papers of CARE Rating Limited.

E. Remuneration of Directors

During the year, sitting fees has been paid to a non-executive directors amounting to Rs. 0.08 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 Investments	1.72	1.87
(ii)	Provision towards NPA	-	-
(iii)	Provision made towards Income tax (Including Deferred tax and Earlier period tax adjustments)*	9.65	15.43
(iv)	Other Provision and Contingencies (Employee Benefits)*	0.33	0.21
(v)	Impairment on loans and advances (net)	(1.84)	(0.99)

* including recognised in other comprehensive income

B. Draw Down from Reserves

There have been no drawdown from Reserves.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

A. K. CAPITAL FINANCE LIMITED MUMBAI

Notes to the Financial Statements for the year ended 31 March 2020

C. Concentration of Deposits, Advances, Exposures and NPAs

a.

(Rs. in Crores)

Concentration of Deposits (for deposit taking NBFCs)	**As at 31 March 2020**
Total Deposits of twenty largest depositors	Not Applicable
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	Not Applicable

b.

(Rs. in Crores)

Concentration of Advances	**As at 31 March 2020**
Total Advances to twenty largest borrowers	265.69
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	97.39%

c.

(Rs. in Crores)

Concentration of Exposures	**As at 31 March 2020**
Total Exposure to twenty largest borrowers / customers (Including interest accrued and due)	266.11
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	97.38%

d.

(Rs. in Crores)

Concentration of NPAs	**As at 31 March 2020**
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 2020 and 31 March 2019. 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 2020 and 31 March 2019.





Notes to the Financial Statements for the year ended 31 March 2020

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

48 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.

49 Subsequent events
No subsequent events have been observed which may require an adjustment to the statement of financial position.

50 The disclosure required in terms of paragraph 19 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is given in Annexure 'A'.

51 Previous year's figure have been regrouped or rearranged, wherever considered necessary, to conform with the current period's presentation.

Signatures to 1 to 51

As per our report of even date attached

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

RAMESH GUPTA
Digitally signed by RAMESH GUPTA
DN: cn=RAMESH GUPTA, c=IN, st=Maharashtra, o=Personal, serialNumber=58850e070d0e07728cfeae5722c26b267511a51661a740bf3955d17900be0b41
Date: 2020.06.23 19:16:09 +05'30'

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Ramesh Gupta
Partner
Membership No. 102306

Place: Mumbai
Dated : 23 June 2020

For and on behalf of the Board of Directors of
A. K. Capital Finance Limited

ATUL KUMAR MITTAL
Digitally signed by ATUL KUMAR MITTAL
DN: c=IN, o=Personal, postalCode=400005, st=MAHARASHTRA, serialNumber=fd3e66815a1143e5a2bedd45aad6610d8adcbf7bad98732ba6eb497fb6836c2f, cn=ATUL KUMAR MITTAL
Date: 2020.06.23 15:53:10 +05'30'

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

ANNU GARG
Digitally signed by ANNU GARG
DN: c=IN, o=Personal, postalCode=400025, st=MAHARASHTRA, serialNumber=260c4176ecc241a1fbd74ae38c42a155d5c7305675 1cb42b0ec845328e73b4b, cn=ANNU GARG
Date: 2020.06.23 18:23:46 +05'30'

Annu Garg
Director
(DIN : 07817550)

MAHESH KUMAR BHOOTRA
Digitally signed by MAHESH KUMAR BHOOTRA
DN: cn=IN, o=Personal, postalCode=400067, st=Maharashtra, 2.5.4.20=f45d85d9834fdda7b8aa85906b5b17ef6108fe1196970eeaae25911edc32ed19c4, serialNumber=7353e4886841ad58090cdf6bea720d6d7d93dcc82fe257df0017d982bc4e302, cn=MAHESH KUMAR BHOOTRA
Date: 2020.06.23 19:02:05 +05'30'

Mahesh Bhootra
Chief Financial Officer

GOVIND LALWANI
Digitally signed by GOVIND LALWANI
DN: c=IN, o=Personal, title=1979, pseudonym=18b26f26fb3d6b82abd55d019c61ec6330c852d5, 2.5.4.20=bca8ce5edb647bba2ae3f1a814b81e8a26e70ca7c1425564bbe43f0ecade729e, postalCode=302004, st=RAJASTHAN, serialNumber=ae888dfb06b0c87d8c45490ad2191c45b76bc3f3ea1b91f78020345dd14cdb73, cn=GOVIND LALWANI
Date: 2020.06.23 18:52:10 +05'30'

Govind Lalwani
Company Secretary
(ACS : A38806)

A. K. CAPITAL FINANCE LIMITED MUMBAI

Place: Mumbai
Dated : 23 June 2020

A. K. Capital Finance Limited

Annexure "A"

Schedule to the Balance Sheet of a non deposit taking non banking financial company as at 31 March 2020

Disclosure in terms of Paragraph 19 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	53,374.95	NIL
		Unsecured	NIL	NIL
		(Other than falling within the meaning of public deposit*)		
	b)	Deferred credits	Nil	Nil
	c)	Term loans	32,903.67	Nil
	d)	Inter - corporate loans and borrowings	Nil	Nil
	e)	Commercial papers	Nil	Nil
	f)	Working capital demand loan from bank	Nil	Nil
	g)	Loan from NBFC	545.29	Nil
	h)	Clearing Corporation of India Limited	Nil	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	26,468.98
		Unsecured	856.87
		(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



Annexure "A"

5	Break up of investments		Amount outstanding
		Investments	
	a)	**Quoted**	
		Shares	Nil
		Equity	Nil
		Preference	Nil
		Debentures and bonds	41,274.06
		Units of mutual funds	2,201.25
		Government securities	10,375.33
		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	Nil

6	Borrowers group wise classification of financed as in (2) above:		Amount outstanding		
	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	4,494.81	Nil	4,494.81
	2	**Other than related parties**	21,881.62	839.61	22,721.23
		Total	**26,376.43**	**839.61**	**27,216.04**
Refer note no. 2 below					

A.K. CAPITAL FINANCE LIMITED MUMBAI

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**	**53,850.64**	**53,491.30**
	Total	**54,951.64**	**54,592.30**

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

8 Other information

Sr. No.	Particulars	Amount
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 2020.

A.K. CAPITAL FINANCE LIMITED MUMBAI

Suresh Surana & Associates LLP
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To,
The Members of
A. K. Capital Finance Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of A. K. Capital Finance Limited ("the Holding Company") and its subsidiary company (together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as " the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated 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 ICAI's 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 consolidated financial statements.

Emphasis of Matter

We draw attention to Note 43 of the consolidated financial statements which describe the management's assessment of the impact of the COVID-19 pandemic on the consolidated financial result of the Group and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context

of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Sr. No.	Key Audit Matter	Auditor's response
1(a)	**Measurement of investments in accordance with Ind AS 109 "Financial Instruments"** (note 1, 4, 5, 35, 36 and 37 to the consolidated financial statements) 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 consolidated statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the investments. The Group'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 value through other comprehensive income FVTOCI. The Group 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 consolidated financial statements.	**Principal Audit Procedures** • Obtained an understanding of Group's business model assessed in accordance with Ind AS 109; • Evaluated the Group's assessment of business model; • Obtained an understanding of the determination of the measurement of the investments and tested the reasonableness of the significant judgments applied by the management; • Evaluated the design of internal controls relating to the measurement and also tested the operating effectiveness of the aforesaid controls; • Ensured that the Group has used 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, including consideration of the current economic and market conditions due to COVID-19 pandemic; • Obtained and assessed the valuation certificate of independent valuer in respect of fair value investments; and • Assessed the appropriateness of the disclosure in the consolidated financial statements in accordance with the applicable financial reporting framework.
1(b)	**Impairment loss on investments measured**	**Principal Audit Procedures**

	at amortized cost: (note 1, 4, 35 and 36 to the consolidated financial statements) Recognition and measurement of impairment relating to the investments measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are: - Credit ratings of the investments; - Investment staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and - Forward looking macro-economic factors. The Group considered current and anticipated future economic conditions relating to industries the Group deals. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its investments to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID - 19. There is a large increase in the data inputs required for the computation of ECL. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model and therefore we identified allowance for credit losses of investments as a key audit matter.	• Analysed the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions arising from the COVID-19 pandemic; • For a sample of investments and allowance for the credit loss thereon, we tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. • Verified the data inputs used for probability of default and loss given defaults; • Verified the computation of the allowance for credit losses and tested the mathematical accuracy ; and • Assessed the appropriateness of the disclosure in the consolidated financial statements in accordance with the applicable financial reporting framework.
2	**Loans and impairment loss allowance** (note 1, 3, 35 and 36 of the consolidated financial statements) The value of loans as at 31 March 2020 is significant and there is a high degree of complexity and judgment involved for the Group in estimating individual and collective credit impairment provisions and write-offs against these loans. Recognition and measurement of impairment relating to the loans measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. The Group's impairment allowance is computed based on	**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 Group. We also assessed whether the impairment methodology used by the Group is in line with Ind AS 109 "Financial instruments" requirements. Particularly, we assessed the approach of the Group regarding definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of

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	estimates including the historical default and loss ratios. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are: - Credit ratings of the parties to whom loans have been given - Loans staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and - Forward looking macro-economic factors. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its loans to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID - 19. There is a large increase in the data inputs required for the computation of ECL of loans. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model and therefore we identified allowance for credit losses of loans as a key audit matter.	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 Group. • 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 Group; • We have assessed the assumptions made by the Company in making provision considering forward looking information.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of

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appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibility for the audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 financial controls 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 Holding Company and its subsidiary which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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 consolidated 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 Matters

We did not audit the financial statements of the subsidiary company, whose financial statements reflect total assets of Rs. 1216.71 Lakhs as at 31 March 2020, total revenues of Rs. 117.36 Lakhs, net profit after tax of Rs. 38.04 Lakhs and net cash out flows amounting to Rs. 220.94 Lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.



(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) There were no pending litigations which would impact the consolidated financial position of the Group;

(ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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

RAMESH GUPTA

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SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 20102306AAAAAX6907

Place: Mumbai
Date: 23 June 2020

ANNEXURE 'A' 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")

In conjunction with our audit of the consolidated financial statements of the A. K. Capital Finance Limited ("the Holding Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting with reference to the financial statements of the Holding Company and its subsidiary company which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 ("the 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 the respective 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 internal financial controls over financial reporting of the Holding Company and its subsidiary company which is incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI (the "Guidance Note") and the Standards 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 and to the best of our information and according to the explanations given to us and based on the consideration of reporting of other auditors as mentioned in "Other Matter" paragraph, the Holding Company and its subsidiary company, which are incorporated in India, have, 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 2020, based on the internal control over financial reporting criteria established by the Holding 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 ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it related to one subsidiary company which is incorporated in India, is based on the corresponding reports of the auditors of such subsidiary company incorporated in India.

