JMR & ASSOCIATES LLP
CHARTERED ACCOUNTANTS

Boman House, Office No. 4, 1st Floor, 2nd Homji Street, P. M. Road, Fort, Mumbai - 400 001
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**INDEPENDENT AUDITOR'S REPORT**

To

The Members of **A. K. STOCKMART PRIVATE LIMITED**

**Report on the Financial Statements**

## Opinion

We have audited the accompanying financial statements of **A. K. Stockmart Private 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 Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing 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 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 independence requirements that are relevant to our audit of the 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 financial statements

**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 the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder is Information, but does not include the financial statements and our auditor's report thereon.

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

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.

**Emphasis of Matter:**
World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 till 7 June 2020 and the Company has temporarily shut down its office in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company during the lock-down period. The Management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of above matter.

**Management's Responsibility for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ("the Act") with respect to the preparation and presentation of these Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility**
Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Section 143(3) of the Act, 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 purpose of our audit.

b) In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of those books.

c) the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income),the Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified u/s. 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014;

e) On the basis of written representations received from the directors as on 31 March 2020, taken on record by the Board of Directors, none of the director 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 A"; and

g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us :

   i) The Company does not have any pending litigations that would affect its financial position.

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

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

2. As required by Companies (Auditor's report) Order 2016 (hereinafter referred to as '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 B", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

For **JMR & Associates LLP**
*Chartered Accountants*
Firm Reg. No.: 106912W / W100300

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Date: 2020.06.23 23:18:27 +05'30'

**CA Nikesh Jain**
Partner
Membership No.: 114003
UDIN: 20114003AAAACC7035
Place: Mumbai
Date: 23 June 2020

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of A.K. Stockmart Private Limited 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. Stockmart Private Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the Ind AS 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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. In addition, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 Controls Over Financial Reporting issued by the ICAI.

*For* **JMR & Associates LLP**
Chartered Accountants
Firm's registration number: 106912W / W100300

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**CA Nikesh Jain**
*Partner*
Membership number: 114003
UDIN: 20114003AAAACC7035
Place: Mumbai
Date: 23 June 2020

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.)

1. In respect of its property, plant and equipment:

    a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

    b) The Company has regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner on yearly basis. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

    c) According to information & explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immoveable property in its Property, Plant and Equipment Schedule (PPE), for which title deeds are to be verified.

2. In respect of its Inventories i.e. stock held as securities i.e. Equity and Debt instruments:

    a) The inventories of shares and securities have 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.

    b) The stock of shares and securities is held in dematerialized form, thus, physical verification is not applicable and no discrepancies were noticed on such verification.

3. According to the information and explanation given to us, the Company has, during the year, not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, Clause (iii) of paragraph 3 of the Order is not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the Company has complied with Section 185 & 186 with respect to loan given, investments made, guarantee and securities provided.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, Clause (v) of paragraph 3 of the Order is not applicable to the Company.

6. In our opinion and according to information and explanation given to us, maintenance of cost records under section (1) of Section 148 of the Companies Act, 2013 is not applicable of the Company, as required under Rule 3 of the Companies (Cost Records and Audit) Amendment Rules, 2014.

7. In respect of statutory dues:

   a) According to the information and the explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income tax, service tax, GST, cess and other statutory dues applicable to it, with the appropriate authorities. There were no arrears in this respect as at 31 March 2020 for a period of more than six months from the date they became payable. As informed, statutory dues in the nature of employee state insurance, custom duty and excise duty are not applicable to the Company.

   b) According to information and explanations given to us, there is no dues on account of income tax, service tax, GST and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of dues to banks.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been notice or reported during the course of our audit.

11. According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

12. 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.

13. The transactions done with the related parties comply with Section 188 and Section 177 of the Act and where applicable the details have been disclosed in the Ind AS Financial Statements as required by the Indian accounting standards and the Act.

14. The Company has not made any preferential allotment/private placement of shares or convertible debentures during the year.

15. The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **JMR & Associates LLP**
Chartered Accountants
Firm Reg. No.: 106912W / W100300

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**CA Nikesh Jain**
Partner
Membership No.: 114003
UDIN: 20114003AAAACC7035
Place: Mumbai
Date: 23 June 2020

# *A. K. Stockmart Private Limited*

CIN: U67120MH2006PTC158932

## Balance Sheet as at 31 March 2020

**Rs. In Lacs**

| Particulars | Notes | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Financial assets** | | | |
| (a) Cash and cash equivalents | **2 (a)** | 292.64 | 188.49 |
| (b) Bank Balance other than (a) above | **2 (b)** | 65.00 | 75.00 |
| (c) Receivables | **3** | 131.01 | 300.17 |
| (d) Investments | **4** | 168.68 | 28.12 |
| (e) Stock of Securities | **5** | 1,474.00 | 4,244.46 |
| (f) Other financial assets | **6** | 687.39 | 376.24 |
| **Total financial assets** | | **2,818.72** | **5,212.48** |
| | | | |
| **(2) Non-financial assets** | | | |
| (a) Current tax assets (net) | | 73.41 | 69.66 |
| (b) Deferred tax assets (net) | **7** | 19.30 | 13.82 |
| (c) Property, plant and equipment | **9** | 82.97 | 107.27 |
| (d) Intangible assets | **10** | 3.19 | 6.40 |
| (e) Right of Use | **11** | 132.80 | - |
| (f) Other non financial assets | **8** | 52.94 | 105.22 |
| **Total non-financial assets** | | **364.61** | **302.37** |
| | | | |
| **TOTAL ASSETS** | | **3,183.33** | **5,514.85** |
| | | | |
| **LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| **(1) Financial liabilities** | | | |
| (a) Trade Payables | **12** | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | | 516.84 | 531.16 |
| (b) Borrowings | **13** | - | 2,497.76 |
| (c) Lease Liability | **14** | 132.84 | - |
| (d) Other financial liabilities | **15** | 12.75 | 53.35 |
| **Total financial liabilities** | | **662.43** | **3,082.27** |
| | | | |
| **(2) Non-financial liabilities** | | | |
| (a) Provisions | **16** | 64.87 | 55.38 |
| (b) Other non-financial liabilities | **17** | 43.59 | 85.40 |
| **Total non-financial liabilities** | | **108.46** | **140.78** |
| | | | |
| **TOTAL LIABILITIES** | | **770.89** | **3,223.05** |
| | | | |
| **EQUITY** | | | |
| (a) Equity share capital | **18 (a)** | 1,200.00 | 1,200.00 |
| (b) Other equity | **18 (b)** | 1,212.44 | 1,091.80 |
| **TOTAL EQUITY** | | **2,412.44** | **2,291.80** |
| | | | |
| **TOTAL LIABILITIES AND EQUITY** | | **3,183.33** | **5,514.85** |