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

RAMESH GUPTA
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SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 20102306AAAAAX6907

Place: Mumbai
Date: 23 June 2020

A. K. Capital Finance Limited

Consolidated Balance Sheet as at 31 March 2020

Rs. in Lakhs

Particulars	Notes	As at 31-March-2020	As at 31-March-2019
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	**2**	8,547.43	658.64
(b) Bank balances other than (a) above	**2(b)**	-	250.00
(c) Loans	**3**	27,421.05	73,343.25
(d) Investments	**4**	54,438.28	70,272.82
(e) Other financial assets			
(i) Stock of securities	**5**	48,379.26	86,876.68
(ii) Other financial assets	**6**	2,593.75	1,713.02
Total financial assets		**141,379.77**	**233,114.41**
(2) Non-financial assets			
(a) Current tax assets (net)		-	160.58
(b) Deferred tax assets (net)	**17**	236.95	-
(c) Investment properties	**7**	1,027.84	1,045.72
(d) Property, plant and equipment	**8**	1,519.53	1,512.07
(e) Intangibles assets	**9**	17.66	28.17
(f) Other non financial assets	**10**	85.96	40.70
Total non-financial assets		**2,887.94**	**2,787.24**
TOTAL ASSETS		**144,267.71**	**235,901.65**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Trade payables	**11**		
(i) Total outstanding dues of micro enterprises and small enterprises		0.20	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		86.90	97.46
(b) Debt securities	**12**	50,722.00	71,752.00
(c) Borrowings (other than debt securities)	**13**	33,428.59	106,031.50
(d) Deposits	**14**	28.97	26.59
(e) Other financial liabilities	**15**	2,942.14	3,331.27
Total financial liabilities		**87,208.80**	**181,238.82**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)		141.51	41.03
(b) Provisions	**16**	71.25	67.65
(c) Deferred tax liabilities (net)	**17**	-	38.63
(d) Other non-financial liabilities	**18**	85.43	79.79
Total non-financial liabilities		**298.19**	**227.10**
TOTAL LIABILITIES		**87,506.99**	**181,465.92**
EQUITY			
(a) Equity share capital	**19**	8,829.38	8,829.38
(b) Other equity	**19(b)**	47,931.34	45,606.35
(c) Non controlling interest		-	-
TOTAL EQUITY		**56,760.72**	**54,435.73**
TOTAL LIABILITIES AND EQUITY		**144,267.71**	**235,901.65**

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

RAMESH GUPTA
Digitally signed by RAMESH GUPTA
DN: cn=RAMESH GUPTA, c=IN, st=Maharashtra, o=Personal, serialNumber=58850e070d0e077 28cfceae5722cc26b267511a51661 a740bf3955b1790bbe0b41
Date: 2020.06.23 19:07:34 +05'30'

Ramesh Gupta
Partner
Membership No. 102306

SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

A. K. CAPITAL FINANCE LIMITED MUMBAI

For and on behalf of the Board of Directors of
A. K. Capital Finance Limited

ATUL KUMAR MITTAL
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DN: c=IN, o=Personal, postalCode=400005, st=MAHARASHTRA, serialNumber=fd3e66815a1143e 5a2bedd945aad6610d8adcbf7bad 98732ba6eb497fb6836c2f, cn=ATUL KUMAR MITTAL
Date: 2020.06.23 18:41:54 +05'30'

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

Digitally signed by ANNU GARG
DN: c=IN, o=Personal, postalCode=400025, st=MAHARASHTRA, serialNumber=260c4176ecc241 aa1fbd74ae38c42a155d5c7305 6751cb42b0ec846328e73b4b, cn=ANNU GARG
Date: 2020.06.23 18:08:05 +05'30'

Annu Garg
Director
(DIN : 07817550)

MAHESH KUMAR BHOOTRA
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Date: 2020.06.23 18:23:56 +05'30'

Mahesh Bhootra
Chief Financial Officer

Digitally signed by GOVIND LALWANI
DN: c=IN, o=Personal, title=1979, pseudonym=18b26d29f69c6bd2abcf5d019c 61ed330bf82345, 2.5.4.20=bb6bc6ed0eb6479bba2ac3f1a814f461e 8a2be70a2c1425b44bce439ecadc729a, postalCode=302004, st=RAJASTHAN, serialNumber=ee4868ef9d4bb5c8708c45490ad2 191c49b7b9c3f59eab61f780f2045dd14cdb73 , cn=GOVIND LALWANI
Date: 2020.06.23 18:25:34 +05'30'

Govind Lalwani
Company Secretary
(ACS : A38806)

Place: Mumbai
Dated : 23 June 2020

Place: Mumbai
Dated : 23 June 2020

A. K. Capital Finance Limited

Consolidated Statement of profit and loss for the year ended 31 March 2020

Rs. in Lakhs

Particulars	Notes	For the year ended 31-March-2020	For the year ended 31-March-2019
Revenue from operations			
Interest income	**20**	15,066.37	19,811.82
Fees and commission income	**21**	-	867.30
Net gain on fair value changes	**22**	2,974.26	1,719.15
Net gain on derecognition of financial instruments under amortised cost category		68.73	-
Dividend income		-	36.61
Rental income		86.76	83.53
Total revenue from operations		**18,196.12**	**22,518.41**
Other income	**23**	169.73	-
Total income		**18,365.85**	**22,518.41**
EXPENSES			
Finance costs	**24**	10,388.05	13,560.95
Fees and commission expense	**25**	666.59	213.74
Impairment on financial instruments	**26**	(12.00)	88.47
Employee benefits expenses	**27**	1,662.53	1,766.07
Depreciation and amortization expense		236.19	93.65
Other expenses	**28**	749.82	591.31
Total expenses		**13,691.18**	**16,314.19**
Profit before exceptional items and tax		**4,674.67**	**6,204.22**
Exceptional items		-	-
Profit before tax		**4,674.67**	**6,204.22**
Tax expense:			
Current tax		1,076.61	1,718.00
Prior period tax adjustment		168.48	(7.29)
Deferred tax expense/ (credit)		(271.43)	(148.30)
Profit for the year [A]		**3,701.01**	**4,641.81**
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit and loss	**29**	(16.14)	6.08
Less: Income tax expense on above		4.16	(2.75)
Other comprehensive income for the year [B]		**(11.98)**	**3.33**
Total comprehensive Income for the year [A+B]		**3,689.03**	**4,645.14**
Profit for the year attributable to			
Owner of the Company		3,701.01	4,641.81
Non controlling interest		-	-
Other comprehensive income for the year attributable to			
Owner of the Company		(11.98)	3.33
Non controlling interest		-	-
Total comprehensive income for the year attributable to			
Owner of the Company		3,689.03	4,645.14
Non controlling interest		-	-
Earnings per equity share (Rs.)	**32**		
Basic earnings per share		**13.94**	**17.49**
Diluted earnings per share		**13.94**	**17.49**

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

RAMESH GUPTA
Digitally signed by RAMESH GUPTA
DN: cn=RAMESH GUPTA, c=IN, st=Maharashtra, o=Personal, serialNumber=58850e070d0e0772 8cfeae5722c26b267511a61661a7 40bf3855b17600be0b41
Date: 2020.06.23 19:08:06 +05'30'

Ramesh Gupta
Partner
Membership No. 102306

Place: Mumbai
Dated : 23 June 2020

For and on behalf of the Board of Directors of
A. K. Capital Finance Limited

ATUL KUMAR MITTAL
Digitally signed by ATUL KUMAR MITTAL
DN: c=IN, o=Personal, postalCode=400005, st=MAHARASHTRA, serialNumber=fd3a66815a1143e5 a2bbdd45aad6610d8adcbf7ba098 732ba6eb497fb6836c2f, cn=ATUL KUMAR MITTAL
Date: 2020.06.23 18:44:32 +05'30'

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

MAHESH KUMAR BHOOTRA
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DN: c=IN, o=Personal, postalCode=400067, st=Maharashtra, 2.5.4.20=5fd5d0f32f40da7b8ea559bbbb178f5f 9d9e1190979eaea2591 1e6c32ed19c4, serialNumber=73713e4696644 1a85899c616bea 2d4fdd7f8f59cd2fa2378f0017d902e4e4d, cn=MAHESH KUMAR BHOOTRA
Date: 2020.06.23 18:23:52 +05'30'

Mahesh Bhootra
Chief Financial Officer

Place: Mumbai
Dated : 23 June 2020

Digitally signed by ANNU GARG
DN: c=IN, o=Personal, postalCode=400025, st=MAHARASHTRA, serialNumber=260c4176ecc241aa1fb d74ae38c42a155d5c73056751cb42b 0ec846328e73b4b, cn=ANNU GARG
Date: 2020.06.23 18:09:48 +05'30'

Annu Garg
Director
(DIN : 07817550)

GOVIND LALWANI
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DN: c=IN, o=Personal, title=1974, 2.5.4.20=e3f3e3f83d5c5d01fddfee033dc8024f5 2144204a4ae4e4f44794a3ae1f1d414d4e3be39ca7c1d2 5b545be4395cea6e729e, postalCode=500304, st=HYDERABAD, serialNumber=ae888d9fb9b6b5018b4548da2191c4b7bbc3f 39aa63ff7f882d3f4da014c0b73, cn=GOVIND LALWANI
Date: 2020.06.23 18:26:47 +05'30'

Govind Lalwani
Company Secretary
(ACS : A38806)

A. K. Capital Finance Limited

Consolidated Statement of Cash Flows for the year ended 31 March 2020

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Cash flow from/(used in) operating activities		
Profit before tax	4,674.67	6,204.22
Adjustment for:		
Depreciation	236.19	93.65
Loss / (Profit) on sale of property, plant and equipment	(89.50)	17.68
Loss / (Profit) on termination of lease	(0.23)	-
Loss / (Profit) on redemption of non convertible debenture	(80.00)	-
Amortisation of processing fees income	145.41	(18.77)
Amortisation of processing fees expenses	47.96	(23.42)
Unwinding Income	(20.76)	(15.83)
Unwinding Expense	23.65	1.25
Amortisation of security deposits	(29.24)	14.51
Net gain on fair value changes	652.60	(220.48)
Interest income	(5,251.50)	(5,193.19)
Impairment of financial assets	(12.00)	88.47
Interest expenses	10,379.01	13,560.94
Movement in working capital:		
Increase/(decrease) in trade payable and other financial liabilities	(0.60)	45.72
(Increase)/decrease in trade receivables and other financial assets	421.43	838.95
(Increase)/decrease in loans	46,077.55	24,586.71
(Increase)/decrease of stock of securities	37,758.23	(35,721.30)
(Increase)/decrease in other assets	64.90	(181.81)
Increase/(decrease) in provision	9.68	15.58
Increase/(decrease) in deposits	2.62	3.12
Increase/(decrease) in other liabilities	1.59	(16.31)
Cash generated from/(used in) operations	**95,011.66**	**4,079.69**
Income tax paid	(994.35)	(1,630.80)
Cash generated from/(used in) operations [A]	**94,017.31**	**2,448.89**
Cash flow from/(used in) investing activities		
Proceeds from sale / (payment for purchases) of investments (net)	15,749.00	(8,276.34)
Payment for acquisition of Property, plant and equipments including capital advances	(49.93)	(11.04)
Payment for acquisition of intangible assets	(3.60)	(30.01)
Proceeds from sale of Property, plant and equipments	276.14	361.29
Interest received	3,925.20	5,193.19
Cash generated from/(used in) investing activities [B]	**19,896.81**	**(2,762.91)**
Cash flow from/(used in) financing activities		
Proceeds from long-term borrowings	-	79,500.00
Repayment of long-term borrowings	(41,510.09)	(11,697.86)
Proceeds from / (repayment) of short-term borrowings (net)	(52,302.85)	(55,584.99)
Repayment of lease liabilities	(114.90)	-
Dividends paid	(1,364.04)	(474.01)
Interest paid	(10,983.45)	(11,776.00)
Cash generated from/(used in) financing activities [C]	**(106,275.33)**	**(32.86)**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**7,638.79**	**(346.88)**
Add: Cash and cash equivalents at the beginning of the year	908.64	1,255.52
Cash and cash equivalents at the end of the year	8,547.43	908.64