**Significant accounting policies** **1**

The accompanying notes are an integral part of financial statements

As per our report of even date attached

**For JMR & Associates LLP**
Chartered Accountants
FRN.106912W / W100300

NIKESH MOOLCHAND JAIN

**CA Nikesh Jain**
Partner
M No. 114003

Place: Mumbai
Dated : June 23,2020

**For and on behalf of the Board of Directors**

Aditi Mittal

**Aditi Mittal**
Chairperson & MD
DIN:00698397

ANKIT GUPTA

**Ankit Gupta**
Whole Time Director
DIN:05351720

Ranjit Dutta

**Ranjit Dutta**
Chief Financial Officer

Ram Suthar

**Ram Suthar**
Company Secretary
M.No.: ACS-A45260

Place: Mumbai
Dated : June 23,2020

# A. K. Stockmart Private Limited

CIN: U67120MH2006PTC158932

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

Rs. In Lacs

| Particulars | Notes | For the year ended 31-March-2020 | For the year ended 31-March-2019 |
|---|---|---|---|
| **Revenue from operations** | | | |
| Brokerage & Fees Income | 19 | 6,160.61 | 10,408.52 |
| Interest Income | 20 | 28.81 | 9.88 |
| Dividend Income | | - | 3.87 |
| Net gain on fair value changes | 21 | 25.77 | 7.29 |
| **Total Revenue from operations** | | **6,215.19** | **10,429.56** |
| Other income | 22 | 0.76 | 3.52 |
| **Total income** | | **6,215.95** | **10,433.08** |
| **Expenses** | | | |
| Finance Costs | 23 | 133.71 | 160.88 |
| Employee Benefit Expense | 24 | 973.22 | 958.54 |
| Depreciation, amortization and impairment | 9,10,11 | 105.26 | 31.17 |
| Other expenses | 25 | 4,815.40 | 9,015.03 |
| **Total Expenses** | | **6,027.59** | **10,165.62** |
| **Profit/(loss) before exceptional items and tax** | | **188.36** | **267.46** |
| Profit / (loss) before exceptional items and tax | | 188.36 | 267.46 |
| **Profit / (loss) before tax** | | **188.36** | **267.46** |
| **Tax expense:** | | | |
| Current tax | | 54.70 | 50.30 |
| Earlier year tax adjustments | | (1.73) | (2.74) |
| Deferred tax expense/ (credit) | | (3.05) | 25.69 |
| **Profit/ (loss) for the year after tax [A]** | | **138.44** | **194.21** |
| **Other comprehensive income, net of tax** | | | |
| Item that will not to be reclassified to the statement of profit and loss | | (20.21) | 56.36 |
| Less: Income tax expense on above | | 2.41 | (14.49) |
| **[I]** | | **(17.80)** | **41.87** |
| Item that will be reclassified to the statement of profit and loss | | - | - |
| Less: Income tax expense on above | | | |
| **[II]** | | **-** | **-** |
| **Other comprehensive income for the year [I+II] [B]** | | **(17.80)** | **41.87** |
| **Total comprehensive income for the year [A+B]** | | **120.64** | **236.08** |
| **Earnings per equity share (Rs.)** | | | |
| Basic and diluted earnings per share | | **1.15** | **1.62** |

**Significant accounting policies** 1

The accompanying notes are an integral part of financial statements

As per our report of even date attached

**For JMR & Associates LLP**
Chartered Accountants
FRN.106912W / W100300

NIKESH MOOLCHAND JAIN

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Date: 2020.06.23 23:04:07 +05'30'

**CA Nikesh Jain**
Partner
M No. 114003

Place: Mumbai
Dated : June 23,2020

**For and on behalf of the Board of Directors**

Aditi Mittal

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Date: 2020.06.23 21:21:44 +05'30'

**Aditi Mittal**
Chairperson & MD
DIN:00698397

ANKIT GUPTA

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Date: 2020.06.23 22:17:52 +05'30'

**Ankit Gupta**
Whole Time Director
DIN:05351720

Ranjit Dutta

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Date: 2020.06.23 21:16:09 +05'30'

**Ranjit Dutta**
Chief Financial Officer

Ram Suthar

Digitally signed by Ram Suthar
DN: cn=Ram Suthar, o=A.K. Stockmart Private Limited, ou=Company Secretary, email=ramesh.suthar@akgroup.co.in, c=IN
Date: 2020.06.23 21:09:24 +05'30'

**Ram Suthar**
Company Secretary
M.No.: ACS-A45260

Place: Mumbai
Dated : June 23,2020

# *A. K. Stockmart Private Limited*

CIN: U67120MH2006PTC158932

## Statement of Cash Flow for the year ended 31 March 2020

| | Year Ended 31/03/2020 Rs. In Lacs | Year Ended 31/03/2019 Rs. In Lacs |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Net profit before tax** | 188.36 | 267.46 |
| **Adjustments for** | | |
| Depreciation | 105.26 | 31.17 |
| Interest income on others | (28.81) | (9.88) |
| Reversal of Rent Expenses | (79.20) | - |
| Interest expenses | 133.71 | 160.88 |
| Dividend income on short term investments | - | (3.87) |
| Profit on short term Investments | (25.77) | (7.29) |
| **Operating profit before working capital adjustments** | **293.55** | **438.47** |
| **Adjustments for** | | |
| (Increasae)/decrease in Trade receivables | 169.16 | (220.73) |
| (Increasae)/decrease in Other Financial Assets | (309.30) | 332.12 |
| (Increasae)/decrease in Other Non Financial Assets | 52.27 | 143.59 |
| (Purchase) / sale of inventory | 2,770.46 | (771.79) |
| (Increasae)/decrease in Trade payable | (14.31) | 421.29 |
| (Increasae)/decrease in Provisions | 3.82 | (91.59) |
| (Increasae)/decrease in Other Financial Liabilities | (40.61) | (7.42) |
| (Increasae)/decrease in Other Non Financial Liabilities | (41.81) | 54.39 |
| **Cash generated from operations** | **2,883.23** | **298.33** |
| Direct taxes paid | (56.72) | (68.08) |
| **Net cash generated from operating activities (A)** | **2,826.51** | **230.25** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Payment for acquisition of Property, plant and equipments | (5.33) | (12.65) |
| Proceeds from sale of investments (net) | (129.31) | 7.29 |
| Dividend income on short term investments | - | 3.87 |
| Interest income - others | 27.91 | 7.22 |
| **Net cash generated from/(used in) investing activities (B)** | **(106.73)** | **5.73** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Interest paid | (117.87) | (160.88) |
| Proceeds from / (repayment) of short-term borrowings (net) | (2,497.76) | 14.15 |
| **Net cash generated from/(used in) financing activities (C)** | **(2,615.63)** | **(146.73)** |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 104.15 | 89.25 |
| Cash and cash equivalents at the beginning of the year | 188.49 | 99.24 |
| Cash and cash equivalents at the end of the year | **292.64** | **188.49** |
| **Cash and cash equivalents at the end of the year comprise of:** | | |
| Cash on hand | 0.22 | 0.04 |
| Cheque on hand | - | 19.10 |
| Balances with banks in current accounts | 292.42 | 169.35 |
| | **292.64** | **188.49** |

Notes:-

1. Cash and cash equivalent is as per balance sheet except for fixed deposits not considered as cash and cash equivalent as the maturity date is beyond three months.
2. The above cash flow statement has been prepared under 'Indirect Method' as set out in the Indian Accounting Standard (AS)-7 on 'Statement of Cash Flow' notified by Companies (Indian Accounting Standards) Rules, 2006.

As per our report of even date attached

**For JMR & Associates LLP**
Chartered Accountants
FRN.106912W / W100300

NIKESH MOOLCHAND JAIN

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DN: c=IN, o=Personal, postalCode=40060, st=Maharashtra, 2.5.4.20=76817ec3b976ad1406ba28f1aa8a478070775 3bd91ec07b577f0ca82a261468, serialNumber=90191d18048d79bc840b8fa9452a8e966d754f778efaa2415bb3434f2bf840, cn=NIKESH MOOLCHAND JAIN
Date: 2020.06.23 23:23:17 +05'30'

**CA Nikesh Jain**
Partner
M No. 114003

Place: Mumbai
Dated : June 23,2020

**For and on behalf of the Board of Directors**

Aditi Mittal

Digitally signed by Aditi Mittal
DN: cn=Aditi Mittal, o=A.K. Stockmart Private Limited, ou=Managing Director, email=aditi@akgroup.co.in, c=IN
Date: 2020.06.23 21:22:19 +05'30'

**Aditi Mittal**
Chairperson & MD
DIN:00698397

ANKIT GUPTA

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Date: 2020.06.23 22:19:10 +05'30'

**Ankit Gupta**
Whole Time Director
DIN:05351720

Ranjit Dutta

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**Ranjit Dutta**
Chief Financial Officer

Ram Suthar

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Date: 2020.06.23 21:09:56 +05'30'