Reconciliation of liabilities arising from financing activities

Rs. in Lakhs

Particular	Long-term borrowings	Short-term borrowings	Lease liabilities	Interest on above borrowings
As at 31 March 2019	**125,502.58**	**52,280.94**	**-**	**3,256.50**
Cash Flows	(41,510.09)	(52,302.85)	(137.44)	(10,983.45)
Transaction cost	158.10	21.91	299.19	22.54
Interest accrual	-	-	22.54	10,377.73
As at 31 March 2020	**84,150.59**	**-**	**184.29**	**2,673.32**

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-100010

RAMESH GUPTA
Digitally signed by RAMESH GUPTA
DN: cn=RAMESH GUPTA, c=IN, st=Maharashtra, o=Personal, serialNumber=58850e070d0e07728cfeae5722c26b267511a51661a7400d5955d17900be0641
Date: 2020.06.23 19:08:34 +05'30'

Ramesh Gupta
Partner
Membership No. 102306

Place: Mumbai
Dated : 23 June 2020

For and on behalf of the Board of Directors of
A. K. Capital Finance Limited

ATUL KUMAR MITTAL
Digitally signed by ATUL KUMAR MITTAL
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Date: 2020.06.23 18:47:16 +05'30'

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

MAHESH KUMAR BHOOTRA
Digitally signed by MAHESH KUMAR BHOOTRA
DN: c=IN, o=Personal, postalCode=400067, st=Maharashtra, 2.5.4.20=f45d50d0932960a7b8ea5596b6b17bf6108fb1196979eeaae25911edc32ad19c4, serialNumber=73753e488684 1ad58090cd16bea720b9bf7f95bc82fb253df0017d982bc4e302, cn=MAHESH KUMAR BHOOTRA
Date: 2020.06.23 18:21:43 +05'30'

Mahesh Bhootra
Chief Financial Officer

Place: Mumbai
Dated : 23 June 2020

ANNU GARG
Digitally signed by ANNU GARG
DN: c=IN, o=Personal, postalCode=400025, st=MAHARASHTRA, serialNumber=260c4176ecc241aa1fbd74e3fc42a155d5c73056751cb42b06c84632be73b4b, cn=ANNU GARG
Date: 2020.06.23 18:14:18 +05'30'

Annu Garg
Director
(DIN : 07817550)

GOVIND LALWANI
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Date: 2020.06.23 18:28:00 +05'30'

Govind Lalwani
Company Secretary
(ACS : A38806)

A. K. Capital Finance Limited

Consolidated Statement of changes in equity for the year ended 31 March 2020

A. Equity share capital

Equity shares — Rs. in Lakhs

Particulars	Number of shares	Amount
At 31 March 2018	23,293,750	2,329.38
Issue of share capital	-	-
At 31 March 2019	**23,293,750**	**2,329.38**
Issue of share capital	-	-
At 31 March 2020	**23,293,750**	**2,329.38**

Compulsory convertible preference shares — Rs. in Lakhs

Particulars	Number of shares	Amount
At 31 March 2018	6,500,000	6,500.00
Issue of share capital	-	-
At 31 March 2019	**6,500,000**	**6,500.00**
Issue of share capital	-	-
At 31 March 2020	**6,500,000**	**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 31 March 2018	**3,039.93**	**27,321.88**	**12,703.22**	**(4.94)**	**(1,624.87)**	**41,435.22**
Profit for the year	-	-	4,641.81	-	-	**4,641.81**
Other comprehensive income net of tax for the year	-	-	-	6.70	(3.37)	**3.33**
Transfer (to) /from reserves	928.91	-	(928.91)	-	-	**-**
Dividend paid on CCPS	-	-	(393.21)	-	-	**(393.21)**
Dividend distribution tax paid	-	-	(80.80)	-	-	**(80.80)**
Balance at 31 March 2019	**3,968.84**	**27,321.88**	**15,942.11**	**1.76**	**(1,628.24)**	**45,606.35**
Profit for the year	-	-	3,701.01	-	-	**3,701.01**
Other comprehensive income net of tax for the year	-	-	-	(11.98)	-	**(11.98)**
Transfer (to) /from reserves	735.02	-	(735.02)	-	-	**-**
Dividend paid on CCPS	-	-	(1,134.92)	-	-	**(1,134.92)**
Dividend distribution tax paid	-	-	(229.12)	-	-	**(229.12)**
Balance at 31 March 2020	**4,703.86**	**27,321.88**	**17,544.06**	**(10.22)**	**(1,628.24)**	**47,931.34**

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

RAMESH GUPTA
Digitally signed by RAMESH GUPTA
DN: cn=RAMESH GUPTA, c=IN, st=Maharashtra, o=Personal, serialNumber=58850e070d0e07728cfeee5722c26b26751 1a5166 1a740bf3955d17900be0b41, Date: 2020.06.23 19:09:01 +05'30'

Ramesh Gupta
Partner
Membership No. 102306

Place: Mumbai
Dated : 23 June 2020

For and on behalf of the Board of Directors of
A. K. Capital Finance Limited

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Date: 2020.06.23 18:50:09 +05'30'

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

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Date: 2020.06.23 18:15:57 +05'30'

Annu Garg
Director
(DIN : 07817550)

MAHESH KUMAR BHOOTRA
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Date: 2020.06.23 18:20:51 +05'30'

Mahesh Bhootra
Chief Financial Officer

GOVIND LALWANI
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DN: c=IN, o=Personal, title=1979, pseudonym=18b3fd10f0fc6b82a8d55d019c6 1ecb330c852d5, 2.5.4.20=b6a8c61e8b647bb2ae3f1a814fb81e8 a26e70c97c1425504b9e43f0ecadc729e, postalCode=302004, st=RAJASTHAN, serialNumber=aa888dfbf0b60cb7c8bc45490ad2 191c45b76bc3f2feab91f78020345dd14cdb73, cn=GOVIND LALWANI
Date: 2020.06.23 18:29:28 +05'30'

Govind Lalwani
Company Secretary
(ACS : A38806)

Place: Mumbai
Dated : 23 June 2020

1 Corporate information and significant accounting policies

Corporate information

The consolidated financial statements comprise of financial statements of A. K. Capital Finance Limited ('the Company' or 'the Holding Company' or 'Parent') and its subsidiaries (collectively, 'the Group'). 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 Group is primarily involved in Debt Market and is into trading of Debt securities (Non-SLR) and Investment in Government securities (SLR). The Group provides funding to the Corporates, thereby catering to the diversified needs of the clients and funding to individuals towards housing finance. The Group also offers multitude of fee-based financial services to its Corporate and Institutional clients, across various business sectors. It also The registered address of the Company is situated at 30-39, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400021. These financial statements of the Group for the year ended 31 March 2020 were authorized for issue by the Board of Directors on 23 June 2020.

Significant accounting policies

1.01 Basis of preparation and presentation of financial statements

These consolidated 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 consolidated 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 consolidated 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.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary (" the Group") as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
(ii) Exposure, or rights, to variable returns from its involvement with the investee, and
(iii) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) The contractual arrangement with the other vote holders of the investee
b) The ability to use its power over the investee to affect its returns
c) The Group's voting rights and potential voting rights
d) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

A. K. CAPITAL FINANCE LIMITED MUMBAI

The consolidated financial statements have been prepared on the following basis:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full) except as stated in point no (d). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(e) **Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in Consolidated Statement of Profit and Loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to Consolidated Statement of Profit and Loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(f) The excess of cost to the Parent Company of its investment in the subsidiary over the Parent Company's portion of equity of the subsidiary is recognised in the Consolidated Financial Statements as Goodwill. This Goodwill is tested for impairment at the end of the financial year. The excess of Parent Company's portion of equity over the cost of investment as at the date of its investment is treated as Capital Reserve.

(g) The financial statements of the subsidiary used in consolidation are drawn upto the same reporting date as that of the Parent Company.

(h) Following company is consolidated

Name of Company	Nature of principal activity	% of holding	
		As at 31 March 2020	As at 31 March 2019
Family Home Finance Private Limited	Housing Finance activity	100	100

The aforesaid subsidiary company has been incorporated on 29 June 2017 under the Companies Act, 2013.

1.02 Functional and presentation currency

Items included in the financial statements of Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). Indian rupee is the functional currency of the Group. All amounts are rounded to two decimal places to the nearest lakh, unless otherwise stated

1.03 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.

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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

1.04 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 Group.

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 Group 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 Group 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 Group'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 Group'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 Group 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.

1.05 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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.

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Fees and commission income

Revenue from fee-based activities are recognized when the services are rendered. Fees earned from contract with customer is recognised as and when performance obligation is satisfied. Fees or compnents of fees that are linked to certain performance are recognised after fulfilling the corresponding criteria.

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 Group 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.

1.06 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.

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.

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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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exist to set-off current tax assets and current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.07 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.

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 of assets

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.

1.08 Investment property

Property that is held for long term rental yield or for capital appreciation or both , and that is not occupied by the Group, 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.

1.09 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.

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.

1.1 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.

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1.11 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group 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 Group 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 Group 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.

1.12 Impairment of assets

a) **Financial assets**

The Group 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 Group applies a simplified approach in calculating Expected Credit Losses (ECLs) on trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

b) **Non-financial assets**

The Group 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 Group 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.

1.13 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 Group 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

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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 Group 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.

(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 Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Group 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 Group 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 Group 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.

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Financial liabilities:

Initial recognition and measurement

Financial liabilities are recognized when the Group 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 Group'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.

(b) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Group 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.

1.14 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.

1.15 Segment reporting:

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments.

Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

Segment information

Group's whole business is being considered as one segment.

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1.16 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 Group's cash management.

1.17 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 Group 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.

ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Group 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 Group. The Group'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 Group'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 Group, 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 Group 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 Group 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 Group are entitled to leave as per the leave policy of the Group. The liability in respect of unutilized leave balances is provided at the end of year and charged to the Statement of Profit and Loss.

1.18 Lease

As a lessee:

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

As a lessor:

Leases under which the Group 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.

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1.19 Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group 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.

1.20 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

1.21 Other changes to Ind AS

Following changes of Ind AS have also become applicable from financial year beginning 1 April 2019. However, the adoption of these changes does not have any impact on the financial statements as there are no transactions covered under these amendments:

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
Amendments to Ind AS 109: Prepayment Features with Negative Compensation
Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement
Amendments to Ind AS 28: Long-term interests in associates and joint ventures
Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation
Amendments to Ind AS 111: Joint Arrangements
Amendments to Ind AS 12: Income Taxes
Amendments to Ind AS 23: Borrowing Costs

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Rs. in Lakhs

2 (a) Cash and cash equivalents

Particulars	As at 31-March-2020	As at 31-March-2019
Cash on hand	20.18	31.08
Balances with banks	1,527.25	627.56
Fixed deposits with bank with maturity of less than 3 months	7,000.00	-
	8,547.43	**658.64**

(b) Bank balances other than cash and cash equivalents

Particulars	As at 31-March-2020	As at 31-March-2019
Fixed deposits with bank	-	250.00
	-	**250.00**

3 Loans (at amortised cost)

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
(A) Loans		
(i) Loans repayable on demand	4,500.00	400.00
(ii) Term loans	23,031.37	73,237.72
Total (A) -Gross	**27,531.37**	**73,637.72**
Less: Impairment loss allowance	110.32	294.47
Total (A) - Net	**27,421.05**	**73,343.25**
(B)		
(i) Secured by tangible and other assets	26,674.50	71,715.26
(ii) Unsecured	856.87	1,922.46
Total (B)-Gross	**27,531.37**	**73,637.72**
Less: Impairment loss allowance	110.32	294.47
Total (B)-Net	**27,421.05**	**73,343.25**
(C)		
(I) Loans in India		
(i) Public sector	-	-
(ii) Others	27,531.37	73,637.72
(II) Loans outside India	-	-
Total (C)- Gross	**27,531.37**	**73,637.72**
Less: Impairment loss allowance	110.32	294.47
Total(C)-Net	**27,421.05**	**73,343.25**

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4 Investments

Rs. in Lakhs

Particulars	As at 31-March-2020				
	Amortised cost	At fair value		Subtotal	Total
		Through other comprehensive Income*	Through profit or loss		
(I) Units of Mutual Funds	**-**	**-**	**2,721.90**	**2,721.90**	**2,721.90**
i) Quoted	-	-	2,721.90	2,721.90	2,721.90
(II) Government securities	**-**	**-**	**10,375.33**	**10,375.33**	**10,375.33**
i) Quoted	-	-	10,375.33	10,375.33	10,375.33
(III) Debt securities	**37,755.79**	**-**	**3,944.60**	**3,944.60**	**41,700.39**
i) Quoted	37,755.79	-	3,944.60	3,944.60	41,700.39
(IV) Equity instruments	**-**	**-**	**-**	**-**	**-**
i) Unquoted					
- in other companies	-	-	-	-	-
221,000 Equity shares of Neesa Leisure Limited of Rs.10 each*	-	-	-	-	-
Total – Gross (A)	**37,755.79**	**-**	**17,041.83**	**17,041.83**	**54,797.62**
(i) Investments outside India	-	-	-	-	-
(ii) Investments in India	37,755.79	-	17,041.83	17,041.83	54,797.62
Total (B)	**37,755.79**	**-**	**17,041.83**	**17,041.83**	**54,797.62**
Less: Allowance for Impairment loss (C)	359.34	-	-	-	359.34
Total – Net D= (A)-(C)	**37,396.45**	**-**	**17,041.83**	**17,041.83**	**54,438.28**

Rs. in Lakhs

Particulars	As at 31-March-2019				
	Amortised cost	At fair value		Subtotal	Total
		Through other comprehensive Income*	Through profit or loss		
(I) Units of Mutual Funds	**-**	**-**	**10.01**	**10.01**	**10.01**
i) Quoted	-	-	10.01	10.01	10.01
(I) Government securities	**13,220.98**	**-**	**-**	**-**	**13,220.98**
i) Quoted	13,220.98	-	-	-	13,220.98
(II) Debt securities	**41,643.97**	**-**	**14,225.60**	**14,225.60**	**55,869.57**
i) Quoted	41,643.97	-	14,225.60	14,225.60	55,869.57
(III) Equity instruments	**-**	**-**	**-**	**-**	**-**
i) Unquoted					
- 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**	**-**	**14,235.61**	**14,235.61**	**70,460.01**
(i) Investments outside India	-	-	-	-	-
(ii) Investments in India	56,224.40	-	14,235.61	14,235.61	70,460.01
Total (B)	**56,224.40**	**-**	**14,235.61**	**14,235.61**	**70,460.01**
Less: Allowance for Impairment loss (C)	187.19	-	-	-	187.19
Total – Net D= (A)-(C)	**56,037.21**	**-**	**14,235.61**	**14,235.61**	**70,272.82**

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

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
(I) Debt securities		
Quoted	48,314.48	86,866.82
(II) Exchange traded funds		
Quoted	64.78	9.86
Total – Gross (A)	**48,379.26**	**86,876.68**
(i) Stock of securities outside India	-	-
(ii) Stock of securities in India	48,379.26	86,876.68
Total – Gross (B)	**48,379.26**	**86,876.68**

6 Other financial assets

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Deposits		
Earnest money deposits	3.00	3.00
Rental deposits		
i) with relatives and directors	226.08	250.00
ii) with other parties	24.89	29.16
Other deposits	68.29	14.79
Interest accrued but not due on Investments / stock of securities	2,191.31	865.02
Other receivables	80.18	551.05
Total	**2,593.75**	**1,713.02**

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7 Investment property

Rs. in Lakhs

Particulars	Building under lease	Total
Gross block		
As at 31 March 2018	1,070.00	1,070.00
Additions	-	-
Disposals	-	-
As at 31 March 2019	**1,070.00**	**1,070.00**
Additions	-	-
Disposals	-	-
As at 31 March 2020	**1,070.00**	**1,070.00**
Accumulated depreciation		
As at 31 March 2018	6.45	6.45
Additions	17.83	17.83
Disposals	-	-
As at 31 March 2019	**24.28**	**24.28**
Additions	17.88	17.88
Disposals	-	-
As at 31 March 2020	**42.16**	**42.16**
Net Block		
As at 31 March 2019	**1,045.72**	**1,045.72**
As at 31 March 2020	**1,027.84**	**1,027.84**

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

The fair value of the Group's investment properties as at 31 March 2019 was arrived on the basis of valuation carried out by an external independent valuer registered with the authority which governs the valuer in India. However, for the year ended 31 March 2020, the management has considered the input based on prevailing average market rate of the nearby similar properties. 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. Since the fair value of the properties is determined by the management for the year ended 31 March 2020, the management has considered to give the sensitivity analysis for the value of the properties due to COVID-19 pandemic.

Sensitivity Level (a hypothetical increase / (decrease) by) 10% would result in increase / (decrease) in fair value by Rs. 132.30 lakhs.

Rs. in Lakhs

Particulars	Building under lease	Total
As at 1 April 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**
Changes in the fair value	201.32	201.32
Closing balance as on 31 March 2020	**1,322.96**	**1,322.96**

7(b) Direct operating expenses arising from investment property

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Rental income derived from investment properties	86.76	83.53
Direct operating expenses (including repairs & maintenance) generating rental income	1.21	1.21
Direct operating expenes (including repairs & maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	**85.55**	**82.32**
Less: Depreciation	17.88	17.83
Profit arising from investment properties before indirect expenses	**67.67**	**64.49**

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8 Property, plant and equipment

Rs. in Lakhs

Particulars	Computers	Office equipments	Furniture and fixtures	Vehicles	Building Owner-occupied property	Building Right-of-use (Refer note 33)	Total
Cost							
As at 31 March 2018	23.60	12.38	48.94	134.35	1,786.22	-	2,005.49
Additions	4.58	1.22	-	-	5.24	-	11.04
Disposals	1.28	-	-	37.93	364.51	-	403.72
As at 31 March 2019	**26.90**	**13.60**	**48.94**	**96.42**	**1,426.95**	**-**	**1,612.81**
Additions	45.93	1.55	2.45	-	-	356.51	406.44
Disposals	-	-	-	9.96	188.90	9.27	208.13
As at 31 March 2020	**72.83**	**15.15**	**51.39**	**86.46**	**1,238.05**	**347.24**	**1,811.12**
Depreciation:							
As at 31 March 2018	5.47	2.86	4.84	20.41	26.81	-	60.39
Additions	8.37	3.14	5.44	22.64	25.51	-	65.10
Disposals	-	-	-	18.86	5.89	-	24.75
As at 31 March 2019	**13.84**	**6.00**	**10.28**	**24.19**	**46.43**	**-**	**100.74**
Additions	15.43	3.14	5.48	12.34	22.75	145.06	204.20
Disposals	-	-	-	4.52	7.71	1.12	13.35
As at 31 March 2020	**29.27**	**9.14**	**15.76**	**32.01**	**61.47**	**143.94**	**291.59**
Net Block							
As at 31 March 2019	**13.06**	**7.60**	**38.66**	**72.23**	**1,380.52**	**-**	**1,512.07**
As at 31 March 2020	**43.56**	**6.01**	**35.63**	**54.45**	**1,176.58**	**203.30**	**1,519.53**

1) Vehicles include vehicles hypothecated against loan taken having net block of as at 31 March 2020 Rs. 48.09 lakhs (as at 31 March 2019 Rs.63.87 lakhs)
2) Building include premises hypothecated against loan taken having net block of as at 31 March 2020 Rs. 693.16 lakhs (as at 31 March 2019 Rs.706.03 lakhs).

Notes to the consolidated financial statements for the year ended 31 March 2020

9 Intangible assets

Rs. in Lakhs

Particulars	Software	Total
Cost		
As at 31 March 2018	13.05	13.05
Additions	30.01	30.01
Disposals	-	-
As at 31 March 2019	**43.06**	**43.06**
Additions	3.60	3.60
Disposals		-
As at 31 March 2020	**46.66**	**46.66**
Accumulative amortisation:		
As at 31 March 2018	4.17	4.17
Additions	10.72	10.72
Disposals	-	-
As at 31 March 2019	**14.89**	**14.89**
Additions	14.11	14.11
Disposals		-
As at 31 March 2020	**29.00**	**29.00**
Net book value:		
As at 31 March 2019	**28.17**	**28.17**
As at 31 March 2020	**17.66**	**17.66**

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10 Other non-financial assets

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Balance with government authorities	64.40	14.07
Prepaid expenses	20.45	26.08
Other advances	1.11	0.55
Total	**85.96**	**40.70**

11 Trade payables

Particulars	As at 31-March-2020	As at 31-March-2019
Total outstanding dues of micro enterprises and small enterprises	0.20	-
Total outstanding dues of creditors other than micro and small enterprises	86.90	97.46
Total	**87.10**	**97.46**

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 Group :

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.20	-
(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	-	-

12 Debt securities (At amortised cost)

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Non-convertible debentures (Refer note no. 41)	50,722.00	71,752.00
Total (A)	**50,722.00**	**71,752.00**
Debt securities in India	50,722.00	71,752.00
Debt securities outside India	-	-
Total (B)	**50,722.00**	**71,752.00**

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

13 Borrowings (Other than debt securities) (At amortised cost)

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
(a)Term loans		
(i) from banks*	32,851.01	53,108.42
(ii) from NBFC**	541.40	588.91
(b) Loans repayable on demand		
(i) from banks***	-	40,280.92
(c) Other loans		
Collaterlised Borrowing and Lending Obligation (CCIL)****	-	12,000.00
Vehicle loans*****	36.18	53.25
Total (A)	**33,428.59**	**1,06,031.50**
Borrowings in India	33,428.59	1,06,031.50
Borrowings outside India	-	-
Total (B)	**33,428.59**	**1,06,031.50**
Secured	33,428.59	1,06,031.50
Unsecured	-	-
Total (C)	**33,428.59**	**1,06,031.50**

* 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 Group, 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 Group, 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 Group, in favour of the security trustee.