**Ram Suthar**
Company Secretary
M.No.: ACS-A45260

Place: Mumbai
Dated : June 23,2020

# *A. K. Stockmart Private Limited*

CIN: U67120MH2006PTC158932

## Statement of Changes in Equity for the year ended 31 March 2020

**Equity share capital**

**Rs. In Lacs**

| Particulars | Number of shares | Amount |
|---|---|---|
| **At 1 April 2018** | **1,20,00,000** | **1,200.00** |
| Issue of share capital | - | - |
| **At 31 March 2019** | **1,20,00,000** | **1,200.00** |
| | | |
| **At 1 April 2019** | **1,20,00,000** | **1,200.00** |
| Issue of share capital | - | - |
| **At 31 March 2020** | **1,20,00,000** | **1,200.00** |

**Other equity**

**Rs. In Lacs**

| Particulars | Reserves and surplus | Items of other comprehensive income | | Total |
|---|---|---|---|---|
| | Retained earnings | Acturial gain/ (loss) on defined benefits obligations | Remeasurement of equity Instruments | |
| **Balance at 1 April 2018** | **1,000.58** | **20.45** | **(81.57)** | **939.46** |
| Profit for the year | 194.21 | - | - | **194.21** |
| Other comprehensive income for the year | - | (37.60) | (4.27) | **(41.87)** |
| **Balance at 31 March 2019** | **1,194.79** | **(17.15)** | **(85.84)** | **1,091.80** |
| | | | | |
| **Balance at 1 April 2019** | **1,194.79** | **(17.15)** | **(85.84)** | **1,091.80** |
| Profit for the year | 138.44 | - | - | **138.44** |
| Other comprehensive income for the year | - | (3.26) | (14.54) | **(17.80)** |
| **Balance at 31 March 2020** | **1,333.23** | **(20.41)** | **(100.38)** | **1,212.44** |

The accompanying notes are an integral part of financial statements

As per our report of even date attached

**For JMR & Associates LLP**
Chartered Accountants
FRN.106912W / W100300

NIKESH MOOLCHAND JAIN
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Date: 2020.06.23 23:31:37 +05'30'

**CA Nikesh Jain**
Partner
M No. 114003

Place: Mumbai
Dated : June 23,2020

**For and on behalf of the Board of Directors**

Aditi Mittal
Digitally signed by Aditi Mittal
DN: cn=Aditi Mittal, o=A.K. Stockmart Private Limited, ou=Managing Director, email=aditi@akgroup.co.in, c=IN
Date: 2020.06.23 21:22:52 +05'30'

**Aditi Mittal**
Chairperson & MD
DIN:00698397

Ranjit Dutta
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Date: 2020.06.23 21:14:43 +05'30'

**Ranjit Dutta**
Chief Financial Officer

Place: Mumbai
Dated : June 23,2020

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Date: 2020.06.23 22:20:07 +05'30'

**Ankit Gupta**
**Whole Time Director**
**DIN:05351720**

Ram Suthar
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Date: 2020.06.23 21:10:19 +05'30'

**Ram Suthar**
Company Secretary
M.No.: ACS-A45260

# A. K. Stockmart Private Limited

CIN: U67120MH2006PTC158932

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 1. Significant accounting policies:

a. **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.

b. **Fair value measurement:**

The Company measures certain financial assets and financial liabilities including defined benefit plans at fair value. 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 take place either
in the principal market for the asset or liability or;
in the absence or a principal market, in the most advantageous market for the asset or liability.

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. 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 recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

**c. Revenue recognition:**

1. **Income from Securities**
   Sale and purchase of securities is recognized on the date of sale. Purchases include all incidental and direct attributable expenses connected thereto. Interest income is recognized on accrual basis. Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Revenue from operations 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.

**2. Interest Income**

Interest Income from a Financial Assets is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**3. Fees and Commission Income**

Revenue from fees and commission based activities are recognized when the services are rendered. Fees earned from contract with customer is recognised as and when performance obligation is satisfied.

**d. Property Plant and Equipment:**

(i) Property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable / adjustable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc.

(ii) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

(iii) An Item of property, plant and 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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset or significant part) is included in the Statement of Profit and Loss when the asset is derecognised.

**e. Depreciation / Amortisation:**

In line with the provisions of Schedule II to the Companies Act, 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of property, plant and equipment has been assessed based on the historical experience and internal technical inputs.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

**Tangible Assets**

Depreciation on Property, Plant and Equipment is provided using written down value method on depreciable amount. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013;

**Intangible Assets**

Software is amortized over a period of 3 years.

**f. Borrowing Costs**

Borrowing costs are charged to Statement of Profit and Loss except to the extent attributable to acquisition / construction of and asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**g. As a Leases**

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.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**As a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.
When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.
For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**h. Impairment of Non-financial Assets**

At each balance sheet date, an assessment is made of whether there is any indication of impairment.
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 or cash-generating unit's (CGU) 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 or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

**i. Financial Instruments**

**Financial Assets**

**i. Initial Recognition and Measurement**

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of the financial asset [other than financial assets at fair value through profit or loss (FVTPL)] are added to the fair value of the financial assets. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Transaction costs of financial assets carried at FVTPL are expensed in the Statement of Profit and Loss.

**ii. Subsequent measurement**

(i) Debt instruments included within the Fair Value Through Profit or Loss (FVTPL) category are measured at fair value with all changes recognised in the Statement of Profit and Loss.
(ii) Debt instruments of fellow subsidiaries are measured at cost.
(iii) Equity instruments are measured at fair value through other comprehensive income (FVTOCI)

**iii. De-recognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:
- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
(i) the Company has transferred substantially all the risks and rewards of the asset, or
(ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**iv. Impairment of financial assets:**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances. The Company follows 'simplified approach' for recognition of impairment loss on these financial assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**j. Financial Liabilities**

A. Initial Recognition
Financial liabilities are classified at initial recognition as :
a. Trade and other payables, net of directly attributable transaction costs
b. The Company's financial liabilities include trade and other payables.

B. Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables:
These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve 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. De-recognition
A financial liability is derecognised when the obligation under the liability is discharged or 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 recognised in the Statement of Profit and Loss.

D. For equity instruments measured at FVTOCI, all fair value changes on the instrument are recognized in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such instruments.

E. 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**k. Tax expenses:**

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

1. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

2. 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**l. Impairment of assets:**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or other Non-Financial Assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**m. Provisions and contingent liabilities:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as as result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates

Contingent liabilities are disclosed in the case of:

a) a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
b) a present obligation arising from the past events, when no reliable estimate is possible;
c) a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

**n. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events, if any, such as bonus issue, bonus elements in a rights issue to existing shareholders, shares split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**o. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:
(a) Operating lease commitments – Company as lessor;
(b) Assessment of functional currency;
(c) Evaluation of recoverability of deferred tax assets

**Estimates and assumptions**

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year :

a) Useful lives of property, plant and equipment, investment property and intangible assets;
b) Fair value measurements of financial instruments ;
c) Impairment of non-financial assets;
d) Taxes;
e) Defined benefit plans (gratuity benefits);
f) Provisions;
g) Contingencies

h) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19)

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and Investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these condensed financial statements.

# A. K. Stockmart Private Limited

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

### 2 (a) Cash and cash equivalents

Rs. In Lacs

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| Cash on hand | 0.22 | 0.04 |
| Balances with banks | 292.42 | 169.35 |
| Cheques, drafts on hand | - | 19.10 |
| | **292.64** | **188.49** |

### 2 (b) Bank balances other than cash and cash equivalents

Rs. In Lacs

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| Fixed deposits with banks* | 65.00 | 75.00 |
| | **65.00** | **75.00** |

*Lien against security deposit with Stock exchanges

### 3 Receivables

Rs. In Lacs

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| Unsecured considered good | 131.01 | 300.17 |
| | **131.01** | **300.17** |

**4 Investments**

**Rs. In Lacs**

| Particulars | As at 31-March-2020 | | | | As at 31-March-2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | At Fair value | | | Total | At Fair value | | | Total |
| | Through Other Comprehensive Income | Designated at fair value through profit or loss | At Cost | | Through Other Comprehensive Income | Designated at fair value through profit or loss | At Cost | |
| **(I)Mutual Funds** | | | | | | | | |
| **Total Mutual Fund** | **-** | **155.09** | **-** | **155.09** | **-** | **-** | **-** | **-** |
| **(I)Equity instruments** | | | | | | | | |
| (i) Quoted | | | | | | | | |
| - in other companies | 13.59 | - | - | 13.59 | 28.12 | - | - | 28.12 |
| ii) Unquoted | - | - | - | - | - | - | - | - |
| **Total Equity Instruments** | **13.59** | | | **13.59** | **28.12** | **-** | **-** | **28.12** |
| **Total (A)** | **13.59** | **155.09** | **-** | **168.68** | **28.12** | **-** | **-** | **28.12** |
| **Less: Allowance for Impairment loss (B)** | - | - | - | - | - | - | - | - |
| **Total C= (A)-(B)** | **13.59** | **155.09** | **-** | **168.68** | **28.12** | **-** | **-** | **28.12** |

**5 Stock of Securities**

**Rs. In Lacs**

| Particulars | As at 31-March-2020 | | | | As at 31-March-2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | At Fair value | | | Total | At Fair value | | | Total |
| | Through Other Comprehensive Income | Designated at Fair Value Through profit or loss | At Cost | | Through Other Comprehensive Income | Designated at Fair Value Through profit or loss | At Cost | |
| **(I)Debt securities** | | | | | | | | |
| **-Quoted** | | | | | | | | |
| - in Fellow subsidiaries | - | - | - | - | - | - | 25.00 | 25.00 |
| - in Other companies | - | 1,474.00 | - | 1,474.00 | - | 4,219.46 | - | 4,219.46 |
| **Total - (A)** | **-** | **1,474.00** | **-** | **1,474.00** | **-** | **4,219.46** | **25.00** | **4,244.46** |
| (i) Stock of securities outside India | | - | | - | | - | | - |
| (ii) Stock of securities in India | - | 1,474.00 | - | 1,474.00 | - | 4,219.46 | 25.00 | 4,244.46 |
| **Total (B)** | **-** | **1,474.00** | **-** | **1,474.00** | **-** | **4,219.46** | **25.00** | **4,244.46** |

## 6 Other financial assets

Rs. In Lacs

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| Interest receivable on stock of securities / deposits | 2.55 | 4.57 |
| Receivable from stock exchanges | 2.11 | 0.81 |
| Deposits with Exchanges/Depository/Clearing House | 648.60 | 330.60 |
| Rent deposits | 33.88 | 40.00 |
| Other deposits | 0.25 | 0.26 |
| | **687.39** | **376.24** |

## 7 Deferred tax assets (net)

Rs. In Lacs

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| **Deferred tax assets** | | |
| **On account of:** | | |
| Expenses allowable on payment basis (gratuity) | 16.33 | 13.55 |
| Depreciation | 2.98 | 0.27 |
| **Less: Deferred tax liabilities** | | |
| **On account of:** | | |
| Lease liability | 0.01 | - |
| **Deferred tax assets (net)** | **19.30** | **13.82** |

## 8 Other non-financial assets

Rs. In Lacs

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| Prepaid Expense | 8.91 | 10.72 |
| Balance with Government authorities | 43.08 | 94.50 |
| Advance to suppliers | 0.95 | - |
| | **52.94** | **105.22** |

**9 Property, plant and equipment**

**Rs. In Lacs**

| Particulars | Computers | Furniture and fixtures | Office equipment | Vehicles | Total |
|---|---|---|---|---|---|
| **Gross block** | | | | | |
| **As at 1 April 2018** | 13.42 | 9.05 | 14.02 | 117.55 | 154.04 |
| Additions | 5.83 | - | 2.02 | - | 7.85 |
| Disposals | - | - | - | - | - |
| **As at 31 March 2019** | **19.25** | **9.05** | **16.04** | **117.55** | **161.89** |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| **As at 1 April 2018** | 3.00 | 1.03 | 4.30 | 18.27 | 26.60 |
| Additions | 5.32 | 0.98 | 3.46 | 18.26 | 28.02 |
| Disposals | - | - | - | - | - |
| **As at 31 March 2019** | **8.32** | **2.01** | **7.76** | **36.53** | **54.62** |
| | | | | | |
| **Gross block** | | | | | |
| **As at 1 April 2019** | 19.25 | 9.05 | 16.04 | 117.55 | 161.89 |
| Additions | 3.83 | - | 1.48 | - | 5.31 |
| Disposals | | | | | - |
| **As at 31 March 2020** | **23.08** | **9.05** | **17.52** | **117.55** | **167.20** |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| **As at 1 April 2019** | 8.32 | 2.01 | 7.76 | 36.53 | 54.62 |
| Additions | 6.50 | 0.98 | 3.80 | 18.33 | 29.61 |
| Disposals | | | | | - |
| **As at 31 March 2020** | **14.82** | **2.99** | **11.56** | **54.86** | **84.23** |
| | | | | | |
| **Net Block** | | | | | |
| **As at 31 March 2019** | **10.93** | **7.04** | **8.28** | **81.02** | **107.27** |
| **As at 31 March 2020** | **8.26** | **6.06** | **5.96** | **62.69** | **82.97** |

**10 Intangible assets**

**Rs. In Lacs**

| Particulars | Software | Total |
|---|---|---|
| **Gross block** | | |
| **As at 1 April 2018** | 7.27 | 7.27 |
| Additions during the year | 4.80 | 4.80 |
| Disposals during the year | - | - |
| **As at 31 March 2019** | **12.07** | **12.07** |
| | | |
| **As at 1 April 2019** | 12.07 | 12.07 |
| Additions during the year | - | - |
| Disposals during the year | - | - |
| **As at 31 March 2020** | **12.07** | **12.07** |
| | | |
| **Accumulated depreciation** | | |
| **As at 1 April 2018** | 2.52 | 2.52 |
| Additions during the year | 3.15 | 3.15 |
| Disposals during the year | - | - |
| **As at 31 March 2019** | **5.67** | **5.67** |
| | | |
| **As at 1 April 2019** | 5.67 | 5.67 |
| Additions during the year | 3.21 | 3.21 |
| Disposals during the year | - | - |
| **As at 31 March 2020** | **8.88** | **8.88** |
| | | |
| **Net Block** | | |
| **As at 31 March 2019** | **6.40** | **6.40** |
| **As at 31 March 2020** | **3.19** | **3.19** |

**11 Right of Use**

**Rs. In Lacs**

| Particulars | Right of Use |
|---|---|
| **Gross block** | |
| **As at 1 April 2019** | - |
| Additions* | 205.24 |
| Disposals | - |
| **As at 31 March 2020** | **205.24** |
| | |
| **Accumulated depreciation** | |
| **As at 1 April 2019** | - |
| Additions* | 72.44 |
| Disposals | - |
| **As at 31 March 2020** | **72.44** |
| | |
| **Net Block** | |
| **As at 31 March 2019** | **-** |
| **As at 31 March 2020** | **132.80** |

*Refer Note No. 34

## 12 Trade Payables

Rs. In Lacs

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 516.84 | 531.16 |
| | **516.84** | **531.16** |

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 Lacs

| 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 | - | - |

## 13 Borrowings

Rs. In Lacs

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| (a)Loans repayable on demand | | |
| (i)from banks | | |
| - Secured* | - | 2,497.76 |
| **Total (A)** | **-** | **2,497.76** |
| Borrowings in India | - | 2,497.76 |
| Borrowings outside India | - | - |
| **Total (B)** | **-** | **2,497.76** |

* Bank overdraft facilities are secured against pledge/ lien of Government securities & Corporate Bonds.