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

***** 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-2020	As at 31-March-2019
Rental deposits	28.97	26.59
Total	**28.97**	**26.59**

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15 Other financial liabilities

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Interest accrued but not due on borrowings	2,673.32	3,256.50
Lease liability	184.29	-
Employee dues	84.00	74.77
Other payables	0.53	-
Total	**2,942.14**	**3,331.27**

16 Provisions:

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Provision for employee benefits		
Gratuity (Refer Note No. 38)	71.25	58.94
Leave encashment	-	8.71
Total	**71.25**	**67.65**

17 Deferred tax (assets) / liabilities

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Deferred tax liabilities		
On account of:		
Depreciation	123.64	108.27
Right-of-use and lease liabilities	4.79	-
Fair value gain on investments in debt securities	-	108.24
Transaction cost on financial assets	4.52	19.19
Less: Deferred tax assets:		
Disallowance of share issue expenses	(7.70)	(13.32)
Impairment allowance on loans and advances	(27.64)	(85.56)
Impairment allowance on investments	(90.44)	(54.51)
Fair value gain on investments in debt securities	(165.20)	-
EIR on HTM Securities	(2.39)	-
Expenses allowable on payment basis (gratuity)	(17.93)	(17.16)
Transaction cost on financial liabilities	(58.60)	(26.52)
Deferred tax liabilities (net)	**(236.95)**	**38.63**

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18 Other non-financial liabilities

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Statutory dues	85.21	78.57
Deferred lease income	0.22	1.22
Total	**85.43**	**79.79**

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19 (a) Equity share capital

(i) Equity shares

Particulars	As at 31-March-2020		As at 31-March-2019	
	Number of shares	Amount (Rs. in lakhs)	Number of shares	Amount (Rs. in lakhs)
Authorized:				
Equity shares of Rs. 10 each	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**
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
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**

Details of the shares held by its holding company (i.e. A. K.Capital Services Limited):

Name of the shareholder	As at 31-March-2020		As at 31-March-2019	
	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%
Preference shares of Rs 100 per share	45,00,000	69.23%	25,00,000	38.46%

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

Name of the shareholder	As at 31-March-2020		As at 31-March-2019	
	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%

The reconciliation of the number of shares outstanding:

Particulars	As at 31-March-2020	As at 31-March-2019
Shares at the beginning of the year	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**

(ii) Compulsory convertible preference shares

Details of shareholders holding more than 5% compulsory convertible preference shares in the Holding Company on reporting date:

Name of the holder	As at 31-March-2020		As at 31-March-2019	
	Numbers of shares	Percentage holding	Numbers of shares	Percentage holding
A. K. Mittal	20,00,000	30.77%	30,00,000	46.16%
A. K. Capital Services Limited	45,00,000	69.23%	25,00,000	38.46%
A. K. Services Private Limited	-	-	10,00,000	15.38%

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

Particulars	As at 31-March-2020	As at 31-March-2019
Shares at the beginning of the year	65,00,000	65,00,000
Add :Shares issued during the year	-	-
Shares at the end of the year	**65,00,000**	**65,00,000**

Rights, preferences and restrictions attached to equity shares

The Holding 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 Holding Company, the holder of equity shares will be entitled to receive remaining assets of the Holding 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

The Holding Company has issued 6,500,000 Compulsory Convertible Preference Shares (CCPS) of Rs 100 each fully paid-up. The Holding 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 Holding 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 (i.e.28 September 2017) 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.

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(b) Other equity

Particulars	As at 31-March-2020	As at 31-March-2019
Special reserve		
At the beginning of the year	3,968.84	3,039.93
Add: Current year transfer	735.02	928.91
Closing balance of special reserve (A)*	**4,703.86**	**3,968.84**
Securities premium account		
At the beginning of the year	27,321.88	27,321.88
Add: Current year transfer	-	-
Closing balance of securities premium account (B)	**27,321.88**	**27,321.88**
Other comprehensive income		
At the beginning of the year	(1,626.48)	(1,629.81)
Add: Other comprehensive income for the year	(11.98)	3.33
Closing balance of other comprehensive income (C)	**(1,638.46)**	**(1,626.48)**
Retained earnings		
At the beginning of the year	15,942.11	12,703.22
Add: Profit for the year	3,701.01	4,641.81
Less: Dividend paid on CCPS	1,134.92	393.21
Less: Dividend distribution tax paid	229.12	80.80
Less: Transfer to special reserve	735.02	928.91
Closing balance of retained earnings (D)	**17,544.06**	**15,942.11**
Total (A+B+C+D)	**47,931.34**	**45,606.35**

*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.





20 Interest income

Rs. in Lakhs

Particulars	For the year ended 31-March-2020			For the year ended 31-March-2019		
	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	5,474.97	-	5,474.97	11,591.30	-	11,591.30
Processing fees income	311.17	-	311.17	199.22	-	199.22
Interest income from investments	3,666.82	1,581.43	5,248.25	4,287.01	906.18	5,193.19
Interest income from stock of securities	-	4,006.33	4,006.33	-	2,750.13	2,750.13
Interest on deposits with banks	4.89	-	4.89	62.15	-	62.15
Other interest income	20.76	-	20.76	15.83	-	15.83
Total	**9,478.61**	**5,587.76**	**15,066.37**	**16,155.51**	**3,656.31**	**19,811.82**

21 Fees and commission income

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Syndication and other fees	-	867.30
Total	**-**	**867.30**

22 Net gain/(loss) on fair value changes

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Net gain/(loss) on financial instruments at fair value		
-Investments	1,846.20	57.62
-Stock of securities	1,196.79	1,661.53
	3,042.99	**1,719.15**
Net gain/(loss) on financial instruments at fair value		
-Realised	3,705.78	1,498.67
-Unrealised	(662.79)	220.48
Total	**3,042.99**	**1,719.15**
Additional Information :		
Profit / (loss) on sale of Investments (actual) (A)	1,841.31	731.80
Net gain/(loss) on investments due to fair value change (B)		
-Realised	(71.51)	(600.58)
-Unrealised	76.40	(73.60)
Total (A+B)	**1,846.20**	**57.62**
Profit on sale of stock of securities (actual) (C)	2,229.75	1,490.11
Net gain/(loss) on stock of securities due to fair value change (D)		
-Realised	(293.77)	(122.66)
-Unrealised	(739.19)	294.08
Total (C+D)	**1,196.79**	**1,661.53**

23 Other income

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Profit on sale of property, plant and equipment (net)	89.50	-
Profit on redemption of non convertible debentures	80.00	-
Gain on termination of lease	0.23	-
Total	**169.73**	-

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

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Interest on borrowings	4,281.89	6,564.24
Interest on debt securities	5,818.58	6,253.83
Interest on income tax	10.32	0.01
Other interest expense	277.26	742.87
Total	**10,388.05**	**13,560.95**

25 Fees and commission expense

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Incentive expenses	666.59	213.74
Total	**666.59**	**213.74**

26 Impairment of financial instruments

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
On financial instruments measured at amortised cost		
Loans (net)	(184.15)	(98.72)
Investments (net)	172.15	187.19
Total	**(12.00)**	**88.47**

27 Employee benefits expenses

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Salaries and wages	1,622.49	1,723.59
Gratuity	16.91	17.98
Employers contribution to provident fund	12.52	14.59
Staff welfare expenses	10.61	9.91
Total	**1,662.53**	**1,766.07**

28 Other expenses

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Rent, taxes and energy costs	20.45	175.18
Travelling expense	78.73	91.13
Repairs and maintenance	16.35	23.30
Advertisement and publicity	8.43	23.84
Auditor's fees and expenses		
-for audit fees	5.08	2.96
-for tax audit fees	0.60	0.60
-for other services	3.19	1.68
Legal and professional charges	170.92	97.05
Loss on sale of property, plant and equipment (net)	-	17.68
Corporate social responsibilities (Refer note no.31)	233.50	32.00
Insurance expenses	8.36	6.26
Communication costs	9.27	7.38
Software expenses	70.97	0.08
Director"s fees, allowances and expenses	9.92	7.95
Miscellaneous expenses	114.05	104.22
Total	**749.82**	**591.31**

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29 Other comprehensive income **Rs. in Lakhs**

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Items that will not be reclassified to profit or loss		
a. Remeasurement of defined benefit obligation	(16.14)	9.44
b. Equity instruments through other comprehensive income	-	(3.36)
Total	**(16.14)**	**6.08**

30 Segment reporting

In accordance with Indian Accounting Standard (Ind AS) 108, the Group 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.

31 Corporate social responsibility (CSR) expenditure

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Group. 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-2020
Gross amount required to be spent by the Company during the financial year (including previous years' shortfall of Rs.133.47 lakhs)	248.39

Amount spent during the 2019-20	Yet to be paid in Cash (Rs.)	In Cash (Rs.)	Total (Rs.)
(i) Construction/acquisitionof any asset	-	-	-
(ii) Donation for promoting education	-	-	-
(iii) Donation for promoting preventive health care and sanitation	-	-	-
(iv) Donation for empowering woman and setting up homes	-	-	-
(v) contribution to any fund set up by the Central Government for socio-economic development and relief qualifies	-	233.50	233.50
Short fall in CSR Expenditure			**14.89**

32 Earnings per share (EPS)

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Net profit after tax available for equity share holders (Rs in lakhs.) [A]	3,701.01	4,641.81
Weighted average number of equity shares outstanding during the year for basic and diluted earnings per share (Nos.)* [B]	26,543,750	26,543,750
Basic earnings per share (Rs.) [A/B]	13.94	17.49
Diluted earnings per share (Rs.) [A/B]	13.94	17.49
Nominal value of share (Rs.)	10.00	10.00

*Weighted average number of equity shares outstanding includes weighted average numbers of compulsorily convertibles preference shares.

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33 Leases

(i) Lease commitments as lessee:

The Group has entered into agreements for taking on lease certain guest house and office on lease and licence basis. The lease term is for a period ranging from 36 to 52 months. The Company has contracts which have fixed rentals.