**14 Lease Liability**

**Rs. In Lacs**

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| Lease Liability* | 132.84 | - |
| | **132.84** | **-** |

* Refer Note No. 34

**15 Other financial liabilities**

**Rs. In Lacs**

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| Employee dues | 12.75 | 53.35 |
| | **12.75** | **53.35** |

**16 Provisions:**

**Rs. In Lacs**

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity | 64.87 | 48.71 |
| Leave encashment | - | 6.67 |
| | **64.87** | **55.38** |

**17 Other non-financial liabilities**

**Rs. In Lacs**

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| Statutory dues | 43.59 | 85.40 |
| | **43.59** | **85.40** |

**18 (a) Share Capital**

**Equity share capital** **Rs. In Lacs**

| Particulars | As at 31-March-2020 | | As at 31-March-2019 | |
|---|---|---|---|---|
| | Numbers of shares | Amount | Numbers of shares | Amount |
| **Authorized:** | | | | |
| Equity shares of Rs. 10 each | 1,50,00,000 | 1,500.00 | 1,50,00,000 | 1,500.00 |
| **Total** | | **1,500.00** | | **1,500.00** |
| **Issued, subscribed and paid-up:** | | | | |
| Equity shares of Rs. 10 each fully paid up | 1,20,00,000 | 1,200.00 | 1,20,00,000 | 1,200.00 |
| **Total** | | **1,200.00** | | **1,200.00** |

**Details of shareholders holding more than 5% equity shares in the Company :**

| 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 Ltd. along with its nominees | 1,20,00,000 | 100.00% | 1,20,00,000 | 100.00% |

**The reconciliation of the number of shares outstanding at the beginning and end of the year:**

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| Shares at the beginning of the period | 1,20,00,000 | 1,20,00,000 |
| Add :Shares issued during the year | - | - |
| **Shares at the end of the year** | **1,20,00,000** | **1,20,00,000** |

**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 shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets in proportion to the number of equity shares held by the shareholders.

**18 (b) Other equity**

**Rs. In Lacs**

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|---|---|---|
| **Opening balance of retained earnings** | 1,194.79 | 1,000.58 |
| Add: Profit for the year | 138.44 | 194.21 |
| **Closing balance of retained earnings (A)** | **1,333.23** | **1,194.79** |
| **Other comprehensive income** | | |
| Opening balance | (102.99) | (61.12) |
| Add: Other comprehensive income for the year | (17.80) | (41.87) |
| **Closing balance of other comprehensive income (B)** | **(120.79)** | **(102.99)** |
| **Total (A+B)** | **1,212.44** | **1,091.80** |

## 19 Brokerage & Fees Income

**Rs. In Lacs**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Brokerage Income | 5,227.75 | 9,389.29 |
| Fees & Other operative income | 932.86 | 1,019.23 |
| | **6,160.61** | **10,408.52** |

## 20 Interest Income

**Rs. In Lacs**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| | On Financial Assets measured at Amortised Cost | On Financial Assets measured at Amortised Cost |
| Interest Income on fixed deposits | 5.38 | 9.16 |
| Interest Income on other deposits | 20.51 | 0.72 |
| Other Interest Income | 2.92 | - |
| | **28.81** | **9.88** |

## 21 Net gain on fair value changes

**Rs. In Lacs**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Net gain on financial instruments at fair value through profit or loss | | |
| -Realised | 25.77 | 7.29 |
| -Unrealised | - | - |
| **Total** | **25.77** | **7.29** |

## 22 Other income

**Rs. In Lacs**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Other Charges Received | 0.25 | 0.05 |
| Interest received on income tax refund | 0.51 | 3.47 |
| | **0.76** | **3.52** |

## 23 Finance costs

**Rs. In Lacs**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Interest on borrowings | 106.98 | 150.40 |
| Unwinding Expenses | 15.84 | - |
| Other Borrowing Cost | 10.89 | 10.48 |
| | **133.71** | **160.88** |

## 24 Employee benefits expenses

Rs. In Lacs

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Salaries and wages | 960.59 | 947.81 |
| Contribution to provident and other funds | 8.27 | 8.98 |
| Staff welfare expenses | 4.36 | 1.75 |
| | **973.22** | **958.54** |

## 25 Other expenses

Rs. In Lacs

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Brokerage paid | 4,002.21 | 8,274.51 |
| Advisory Fees | 390.00 | 350.00 |
| Incentive Expenses | 69.80 | 51.75 |
| IPO markerting fees | 69.10 | 34.85 |
| Stamp duty charges | 8.91 | 10.10 |
| Stock exchange expenses | 9.06 | 9.86 |
| Processing and other charges | 0.38 | 1.43 |
| Communication Costs | 7.21 | 11.78 |
| Rent, taxes and energy costs | 15.56 | 92.88 |
| Repairs and maintenance | 8.06 | 5.65 |
| Software Expenses | 69.41 | 7.89 |
| Insurance | 7.25 | 9.35 |
| Printing and stationery | 1.06 | 1.69 |
| Bank Charges | 0.16 | 0.37 |
| Auditor‟s remuneration | | |
| -for audit fees | 2.50 | 1.20 |
| -for tax audit fees | 0.25 | 0.25 |
| -for other services | 1.33 | 0.60 |
| Legal and Professional charges | 18.16 | 6.74 |
| Postage and courier charges | 0.61 | 0.69 |
| Travelling Expense | 94.73 | 95.69 |
| Advertisement & Publicity | 15.50 | 24.87 |
| Office expenses | 17.39 | 13.97 |
| Subscription & membership charges | 5.91 | 5.36 |
| Director Sitting Fees | 0.08 | - |
| Other expenditure | 0.77 | 3.55 |
| **Total** | **4,815.40** | **9,015.03** |

## 26 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 Lacs**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Type of goods or service** | | |
| Brokerage Income | 5,227.75 | 9,389.29 |
| Fees & Other operative income | 932.86 | 1,019.23 |
| **Total revenue from contracts with the customers** | **6,160.61** | **10,408.52** |
| **Geographical markets** | | |
| -India | 6,160.61 | 10,408.52 |
| -Outside India | - | - |
| **Total revenue from contracts with the customers** | **6,160.61** | **10,408.52** |
| **Relation with customer** | | |
| -Non related party | 6,051.85 | 10,339.13 |
| -Related Party | 108.76 | 69.39 |
| **Total revenue from contracts with the customers** | **6,160.61** | **10,408.52** |
| **Timing of revenue recognition** | | |
| -Service transferred over a period of time | - | - |
| -Service transferred over a point of time | 6,160.61 | 10,408.52 |
| **Total revenue from contracts with the customers** | **6,160.61** | **10,408.52** |

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

**27 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 Lacs**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Contribution to provident and other funds | 8.27 | 8.98 |
| Contribution to labour welfare fund | 0.03 | 0.04 |

**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.

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 Lacs**

| 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 | 12.41 | 10.69 |
| Past service cost | 0.00 | 0.00 |
| Interest cost on defined benefit obligation | 3.73 | 6.58 |
| (Gain) / losses on settlement | - | - |
| **Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)** | **16.14** | **17.27** |
| **(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 | 2.22 | 3.24 |
| Actuarial loss / (gain) arising from change in demographical assumptions | (0.27) | - |
| Actuarial loss / (gain) arising on account of experience changes | 3.72 | (55.33) |
| **Amount recognised in Other Comprehensive Income (B)** | **5.67** | **(52.09)** |
| **Gratuity expense recognised in the statement of profit and loss and Other Comprehensive Income (A+B)** | **21.81** | **(34.82)** |
| **(c) Reconcilation of net liability / assset** | | |
| Opening defined benefit liability / (assets) | 48.71 | 85.01 |
| Expense charged to profit & loss account | 16.14 | 17.27 |
| Amount recognised in outside profit and loss account | 5.67 | (52.09) |
| Benefit Paid | (5.65) | (1.47) |
| **Closing net defined benefit liabiity / (asset)** | **64.87** | **48.71** |

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

Rs. In Lacs

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **(d) Movement in benefit obligation and balance sheet** | | |
| Opening defined benefit obligation | 48.71 | 85.01 |
| Current service cost | 12.41 | 10.69 |
| Past service cost | - | - |
| Interest on defined benefit obligation | 3.73 | 6.58 |
| **Remeasurement during the period due to :** | | |
| Actuarial loss / (gain) arising from change in financial assumptions | 2.22 | 3.24 |
| Actuarial loss / (gain) arising from change in demographic assumptions | (0.27) | - |
| Actuarial loss / (gain) arising on account of experience changes | 3.72 | (55.33) |
| Benefits paid | (5.65) | (1.47) |
| **Closing defined benefit obligation [liability / (asset)] recognised in balance sheet** | **64.87** | **48.71** |
| | | |
| **(e) Net liability is bifurcated as follows :** | | |
| Current | 19.26 | 8.57 |
| Non-current | 45.61 | 40.14 |
| **Net liability** | **64.87** | **48.71** |

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

| | | |
|---|---|---|
| Discount rate | 6.91% | 7.65% |
| Expected rate of return on plan assets (p.a.) | | |
| Salary escalation rate (p.a.) | 5.00% | 5.00% |
| Withdrawal rate | 27% upto 30 years<br>20% from 31 to 44 years<br>30% above 45 years | 17% upto 30 years<br>16% from 31 to 44 years<br>28% above 45 years |
| Mortality pre-retirement | 100% of Indian Assured Lives Mortality (2012-14) | 100% of Indian Assured Lives Mortality (2006-08) |

**(g) A quantitative analysis for significant assumption is as shown below:**

**Indian gratuity plan:**

Rs. In Lacs

| 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 sentivity level | (1.18) | (1.00) |
| Impact on defined benefit obligation -decrease of sentivity level | 1.22 | 1.04 |
| **Assumptions -Future salary escalations rates** | | |
| Sensitivity Level (a hypothetical increase / (decrease) by) | 0.50% | 0.50% |
| Impact on defined benefit obligation-increase of sentivity level | 1.24 | 1.06 |
| Impact on defined benefit obligation-decrease of sentivity level | (1.21) | (1.03) |

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

Rs. In Lacs

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Within 1-2 year | 24.89 | 15.91 |
| 2-3 year | 31.17 | 21.75 |
| 3-4 year | 37.87 | 26.26 |
| 5-6 year | 44.79 | 31.32 |
| 6-7 year | 54.25 | 35.88 |

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.57 years (31 March 2019- 8.15 years)

## 28 RELATED PARTY DISCLOSURES

**i Related party relationships:**

**a Holding company**

A. K. Capital Services Limited

**b Fellow subsidiary**

A. K. Capital Finance Limited
A K Capital Corporation Private Limited
A K Wealth Management Private Limited
Family Home Finance Private Limited
A K Capital (Singapore) Pte. Limited

**c Key Managerial Personnel (KMP)**

Aditi Mittal (Chairperson & Managing Director)
Ankit Gupta (Whole Time Director)
Prashant Roongta (Director) (w.e.f June 11,2019)
Ranjit Dutta (CFO)
Ram Suthar (CS)

**d Relatives of KMP**

Anshu (Mother of Aditi Mittal)
A.K. Mittal (Father of Aditi Mittal)
Abhinav Kumar Mittal (Brother of Aditi Mittal)
Purvi Jain (Wife of Ankit Gupta)

**e Enterprises in which relative of KMP is having influence**

M Square Automobile Private Limited
A. K. Capital Markets Limited
A. K. Services Private Limited
Family Home Consultancy Services Private Limited
M Square Advisors Private Limited
Goodwill Capital Services Pvt. Ltd.
Indiabond Private Limited

**Notes:**

**a** The related party relationships have been determined on the basis of the requirements of the Indian Accounting Standards (IND AS) - 24 'Related Party Disclosures' and the same have been relied upon by the auditors.

**b** The relationship as mentioned above pertains to those related parties with whom transactions have taken place during the year and the previous year, except where control exist, in which case the relationship has been mentioned irrespective of the transaction with the related parties.

**ii Details of transactions with related parties are given as under:**

**Rs. In Lacs**

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **A) Transaction with related parties:*** | | |
| **Brokerage received** | | |
| A. K. Capital Services Limited | 13.01 | 5.24 |
| A. K. Capital Finance Limited | 89.23 | 61.63 |
| Purvi Jain | 0.02 | 0.03 |
| A. K. Services Private Limited | 1.59 | 0.26 |
| Family Home Consultancy Services Private Limited | 0.14 | 0.16 |
| Aditi Mittal | 0.00 | - |
| A. K Mittal | 0.72 | - |
| Anshu | 0.36 | - |
| Abhinav Kumar Mittal | 0.47 | - |

Rs. In Lacs

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Demat charges received** | | |
| A. K. Capital Services Limited | 0.17 | 0.22 |
| A. K. Capital Finance Limited | 1.11 | 1.10 |
| A. K. Capital Markets Limited | 0.02 | 0.02 |
| A. K. Capital Corporation Private Limited | 0.03 | 0.01 |
| Aditi Mittal | 0.00 | 0.00 |
| A. K Mittal | - | 0.00 |
| Anshu | 0.01 | 0.00 |
| Purvi Jain | 0.00 | 0.00 |
| Abhinav Kumar Mittal | 0.01 | 0.00 |
| A. K. Services Private Limited | 1.71 | 0.56 |
| M Square Automobile Private Limited | - | 0.01 |
| M Square Advisors Private Limited | - | 0.01 |
| Family Home Consultancy Services Private Limited | 0.05 | 0.02 |
| A. K. Wealth Management Private Limited | 0.05 | 0.09 |
| Family Home Finance Private Limited | 0.06 | 0.00 |
| Goodwill Capital Services Pvt. Ltd. | 0.01 | 0.03 |
| **Key managerial remuneration **** | | |
| Short term benefits | 216.34 | 81.96 |
| **Purchase of Securities (Excluding Accrued Interest)** | | |
| A. K. Capital Finance Limited | 10,275.53 | 17,062.45 |
| A. K. Services Private Limited | 672.16 | 3,593.64 |
| A. K. Wealth Management Private Limited | 140.02 | 80.01 |
| Goodwill Capital Services Private Limited | - | 280.06 |
| Family Home Consultancy Services Private Limited | 40.01 | - |
| A. K. Capital Services Limited | 1,499.72 | - |
| **Sales of Securities (Excluding Accrued Interest)** | | |
| A. K. Capital Finance Limited | 60,528.59 | 61,206.56 |
| A.K. Capital Corporation Private Limited | 25.00 | 161.50 |
| A. K. Wealth Management Private Limited | - | 20.00 |
| A. K. Capital Markets Limited | - | 60.05 |
| A. K. Services Private Limited | 438.84 | 577.32 |
| Family Home Consultancy Services Private Limited | - | 40.05 |
| A. K. Capital Services Limited | 4,550.00 | - |
| **Buyback of Non Convertible Debentures (Excluding Accrued Interest)** | | |
| A. K. Capital Finance Limited | - | 42.00 |
| **Interest Income on Debentures** | | |
| A. K. Capital Finance Limited | 0.34 | 7.86 |
| **Brokerage Paid** | | |
| M Square Automobile Private Limited | - | 625.04 |
| A. K. Wealth Management Private Limited | 217.18 | 154.80 |
| Family Home Consultancy Services Private Limited | - | 3.00 |
| **Repairs & Maintenance expenses** | | |
| M Square Automobile Private Limited | 3.77 | 3.18 |
| **Software Expenses** | | |
| Indiabond Private Limited | 60.00 | - |

Rs. In Lacs

| B) Balances of related parties: | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Balances payable** | | |
| M Square Automobile Private Limited | - | 1.22 |
| A. K. Capital Finance Limited | 42.59 | - |
| A. K. Capital Services Limited | - | 0.01 |
| **Balances receivable** | | |
| A. K. Capital Finance Limited | 0.60 | 1.13 |
| A. K. Capital Services Limited | - | 0.01 |
| A.K. Capital Corporation Private Limited | 0.02 | - |
| Anshu | 0.01 | 0.00 |
| Abhinav Kumar Mittal | 0.01 | 0.00 |
| A. K. Services Private Limited | 0.04 | 0.09 |
| M Square Advisors Private Limited | - | 0.01 |
| A. K. Wealth Management Private Limited | - | 0.04 |
| Family Home Finance Private Limited | 0.02 | 0.00 |
| Goodwill Capital Services Pvt. Ltd. | - | 0.02 |
| **Investment in Non Convertable Debentures** | | |
| A. K. Capital Finance Limited | - | 25.00 |
| **Interest Accrued but not due on Debentures** | | |
| A. K. Capital Finance Limited | - | 0.20 |

* Transaction amount are 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.