Transition

From 01 April 2019, the Indian Accounting Standard i.e. IND-AS 116 "Leases" became effective, the Group has adopted the standard with modified retrospective approach as per Para C8 (c) (ii) of IND AS 116 and recognised asset in the form of "Right of use asset", (representing its right of use the leased asset over the lease term) and also liability towards the present value of the balance of future lease payments for the leases.
The following is the summary of practical expedients elected on initial application:
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Following are the changes in the carrying value of right-of-use assets (disclosed under note 8 - property, plant and equipment) for the year ended 31 March 2020:

Rs. in Lakhs

Particulars	**Building Right-of-use**
Reclassified on account of adoption of Ind AS 116	356.51
Deduction on account of termination of lease	9.27
Closing gross block value of account on adoption of Ind AS 116	**347.24**
Depreciation charged for the year	145.06
Deduction on account of termination of lease	1.12
Closing accumulated depreciation of account on adoption of Ind AS 116	**143.94**
Closing net block value as at 31 March 2020	**203.30**

Carrying value of lease liabilities is disclosed under note 15 - other financial liabilities at Rs. 184.29 Lakhs as at 31 March 2020.

The following is the movement in lease liabilities during the year ended 31 March 2020

Rs. in Lakhs

Particulars	**For the year ended 31-March-2020**
Balance at the beginning of the year	-
Additions	307.28
Finance cost accrued during the year	22.54
Deletions	(8.09)
Payment of lease liabilities	(137.44)
Balance at the end of the year	**184.29**

In the consolidated statement of profit and loss for the year ended 31 March 2020, the nature of expenses in respect of operating leases has changed from lease rent to depreciation cost for the right of use asset and finance cost for interest accrued on lease liability. To this extent performance for the year ended 31 March 2020 is not comparable with previous year.

Rs. in Lakhs

Adjustments to Increase/ (decrease) in net profit	**For the year ended 31 March 2020 comparable basis**	**Changes due to IND AS 116 Increase / (decrease)**	**For the year ended 31 March 2020 as reported**
Other income	169.50	0.23	169.73
Other expense	887.26	(137.44)	749.82
Finance costs	10,365.51	22.54	10,388.05
Depreciation and amortisation expense	91.13	145.06	236.19
Profit before tax	4,704.60	(29.93)	4,674.67

Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the Group's financial statements for year ended 31 March 2020.

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Contractual maturities of lease liabilities:

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

Rs. in Lakhs

Particulars	As at 31-March-2020
Not later than one year	136.32
Later than one year and not later than five years	61.60
More than five years	-

The cash outflow of lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year 2019-2020 is Rs.137.44 lakhs.

(ii) Where the Group is lessor:

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

Rs. in Lakhs

Particulars	As at 31-March-2020	As at 31-March-2019
Not later than one year	8.43	40.63
Later than one year and not later than five years	-	8.43

The amount of minimum lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year 2019-2020 is Rs.86.76 lakhs and for financial year 2018-2019 is Rs.83.53 lakhs.

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34 Related party relationships:

Nature of relationship	Name of Related Party
Holding company	A. K. Capital Services Limited
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 (Upto 25 July 2019) (Executive director) Mr. Abhinav Kumar Mittal (Upto 20 September 2018) (Executive director) Ms. Annu Garg (Executive Director from 02 April 2019) Mr. Mahesh Bhootra (Chief financial officer) Mr. Govind Lalwani (Company secretary) 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 India Bond 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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34 Related party transactions (Continued) **Rs. in Lakhs**

Related party transactions during the year:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Brokerage paid		
A. K. Stockmart Private Limited	89.29	61.63
Demat charges paid		
A. K. Stockmart Private Limited	1.17	1.10
Key managerial remuneration *		
Short term benefits	216.44	437.47
Director's sitting fees	8.25	7.00
Rent paid		
Mr. A. K. Mittal	36.00	36.00
Mrs. Aditi Mittal	24.00	24.00
Mrs. Anshu	18.00	18.00
Repairs and maintainance of car		
M Square Automobile Private Limited	1.63	1.13
Interest income on loan given		
A. K. Services Private Limited	458.95	-
M Square Automobile Private Limited	81.13	206.89
Goodwill Capital Services Private Limited	-	111.62
Loan given		
A. K. Services Private Limited	13,750.00	-
(Revolving Credit Sanction Limits amounting upto a maximum amount of Rs.8,000 lakhs)		
M Square Automobile Private Limited	1,845.00	1,600.00
(Revolving Credit Sanction Limits amounting to C.Y. Rs.1,450 lakhs P.Y. Rs.3,500 lakhs)		
Goodwill Capital Services Private Limited	-	11,510.00
(Revolving Credit Sanction Limit amounting to Rs.5,000 lakhs valid till 31 March 2019)		
Repayment of loan given		
A. K. Services Private Limited	9,250.00	-
(Revolving Credit Sanction Limits amounting upto a maximum amount of Rs.8,000 lakhs)		
M Square Automobile Private Limited	2,245.00	2,700.00
(Revolving Credit Sanction Limits amounting to C.Y. Rs.1,450 lakhs P.Y. Rs.3,500 lakhs)		
Goodwill Capital Services Private Limited	-	11,510.00
(Revolving Credit Sanction Limit amounting to Rs.5,000 lakhs valid till 31 March 2019)		
Goodwill Capital Services Private Limited (Term Loan)	-	1,030.00
Non convertible debentures issued (excluding accrued interest)		
A. K. Capital Services Limited	-	500.00
A. K. Stockmart Private Limited	-	1,700.00
Interest expenses on non convertible debentures		
A. K. Capital Corporation Private Limited	0.76	3.11
A. K. Wealth Management Private Limited	-	1.95
A. K. Stockmart Private Limited	-	3.40
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	60,528.59	61,206.56
A. K. Services Private Limited	53,670.10	38,061.71
A. K. Wealth Management Private Limited	500.08	2,850.00
A. K. Capital Corporation Private Limited	1,310.12	-
Family Home Consultancy Services Private Limited	100.00	-
A. K. Capital Markets Limited	20.00	-
A. K. Capital Services Limited	45,541.45	-
Mrs. Aditi Mittal	-	18.54

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34 Related party transactions (Continued) **Rs. in Lakhs**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of securities (excluding accrued interest)		
A. K. Stockmart Private Limited	10,275.52	17,062.45
A. K. Services Private Limited	5,754.96	1,927.29
Family Home Consultancy Services Private Limited	99.80	-
A. K. Capital Services Limited	28,145.02	-
A. K. Wealth Management Private Limited	100.00	363.43
Software expenses		
India Bond Private Limited	60.00	-
Professional fees		
A. K. Services Private Limited	42.00	-
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
A. K. Capital Corporation Private Limited	25.00	-
Family Home Consultancy Services Private Limited	-	24.00

Related party closing balances:

Particulars	As at 31 March 2020	As at 31 March 2019
Balances receivable		
A. K. Stockmart Private Limited	75.60	-
Trade payable		
A. K. Stockmart Private Limited	0.62	1.13
M Square Automobile Private Limited		0.49
Loans outstanding		
A. K. Services Private Limited	4,500.00	-
M Square Automobile Private Limited	-	400.00
Security deposit		
A. K. Mittal	100.00	100.00
Aditi Mittal	100.00	100.00
Anshu	50.00	50.00
Non convertible debentures held		
A. K. Stockmart Private Limited	-	25.00
Interest accrued on non convertible debentures held		
A. K. Stockmart Private Limited	-	0.20
Guarantee		
Corporate Guarantee given by holding company to bank for working capital demand loan taken by the Group	27,500.00	27,500.00

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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35 Financial instruments

The risk management policies of the Group are established to identify and analyse the risks faced by the Group, 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 Group's activities.
The Management has overall responsibility for the establishment and oversight of the Group's risk management framework. In performing its operating, investing and financing activities, the Group 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 2020 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	8,547.43	-	-	8,547.43	8,547.43
Loans	27,421.05	-	-	27,421.05	27,643.90
Investments	37,396.45	17,041.83	-	54,438.28	56,847.98
Stock of securities	-	48,379.26	-	48,379.26	48,379.26
Other financial assets	402.44	2,191.31	-	2,593.75	2,593.75
TOTAL	**73,767.37**	**67,612.40**	**-**	**141,379.77**	**144,012.32**
Liabilities:					
Trade payables	87.10	-	-	87.10	87.10
Debt securities	50,722.00			50,722.00	50,722.00
Borrowings	33,428.59	-	-	33,428.59	33,594.40
Deposits	28.97	-	-	28.97	28.97
Other financial liabilities	2,942.14	-	-	2,942.14	2,942.14
TOTAL	**87,208.80**	**-**	**-**	**87,208.80**	**87,374.61**

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	658.64	-	-	658.64	658.64
Bank balance other than above	250.00	-	-	250.00	250.00
Loans	73,343.25	-	-	73,343.25	73,725.13
Investments	56,037.21	14,235.61	-	70,272.82	71,332.94
Inventories	-	86,876.68	-	86,876.68	86,876.68
Other financial assets	848.00	865.02	-	1,713.02	1,713.02
TOTAL	**131,137.10**	**101,977.31**	**-**	**233,114.41**	**234,556.41**
Liabilities:					
Trade payables	97.46	-	-	97.46	97.46
Debt securities	71,752.00	-	-	71,752.00	71,752.00
Borrowings	106,031.50	-	-	106,031.50	106,377.23
Deposits	26.59	-	-	26.59	26.59
Other financial liabilities	3,331.27	-	-	3,331.27	3,331.27
TOTAL	**181,238.82**	**-**	**-**	**181,238.82**	**181,584.55**

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36 Risk management

Financial risk management

The risk management policies of the Group are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Management has overall responsibility for the establishment and oversight of the Group's risk management framework. In performing its operating, investing and financing activities, the Group 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 Group 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 Group 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-2020	For the year ended 31 March 2019
Revenue from top customer	512.01	862.20
Revenue from top 5 customers	2,009.57	3,663.03

Investments in debt securities measured at amortised cost

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 impairment of the credit risk on the investments 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.

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-2020	As at 31-March-2019
Financial assets at amortised cost		
Loans	27,421.05	73,343.25
Investments	37,396.45	56,037.21
Other financial assets	402.44	848.00
At end of the year	**65,219.94**	**1,30,228.46**

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The Group'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 31 March 2020, and 31 March 2019.

The Group has used a practical expedient by computing the expected credit loss allowance for loans and investment taking into account historical credit loss experience.

For other financial assets, the Group assesses and manages credit risk based on reasonable and supportive forward looking information. The Group does not have significant credit risk exposure for these items.

Balances with banks

The Group holds cash and cash equivalents with bank, which are having highest safety ratings based on ratings published by various credit rating agencies. The Group considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

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 Group 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-2020	As at 31-March-2019
Financial assets		
Interest bearing		
- fixed interest rate		
Cash and cash equivalent	7,000.00	-
Bank balance other than cash and cash equivalent	-	250.00
Loans	17,071.46	42,180.12
Investments	49,902.67	62,971.02
Stock of securities	48,314.48	86,866.82
- floating interest rate		
Loans	10,459.91	31,457.60
Investments	2,173.06	7,478.96
- non interest bearing		
Investments	2,721.90	10.01
Stock of securities	64.78	9.86
Cash and cash equivalent	1,547.43	658.64
Other financial assets	2,593.75	1,713.02
Financial Liabilities		
Interest bearing		
- fixed interest rate		
Borrowings	50,758.18	83,805.25
Lease liablity	184.29	-
- floating interest rate		
Borrowings	33,392.41	93,978.25
- non interest bearing		
Trade payable	87.10	97.46
Deposits	28.97	26.59
Other financial liabilities	2,757.85	3,331.27

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 Group'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 2020	For the year ended 31 March 2019
Increase in basis points	50.00	50.00
Effect on profit before tax	(103.80)	(275.21)
Decrease in basis points	50.00	50.00
Effect on profit before tax	103.80	275.21

Liquidity risk

The Group'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 Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group 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 Group's maximum exposure to liquidity risk for the components of the balance sheet at 31 March 2020 and 31 March 2019 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The Group'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 2020						
Borrowings including debt securities	-	6,482.62	20,011.26	66,274.53	13,222.53	**105,990.94**
Trade and other payables		87.10	-	-	-	**87.10**
Deposits	-	28.97	-	-	-	**28.97**
Other financial liabilities	-	2,306.60	586.06	61.60	-	**2,954.26**
	-	**8,905.29**	**20,597.32**	**66,336.13**	**13,222.53**	**109,061.27**
As at 31 March 2019						
Borrowings including debt securities	35,302.75	21,342.34	22,778.08	106,013.70	29,825.17	**215,262.04**
Trade and other payables	-	97.46	-	-	-	**97.46**
Deposits	-	14.86	-	13.03	-	**27.89**
Other financial liabilities	-	1,691.12	1,640.15	-	-	**3,331.27**
	35,302.75	**23,145.78**	**24,418.23**	**106,026.73**	**29,825.17**	**218,718.66**

Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The Group manages its capital structure and makes adjustment in light of changes in business condition. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep optimum gearing ratio. The Group 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 2020	As at 31 March 2019
Borrowings including debt securities	84,150.59	177,783.50
Trade payables	87.10	97.46
Other financial liabilities	2,942.14	3,331.27
Deposits	28.97	26.59
Less: cash and cash equivalents	(8,547.43)	(908.64)
Net debt (A)	**78,661.37**	**180,330.18**
Equity share capital	8,829.38	8,829.38
Other equity	47,931.34	45,606.35
Total member's capital (B)	**56,760.72**	**54,435.73**
Capital and net debt (C=A+B)	**135,422.09**	**234,765.91**
Gearing ratio (%) (A/C)	**58.09**	**76.81**

In order to achieve this overall objective, the Group'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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37 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 2020:

Rs. in Lakhs

Particulars	As at 31-March-2020	Fair value measurement at end of the reporting year using		
		Level I	Level 2	Level 3
Financial assets:				
Investments				
Mutual fund at FVTPL	2,721.90	2,721.90	-	-
Government securities at FVTPL	10,375.33	-	10,375.33	-
Debt instruments at FVTPL	3,944.60	-	3,944.60	-
Equity instruments at FVTOCI	-	-	-	-
Stock of securities				
Debt instruments at FVTPL	48,314.48	-	48,314.48	-
Exchange Traded funds at FVTPL	64.78	64.78	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

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 instrument at FVTPL	14,225.60	-	14,225.60	-
Mutual fund at FVTPL	10.01	10.01	-	
Equity instruments at FVTOCI	-	-	-	-
Stock of securities				
Debt instruments at FVTPL	86,866.82	-	86,866.82	-
Exchange Traded funds at FVTPL	9.86	9.86	-	-

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 14 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 0-14 days
		3. Weighted average (appropriate weight considered by the Group) of; -Future cash flows which are discounted using a discount rate arrived at by adding the spread provided by FIMMDA and -Latest subsequent traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-14 days
		4.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. Further the resulted valuation gain have been discounted at appropriate rate due to market condition arising on account of COVID-19.
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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38 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-2020	For the year ended 31-March-2019
Contribution to provident fund	12.52	14.59

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 2019 - Rs 20.00 Lacs)

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-2020	For the year ended 31-March-2019
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	12.40	13.84
Past service cost	-	-
Interest cost on defined benefit obligation	4.51	4.14
(Gain) / losses on settlement	-	-
Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)	**16.91**	**17.98**
(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	8.88	7.20
Actuarial loss / (gain) arising from change in demographical assumptions	(7.28)	-
Actuarial loss / (gain) arising on account of experience changes	14.54	(16.64)
Amount recognised in Other Comprehensive Income (B)	**16.14**	**(9.44)**
Gratuity expense recognised in the statement of profit and loss and Other Comprehensive Income (A+B)	**33.05**	**8.54**
(c) Reconciliation of net liability / asset		
Opening defined benefit liability / (assets)	58.94	53.55
Expense charged to profit & loss account	16.91	17.98
Amount recognised in outside profit and loss account	16.14	(9.44)
Benefit paid / payable	(20.74)	(3.15)
Closing net defined benefit liability / (asset)	**71.25**	**58.94**

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38 Employee benefit obligation

(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	58.94	53.55
Current service cost	12.40	13.84
Past service cost	-	-
Interest on defined benefit obligation	4.51	4.14
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	8.88	7.20
Actuarial loss / (gain) arising from change in demographic assumptions	(7.28)	-
Actuarial loss / (gain) arising on account of experience changes	14.54	(16.64)
Benefits paid / payable	(20.74)	(3.15)
Closing defined benefit obligation [liability / (asset)] recognised in balance sheet	**71.25**	**58.94**

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

Discount rate	6.91%	7.65%
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
Upto 30 Years	30.00%	30.00%
Upto 31-44 Years	30.00%	30.00%
Above 45 Years	30.00%	20.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14)	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:

Indian gratuity plan: **Rs. in Lakhs**

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Assumptions -Discount rate		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation -increase of sensitivity level	(1.06)	(0.87)
Impact on defined benefit obligation -decrease of sensitivity level	1.09	0.90
Assumptions -Future salary escalations rates		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation-increase of sensitivity level	1.11	0.91
Impact on defined benefit obligation-decrease of sensitivity level	(1.08)	(0.89)

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

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Within 1-2 year	40.01	37.53
2-3 year	47.86	48.84
3-4 year	58.56	63.02
5-6 year	70.25	79.19
6-7 year	82.75	95.13

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.95 years (31 March 2019- 6 years)

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39 Income tax

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

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Current income tax:		
Current income tax charge	1,076.61	1,718.00
Adjustments in respect of previous year	168.48	(7.29)
Deferred tax:		
Relating to origination and reversal of temporary differences	(271.43)	(148.30)
Income tax expense reported in the statement of profit or loss	**973.66**	**1,562.41**

B The reconciliation between the provision of income tax of the Group 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-2020	For the year ended 31-March-2019
Profit before income tax	4,674.67	6,204.22
Rate of Income tax	25.17%	29.12%
Computed expected tax expenses	1,176.52	1,806.67
Tax effect due to exempt income	-	(10.66)
Tax effect due to non-deductible expenses	2.84	10.36
Tax effect due to deductible expenses	(126.79)	(7.08)
Tax effect due to recognition / non recognition of deferred tax assets / (liabilities)	(246.03)	(228.12)
Tax effect due to change in tax rate	(6.66)	(1.52)
Adjustments in respect of current income tax of previous year	168.48	(7.29)
Others	5.30	0.05
Income tax expense reported in the statement of profit or loss	**973.66**	**1,562.41**

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39 Income tax (contd.)

C The gross movement in the current income tax asset/(Liability) for the year ended 31 March 2020 and 31 March 2019 is as follows

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Net current income tax asset/(liability) at the beginning of the year	119.55	199.46
Income tax paid	994.35	1,630.80
Current tax expenses	(1,076.61)	(1,718.00)
Interest on tax expenses	(10.32)	-
Excess short provision of earlier year	(168.48)	7.29
Net current income tax asset/(liability) at the end of the year	**(141.51)**	**119.55**

D The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

Rs. in Lakhs

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Net deferred tax asset/(liability) at the beginning of the year	**(38.63)**	**(184.16)**
Property plant and equipments	(15.36)	4.46
Gratuity	0.77	1.57
Share issue expenses disallowed u/s 35D	(5.62)	(4.41)
Impairment allowance on loans and advances	(57.92)	(28.93)
EIR on HTM Securities	2.39	-
Impairment allowance on investments	35.93	54.51
Fair value gain on investments in debt securities	273.44	129.55
Right-of-use and lease liabilities	(4.80)	-
Processing fees expenses	14.67	(6.82)
Processing fees income	32.08	(4.40)
Net deferred tax asset/(liability) at the end of the year	**236.95**	**(38.63)**

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40 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-2020	For the year ended 31-March-2019
Type of goods or service		
Fees and commission Income	-	867.30
Total revenue from contracts with the customers	**-**	**867.30**
Geographical markets		
-India	-	867.30
-Outside India	-	-
Total revenue from contracts with the customers	**-**	**867.30**
Relation with customer		
-Non related party	-	867.30
-Related Party	-	-
Total revenue from contracts with the customers	**-**	**867.30**
Timing of revenue recognition		
-Service transferred over a period of time	-	-
-Service transferred over a point of time	-	867.30
Total revenue from contracts with the customers	**-**	**867.30**

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

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41 Details of secured redeemable non-convertible debentures

A Details of secured redeemable non-convertible debentures as at 31 March 2020

Name of Security	Number	Amount (Rs. in lakhs)	Allotment Date	Redemption Date
9.50% Non Convertible Debentures - Series E-I	500.00	500.00	23-Jun-17	23-Jun-27
9.70% Non Convertible Debentures - Series B-II	500.00	500.00	07-Mar-17	07-Mar-27
9.95% Non Convertible Debentures - Series N	3,500.00	3,500.00	18-Sep-18	18-Sep-25
9.75% Non Convertible Debentures - Series K	7,100.00	7,100.00	28-Jun-18	28-Jun-25
9.40% Non Convertible Debentures - Series H	7,500.00	7,500.00	06-Dec-17	06-Dec-24
9.00% Non Convertible Debentures - Series E-II	6,452.00	6,452.00	10-Aug-17	10-Aug-24
9.60% Non Convertible Debentures - Series B-VII	1,500.00	1,500.00	21-Mar-17	21-Mar-24
9.60% Non Convertible Debentures - Series B-VI	500.00	500.00	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures - Series B-III	2,600.00	2,600.00	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures - Series B-I	2,500.00	2,500.00	07-Mar-17	07-Mar-24
9.60% Non Convertible Debentures - Series M	500.00	500.00	28-Aug-18	28-Aug-23
9.75% Non Convertible Debentures - Series L	2,500.00	2,500.00	29-Jun-18	29-Jun-23
9.40% Non Convertible Debentures - Series I	5,000.00	5,000.00	03-Apr-18	03-Apr-23
8.80% Non Convertible Debentures - Series G	500.00	500.00	09-Nov-17	09-Nov-22
9.50% Non Convertible Debentures - Series O	1,500.00	1,500.00	25-Sep-18	25-Mar-22
9.60% Non Convertible Debentures - Series A-III	10.00	10.00	20-Mar-17	20-Mar-22
9.50% Non Convertible Debentures - Series B-V	200.00	200.00	20-Mar-17	20-Mar-22
9.60% Non Convertible Debentures - Series A-II	300.00	300.00	09-Mar-17	09-Mar-22
9.60% Non Convertible Debentures - Series A-I	2,360.00	2,360.00	07-Mar-17	07-Mar-22
9.20% Non Convertible Debentures - Series J	3,200.00	3,200.00	08-May-18	08-Nov-21
9.40% Non Convertible Debentures - Series B-IV	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 K, Series L, Series M, and Series N 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 2019