**29 Income Tax**

**(a) Amounts recognised in the statement of profit and loss**

**(Rs. in lacs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Current income tax:** | | |
| Current income tax charge | 54.70 | 50.30 |
| Adjustments in respect of previous year | -1.73 | -2.74 |
| | | |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | (3.05) | 25.69 |
| **Income tax expense reported in the statement of profit or loss** | **49.92** | **73.25** |

**(b) Amounts recognised in other comprehensive income** **(Rs. in lacs)**

| Particulars | 2019-20 | | |
|---|---|---|---|
| | Before Tax | Tax (expense)/ benefit | Net of Tax |
| Items that will not be reclassified to profit or loss | | | |
| a) Re-measurements of the defined benefit plans | (5.67) | 2.41 | (3.26) |
| b) Equity instruments through Other Comprehensive Income | (14.54) | - | (14.54) |
| **TOTAL** | **(20.21)** | **2.41** | **(17.80)** |

**(Rs. in lacs)**

| Particulars | 2018-19 | | |
|---|---|---|---|
| | Before Tax | Tax (expense)/ benefit | Net of Tax |
| Items that will not be reclassified to profit or loss | | | |
| a) Re-measurements of the defined benefit plans | 52.09 | (14.49) | 37.60 |
| b) Equity instruments through Other Comprehensive Income | 4.27 | - | 4.27 |
| **TOTAL** | **56.36** | **(14.49)** | **41.87** |

**(c) Reconciliation of effective tax rate**

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 lacs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Profit before income tax as per Income Statement** | 188.36 | 267.46 |
| | | |
| Rate of Income tax | 25.17% | 27.82% |
| Computed expected tax expenses | 47.41 | 74.41 |
| Tax effect due to non-taxable income | - | (1.08) |
| Temporary difference recognised in deferred taxes | 2.73 | 1.51 |
| Tax effect due to non-deductable expenses | 2.93 | (10.02) |
| Tax effect due to IND-AS Adjustment in Income and Expenses | 1.55 | (14.61) |
| Other | 0.08 | 0.09 |
| **Income tax expense reported in the statement of profit or loss** | **54.70** | **50.30** |

**(d) Movement in deferred tax balances**

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

**(Rs. in lacs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Net deferred tax asset/(liability) at the beginning | 13.82 | 25.02 |
| | | |
| Property plant and equipments | 2.71 | 1.64 |
| Gratuity | 2.78 | (12.72) |
| Fair value gain on investments in debt securities | - | (0.12) |
| Lease liability | (0.01) | - |
| **Net deferred tax asset/(liability) at the end** | **19.30** | **13.82** |

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

**(Rs. in lacs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Net current income tax asset/(liability) at the beginning | 69.66 | 49.14 |
| | | |
| Income tax paid | 56.72 | 68.08 |
| | | |
| Current tax expenses | (54.70) | (50.30) |
| | | |
| Excess short provision of earlier year | 1.73 | 2.74 |
| | | |
| **Net current income tax asset/(liability) at the end** | **73.41** | **69.66** |

**30 Financial Instruments**

The carrying value and fair value of financial instrument by categories as of 31 March 2020 were as follows:

**Rs. In Lacs**

| 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 | 292.64 | - | - | 292.64 | 292.64 |
| Bank Balance other than (a) above | 65.00 | - | - | 65.00 | 65.00 |
| Receivables | 131.01 | - | - | 131.01 | 131.01 |
| Investments | - | 155.09 | 13.59 | 168.68 | 168.68 |
| Stock of securities | - | 1,474.00 | - | 1,474.00 | 1,474.00 |
| Other financial assets | 684.84 | 2.55 | - | 687.39 | 687.39 |
| **TOTAL** | **1,173.49** | **1,631.64** | **13.59** | **2,818.72** | **2,818.72** |
| **Liabilities:** | | | | - | - |
| Trade payables | 516.84 | - | - | 516.84 | 516.84 |
| Lease Liability | 132.84 | - | - | 132.84 | 132.84 |
| Other financial liabilities | 12.75 | - | - | 12.75 | 12.75 |
| **TOTAL** | **662.43** | **-** | **-** | **662.43** | **662.43** |

The carrying value and fair value of financial instrument by categories as of 31 March 2019 were as follows:

**Rs. In Lacs**

| 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 | 188.49 | - | - | 188.49 | 188.49 |
| Bank Balance other than (a) above | 75.00 | - | - | 75.00 | 75.00 |
| Receivables | 300.17 | - | - | 300.17 | 300.17 |
| Investments | - | - | 28.12 | 28.12 | 28.12 |
| Stock of securities | - | 4,219.46 | - | 4,219.46 | 4,219.46 |
| Other financial assets | 371.67 | 4.57 | - | 376.24 | 376.24 |
| **TOTAL** | **935.33** | **4,224.03** | **28.12** | **5,187.48** | **5,187.48** |
| **Liabilities:** | | | | - | - |
| Trade payables | 531.16 | - | - | 531.16 | 531.16 |
| Borrowings | 2,497.76 | - | - | 2,497.76 | 2,497.76 |
| Other financial liabilities | 53.35 | - | - | 53.35 | 53.35 |
| **TOTAL** | **3,082.27** | **-** | **-** | **3,082.27** | **3,082.27** |

**31 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

**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**

**Revenue/Trade receivables**

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Company have provided details of revenue from revenue from single largest customer, revenue from top 5 customer and ageing of trade receivable below:

a) The following table gives details in respect of revenues generated from top customer and top 5 customers:

**Rs. In Lacs**

| **Particulars** | **As at 31 March 2020** | **As at 31 March 2019** |
|---|---|---|
| Revenue from top customer | 1,410.62 | 2,609.34 |
| Revenue from top 5 customers | 4,061.99 | 7,454.70 |

(b) Ageing analysis of the age of trade receivable amounts that are not due as at the end of reporting year:

**Rs. In Lacs**

| **Particulars** | **As at 31-March-2020** | **As at 31-March-2019** |
|---|---|---|
| Within credit days | 122.57 | 291.68 |

(c) Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

**Rs. In Lacs**

| **Particulars** | **As at 31-March-2020** | **As at 31-March-2019** |
|---|---|---|
| **Trade receivables:** | | |
| Less than 90 days | 0.03 | 7.97 |
| 91 to 180 days | - | 0.07 |
| 181 to 270 days | - | - |
| 271 to 360 days | 0.26 | 0.22 |
| Over 360 days | 8.15 | 0.23 |
| **Total** | **8.44** | **8.49** |

**Exposure to credit risk**

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

**Rs. In Lacs**

| **Particulars** | **As at 31 March 2020** | **As at 31 March 2019** |
|---|---|---|
| **Financial assets** | | |
| Receivables | 131.01 | 300.17 |
| Other financial assets | 687.39 | 376.24 |
| **At end of the year** | **818.40** | **676.41** |

**Balances with banks and other financial assets:**

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

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

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables taking into account historical credit loss experience.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

**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.

Company has interest rate risk exposure mainly from changes in rate of interest on fixed deposits. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

**Rs. In Lacs**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Financial assets** | | |
| **Interest bearing** | | |
| - fixed interest rate | | |
| Stock of securities | 1,474.00 | 4,244.46 |
| Other financial assets | 2.55 | 4.57 |
| | | |
| **Non interest bearing** | | |
| Cash and cash equivalents | 292.64 | 188.49 |
| Bank Balance other than above | 65.00 | 75.00 |
| Receivables | 131.01 | 300.17 |
| Investments | 168.68 | 28.12 |
| Other financial assets | 684.84 | 371.67 |
| **Financial Liabilities** | | |
| **Interest bearing** | | |
| - floating interest rate | | |
| Borrowings | - | 2,497.76 |
| - fixed interest rate | | |
| Lease Liability | 132.84 | - |
| **Non interest bearing** | | |
| Trade payables | 516.84 | 531.16 |
| Other financial liabilities | 12.75 | 53.35 |