Name of Security	Number	Amount (Rs. in lakhs)	Allotment Date	Redemption Date
9.50% Non Convertible Debentures - Series E-I	500.00	500.00	23-Jun-17	23-Jun-27
9.70% Non Convertible Debentures - Series B-II	500.00	500.00	07-Mar-17	07-Mar-27
9.95% Non Convertible Debentures - Series N	3,500.00	3,500.00	18-Sep-18	18-Sep-25
9.75% Non Convertible Debentures - Series K	7,100.00	7,100.00	28-Jun-18	28-Jun-25
9.40% Non Convertible Debentures - Series H	7,500.00	7,500.00	06-Dec-17	06-Dec-24
9.00% Non Convertible Debentures - Series E-II	6,452.00	6,452.00	10-Aug-17	10-Aug-24
9.60% Non Convertible Debentures - Series B-VII	1,500.00	1,500.00	21-Mar-17	21-Mar-24
9.60% Non Convertible Debentures - Series B-VI	500.00	500.00	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures - Series B-III	2,600.00	2,600.00	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures - Series B-I	2,500.00	2,500.00	07-Mar-17	07-Mar-24
9.60% Non Convertible Debentures - Series M	500.00	500.00	28-Aug-18	28-Aug-23
9.75% Non Convertible Debentures - Series L	2,500.00	2,500.00	29-Jun-18	29-Jun-23
9.40% Non Convertible Debentures - Series I	5,000.00	5,000.00	03-Apr-18	03-Apr-23
8.80% Non Convertible Debentures - Series G	500.00	500.00	09-Nov-17	09-Nov-22
9.02% Non Convertible Debentures - Series F	10,000.00	10,000.00	07-Jul-17	07-Jul-22
9.55% Non Convertible Debentures - Series C	10,000.00	10,000.00	24-Mar-17	14-Apr-22
9.50% Non Convertible Debentures - Series O	1,500.00	1,500.00	25-Sep-18	25-Mar-22
9.60% Non Convertible Debentures - Series A-III	300.00	300.00	20-Mar-17	20-Mar-22
9.50% Non Convertible Debentures - Series B-V	200.00	200.00	20-Mar-17	20-Mar-22
9.60% Non Convertible Debentures - Series A-II	400.00	400.00	09-Mar-17	09-Mar-22
9.60% Non Convertible Debentures - Series A-I	3,000.00	3,000.00	07-Mar-17	07-Mar-22
9.20% Non Convertible Debentures - Series J	3,200.00	3,200.00	08-May-18	08-Nov-21
9.40% Non Convertible Debentures - Series B-IV	2,000.00	2,000.00	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, Series H, Series I, Series K, Series L, Series M, and Series N are redeemable at a call option in the range of 24 months to 48 months.

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Notes to the consolidated financial statements for the year ended 31 March 2020

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(a) Additional information as required under Schedule III to the Companies act 2013, of enterprises consolidated as Subsidiary Company:

Name of the parent : A. K. Capital Finance Limited

Name of the Indian subsidiary : Family Home Finance Private Limited **Rs. in Lakhs**

Particulars	Parent	Subsidiary	Non Controlling Interest	Adjustment due to Consolidation	Total
Net assets	56,664.45	1,197.27	-	(1,101.00)	56,760.72
As a percentage of consolidated net assets (%)	99.83 %	2.11 %	0.00 %	(1.94)%	100.00 %
Share in profit or loss	3,662.97	38.04	-	-	3,701.01
As a percentage of consolidated profit or loss (%)	98.97 %	1.03 %	0.00 %	0.00 %	100.00 %
Share in other comprehensive income	(11.98)	-	-	-	(11.98)
As a percentage of consolidated other comprehensive income (%)	100.00 %	0.00 %	0.00 %	0.00 %	100.00 %
Share in total comprehensive income	3,650.99	38.04	-	-	3,689.03
As a percentage of consolidated total comprehensive income (%)	98.97 %	1.03 %	0.00 %	0.00 %	100.00 %

(b) Salient Features of Financial Statements of Subsidiary Companies as per Companies Act, 2013 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 :

Part "A" : Subsidiaries

Name of the subsidiary : Family Home Finance Private Limited **Rs. in Lakhs**

Particulars	Amount
Reporting Currency	Indian Rupees
Share Capital	1,101.00
Reserves & Surplus	96.27
Total Assets	1,216.71
Total Liabilities	19.44
Investments	946.98
Turnover/Total Income	117.36
Profit before taxation	51.07
Provision for taxation	13.03
Profit after taxation	38.04
Proposed dividend	-
% of Shareholding	100.00

1. Name of subsidiaries which are yet to commence operations : **None**
2. Names of subsidiaries which have been liquidated or sold during the year : **None**

Part "B": Associates and Joint Ventures

The Group doesn't have any Associates and Joint ventures

43 The COVID-19 pandemic has significantly impacted economic activities, businesses, individuals across the spectrum in the Country. Reserve Bank of India (RBI)'s guidelines dated 27 March 2020 enabled banks, lending institutions and NBFCs to offer a moratorium upto 3 months on repayment of EMIs, payment of interest on line of credit falling due between 01 March 2020 and 31 May 2020 to all eligible borrowers, which has been extended for a further period of 3 months via RBI circular dated 23 May 2020. The Company based on its Board approved policy, has engaged with its customers whose account were Standard as at 29 February 2020, and offered the moratorium as per their need. As on 31 March 2020, the staging of these accounts is on the basis of days past due status as on 29 February 2020 in line with the aforesaid RBI circulars. Further, the Group apart from loans has also invested in non-convertible debentures on which no moratorium has been requested and granted. As per the Group's assessment, this by itself has not resulted into any significant increase in the credit risk.

The Group recognizes the need to make reasonable estimation of the impact of this pandemic on the repayment ability of its borrowers, and make additional provisions as considered appropriate, over-and-above the extant provisions, for expected credit losses. The Group has segmented its portfolio on the basis of various parameters to ascertain the impact of COVID-19 and basis of its estimates, assumptions and judgements arrived at the additional impairment which is provided for in its financial statements. Given the uncertainty over the potential macro-economic condition, the impact of the COVID-19 may affect the underlying assumptions and estimates used to prepare the financial statements, which may be different from that considered as at the date of approval of these financial statements. The Group will continue to closely monitor any material changes to future economic conditions and suitable effect will be given in the respective future period.

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44 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the acGrouping disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Group's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Employee benefit plans

The cost of the defined benefit plan and other employment benefits plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the postemployment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates.

Based on periodic review of the demographic assumptions, attrition rate assumption used for actuarial valuation of liability related to gratuity has been re-assessed during the year ended 31 March 2020. For the purpose of assessing the attrition rate, the Group considered the historical attrition trend and expected rate based on such trend/ experience. The change in assumption resulted in a increase of closing gratuity by Rs. 16.14 Lakhs, for the year ended 31 March 2020.

Further details about gratuity obligations are given in Note - 38

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44 Significant accounting judgements, estimates and assumptions

(b) Impairment allowance for investmnets and loans

Recognition and measurement of impairment relating to the investments and loans measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are:

- Credit ratings of the investments and loans;
- Investment and loans staging criteria
- Calculation of probability of default / Loss given default
- Consideration of probability weighted scenarios and
- Forward looking macro-economic factors.

The Group considered current and anticipated future economic conditions relating to industries the Group deals. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its investments to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

(c) Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(d) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The Group has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised Provision for Income Tax for quarter, half year and year ended on 31 March 2020 and re-measured its deferred tax assets based on the rate prescribed in the aforesaid section and recognized the effect of change by revising the effective income tax rate. The rate of income tax is changed from 29.12% to 25.168% during the year ended 31 March 2020. There remeasurement of accumulated deferred tax asset has resulted in a one-time additional deferred tax credit of Rs. 55.97 Lakhs.

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Notes to the consolidated financial statements for the year ended 31 March 2020

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

46 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.

47 **Subsequent events**
No subsequent events have been observed which may require an adjustment to the statement of consolidated financial position.

48 Previous year's figure have been regrouped or rearranged, wherever considered necessary, to conform with the current period's presentation.

Signatures to 1 to 48

As per our report of even date attached

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

RAMESH GUPTA
Digitally signed by RAMESH GUPTA
DN: cn=RAMESH GUPTA, c=IN, st=Maharashtra, o=Personal, serialNumber=58850e070d0e07728cfeae5722c26b267511a51661a740bf3955d17900be0b41
Date: 2020.06.23 19:13:27 +05'30'

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

A. K. CAPITAL FINANCE LIMITED MUMBAI

Ramesh Gupta
Partner
Membership No. 102306

For and on behalf of the Board of Directors of
A. K. Capital Finance Limited

ATUL KUMAR MITTAL
Digitally signed by ATUL KUMAR MITTAL
DN: c=IN, o=Personal, postalCode=400005, st=MAHARASHTRA, serialNumber=fd3e66815a1143e5a2bedd45aad6610d8adcbf7bad98732ba6eb497fb6836c2f, cn=ATUL KUMAR MITTAL
Date: 2020.06.23 18:53:14 +05'30'

Digitally signed by ANNU GARG
DN: c=IN, o=Personal, postalCode=400025, st=MAHARASHTRA, serialNumber=260c4176ecc241aa1fbd74ae38c42a155d5c73056751cb42b0ec846328e73b4b, cn=ANNU GARG
Date: 2020.06.23 18:17:51 +05'30'

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

Annu Garg
Director
(DIN : 07817550)

Digitally signed by MAHESH KUMAR BHOOTRA
DN: c=IN, o=Personal, postalCode=400067, st=Maharashtra, 2.5.4.20=f45d50d93240da7b8ea559bb6b17bf6108fe1196970eeaae25911edc32ed19c4, serialNumber=73753e4886841ad58090cd16bea720d6d7d93dcc82fe257df0017d982bc4e302, cn=MAHESH KUMAR BHOOTRA
Date: 2020.06.23 18:19:42 +05'30'

GOVIND LALWANI
Digitally signed by GOVIND LALWANI
DN: c=IN, o=Personal, title=1979, pseudonym=18b26d26fb9c6b82abd55d019c61ec6330c852d5, 2.5.4.20=bba8ce5edb647bba2ae3f1a814b81e8a26e70ca7c1425564bbe43f0ecade729e, postalCode=302004, st=RAJASTHAN, serialNumber=ae888dfb06b0c87d8c45490ad2191c45b7bbc3f39eab91f78020345dd14cdb73, cn=GOVIND LALWANI
Date: 2020.06.23 18:31:15 +05'30'

Mahesh Bhootra
Chief Financial Officer

Govind Lalwani
Company Secretary
(ACS : A38806)

Place: Mumbai
Dated : 23 June 2020

Place: Mumbai
Dated : 23 June 2020