**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, after the excluding the credit exposure for which interest rate swap has been taken and hence the interest rate is fixed. 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 Lacs**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Increase in basis points | 50 | 50 |
| Effect on profit before tax | - | (12.49) |
| | | |
| Decrease in basis points | 50 | 50 |
| Effect on profit before tax | - | 12.49 |

**32 Liquidity Risk**

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 maximum exposure to credit 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 average credit period taken to settle trade payables is about 30 days. The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analysis financial liabilities by remaining contractual maturities:

**Rs. In Lacs**

| Particulars | On demand | Less than 3 months | 3 to12 months | 1 to 5 years | >5 years | Total |
|---|---|---|---|---|---|---|
| **Year ended 31 March 2020** | | | | | | |
| Trade payables | 0.00 | 516.84 | 0.00 | 0.00 | 0.00 | **516.84** |
| Lease Liability | 0.00 | 19.80 | 59.40 | 66.00 | 0.00 | **145.20** |
| Other financial liabilities | 0.00 | 12.75 | 0.00 | 0.00 | 0.00 | **12.75** |
| | **0.00** | **549.39** | **59.40** | **66.00** | **0.00** | **674.79** |
| **Year ended 31 March 2019** | | | | | | |
| Trade payables | 0.00 | 531.16 | 0.00 | 0.00 | 0.00 | **531.16** |
| Borrowings | 0.00 | 0.00 | 2,497.76 | 0.00 | 0.00 | **2,497.76** |
| Other financial liabilities | 0.00 | 53.35 | 0.00 | 0.00 | 0.00 | **53.35** |
| | **0.00** | **584.51** | **2,497.76** | **0.00** | **0.00** | **3,082.27** |

**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 parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. 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 Lacs**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Trade payables | 516.84 | 531.16 |
| Borrowings | - | 2,497.76 |
| Lease Liability | 132.84 | - |
| Other financial liabilities | 12.75 | 53.35 |
| **Net debt (A)** | **662.43** | **3,082.27** |
| Equity share capital | 1,200.00 | 1,200.00 |
| Other equity | 1,212.44 | 1,091.80 |
| **Total member's capital (B)** | **2,412.44** | **2,291.80** |
| **Capital and net debt (C=A+B)** | **3,074.87** | **5,374.07** |
| **Gearing ratio (%) (A/C)** | **21.54** | **57.35** |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

**33 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 and liabilities measured at fair value on a recurring basis as of 31 March 2020:

**Rs. In Lacs**

| 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 | 168.68 | 168.68 | - | - |
| Stock of Securities | 1,474.00 | - | 1,474.00 | - |

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

**Rs. In Lacs**

| 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 | 28.12 | 28.12 | - | - |
| Stock of Securities | 4,244.46 | - | 4,244.46 | - |

| 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. 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 |
| 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.

**34 LEASES**

**(i) Lease commitments as lessee:**

The Company has entered into agreements for taking on lease certain office on lease and licence basis. The lease term is for a period of 60 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.

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.

Based on use of practical expedients, the Company did not have any lease requiring reclassification or/ and measurement on initial application date. Consequently, the Company has reclassified the "Right of use asset", (representing its right of use the leased asset over the lease term) from other financial assets to property, plant and equipment.
The Company has also recognised liability towards the present value of the balance of future lease payments for the leases.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:- **Rs. In Lacs**

| | **Category of ROU Assets** |
|---|---|
| **Particulars** | **Building** |
| **Balance as at April 1, 2019** | - |
| Reclassified on account of adoption of Ind AS 116 | 205.24 |
| Additions | - |
| Deletion | - |
| Depreciation | 72.44 |
| **Balance as at March 31, 2020** | **132.80** |

**The following is the movement in lease liabilities during the year ended March 31, 2020:** **Rs. In Lacs**

| **Particulars** | **Amount** |
|---|---|
| **Balance at the beginning** | 196.20 |
| Additions | - |
| Finance cost accrued during the period | 15.84 |
| Deletions | - |
| Payment of lease liabilities | 79.20 |
| Translation Difference | - |
| **Balance at the end** | **132.84** |

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 expense | 4,894.60 | (79.20) | 4,815.40 |
| Finance costs | 117.87 | 15.84 | 133.71 |
| Depreciation and amortisation expense | 32.82 | 72.44 | 105.26 |
| Profit before tax | 197.44 | (9.08) | 188.36 |

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.

**Contractual maturities of lease liabilities:**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

| **Particulars** | **Amount** |
|---|---|
| Less than one year | 79.20 |
| One to five years | 66.00 |
| More than five years | - |
| **Total** | **145.20** |

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.79.20 lakhs.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**35 EARNINGS PER SHARE:**

| Particulars | Current Year FY 2019-20 | Previous Year FY 2018-19 |
|---|---|---|
| Net profit after tax as per profit and loss account (Rs. in lacs) | 138.44 | 194.21 |
| Weighted average number of equity shares outstanding during the period/year for basic earnings per share (No.) | 1,20,00,000 | 1,20,00,000 |
| Nominal value of share (Rs.) | 10.00 | 10.00 |
| Basic and diluted earnings per share (Rs.) | 1.15 | 1.62 |

**36** The COVID-19 pandemic has significantly impacted economic activities, businesses, individuals across the spectrum. The Company recognizes the need to make reasonable estimation of the impact of this pandemic on the repayment ability of its customers, and make additional provisions as considered appropriate, over-and-above the extant provisions, for expected credit losses. The Company has segmented its portfolio basis various parameters to ascertain the impact of COVID-19 and basis 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 be different from that expected as at the date of approval of these financial statements. As per the Company's assessment, this by itself has not resulted into any significant increase in the credit risk. 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.

**37** In the opinion of management, financial & non 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 depreciation and all known liabilities is adequate and not in excess of the amount reasonably stated.

**38** Previous year figures have been regrouped or rearranged wherever considered necessary,to confirm with the current year's presentation.

**Signatures to 1 to 38**

As per our report of even date attached

**For JMR & Associates LLP**
Chartered Accountants
FRN.106912W / W100300

NIKESH MOOLCHAND JAIN
Digitally signed by NIKESH MOOLCHAND JAIN
DN: c=IN, o=Personal, postalCode=40060, st=Maharashtra, 2.5.4.20=76817ec3b976ad14068e28f1ae8a47807f77536bd91ec07b67706ca82a261468, serialNumber=90191d18048d799c840b6fa6452e8e966d7a47f73bf9ed241560b3434f2bf840, cn=NIKESH MOOLCHAND JAIN
Date: 2020.06.23 23:45:36 +05'30'

**CA Nikesh Jain**
Partner
M No. 114003

Place: Mumbai
Dated : June 23,2020

**For and on behalf of the Board of Directors**

Aditi Mittal
Digitally signed by Aditi Mittal
DN: cn=Aditi Mittal, o=A.K. Stockmart Private Limited, ou=Managing Director, email=aditi@akgroup.co.in, c=IN
Date: 2020.06.23 21:23:34 +05'30'

**Aditi Mittal**
Chairperson & MD
DIN:00698397

ANKIT GUPTA
Digitally signed by ANKIT GUPTA
DN: c=IN, o=Personal, postalCode=400025, st=MAHARASHTRA, serialNumber=0276276cc64512c8435b947d7367bf5797d1b243b0bf53a775b4f8d4c9bf4594, cn=ANKIT GUPTA
Date: 2020.06.23 22:21:17 +05'30'

**Ankit Gupta**
Whole Time Director
DIN:05351720

Ranjit Dutta
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Date: 2020.06.23 21:13:37 +05'30'

**Ranjit Dutta**
Chief Financial Officer

Ram Suthar
Digitally signed by Ram Suthar
DN: cn=Ram Suthar, o=A.K. Stockmart Private Limited, ou=Company Secretary, email=ramesh.suthar@akgroup.co.in, c=IN
Date: 2020.06.23 21:10:47 +05'30'

**Ram Suthar**
Company Secretary
M.No.: ACS-A45260

Place: Mumbai
Dated : June 23,2020