25TH

1993 - 2018

ANNUAL REPORT 2017-2018

A. K. CAPITAL SERVICES LTD.

BUILDING BONDS

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Subhash Chandra Bhargava
Non-Executive Chairman,
Independent Director
(DIN: 00020021)

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

Ms. Aditi Mittal
(Appointed w.e.f. February 3, 2018)
Non-Executive Director
(DIN: 00698397)

Mr. Ashish Agarwal
(Appointed w.e.f. February 3, 2018)
Whole-time Director
(DIN: 08064196)

Mr. Vikas Jain
(Appointed w.e.f. February 3, 2018)
Whole-time Director
(DIN: 07887754)

Mr. Subhash Chander Madan
Independent Director
(DIN: 00785025)

Mr. Raghubinder Rai
Independent Director
(DIN: 00851994)

Mr. Khimji Shamji Pandav
(Appointed w.e.f. August 11, 2018)
Independent Director
(DIN: 01070944)

Mr. Deepak Mittal
(Resigned w.e.f. February 3, 2018)
Whole-time Director
(DIN: 00043685)

Mrs. Anshu
(Resigned w.e.f. April 12, 2018)
Non-Executive Director
(DIN: 01227279)

CHIEF FINANCIAL OFFICER (CFO)
Mr. Mahesh Bhootra

COMPANY SECRETARY (CS)
Mr. Tejas Dawda (ACS No.: A27660)

STATUTORY AUDITORS
M/s. PYS & Co. LLP
Chartered Accountants, [Firm Registration No.: 012388S/S200048]

BANKERS

Bank of India	Andhra Bank
HDFC Bank Limited	Bank of Maharashtra
The Federal Bank Limited	Union Bank of India
Punjab National Bank	AU Small Finance Bank Limited
Syndicate Bank	

REGISTRAR AND SHARE TRANSFER AGENT
Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083
Tel: +91-22-49186270 | Fax: +91-22-49186060 | E-mail: rnt.helpdesk@linkintime.co.in | Website: www.linkintime.co.in

CORPORATE IDENTIFICATION NUMBER
L74899MH1993PLC274881

REGISTERED OFFICE
403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai – 400021
Tel: +91-22-66349300 | Website: www.akgroup.co.in

CORPORATE OFFICE
30-39, 3rd Floor, Free Press House, Free Press Journal Marg, 215 Nariman Point, Mumbai – 400 021
Tel: +91-22-67546500 | Fax: +91-22-66100594 | Website: www.akgroup.co.in

DIRECTORS' REPORT

To,

The Members of A. K. Capital Services Limited ("Company"),

The Directors of your Company are pleased to present the 25th Annual Report of the Company, together with the annual audited standalone and consolidated financial statements for the Financial Year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

A summary of the financial performance of the Company, both on standalone and consolidated basis, for the Financial Year 2017-18 as compared to the previous Financial Year is given below:

Standalone financial highlights of the Company

(INR in Crore except per share data)

Particulars	2017-18	2016-17
Total revenue	108.29	96.27
Total expenses	76.18	60.04
Profit before tax	**32.11**	**36.23**
Tax expenses	10.53	11.86
Profit after tax	**21.58**	**24.37**
Add: Surplus brought forward from previous year	258.15	233.78
Profit available for appropriation	**279.73**	**258.15**
Less: Appropriations		
Dividend paid	3.96	-
Dividend distribution tax on dividend	0.81	-
Surplus carried to the balance sheet	**274.96**	**258.15**
Earnings per equity share (face value INR 10/- per share)		
Basic (INR)	32.69	36.93
Diluted (INR)	32.69	36.93

Consolidated financial highlights of the Company

(INR in Crore except per share data)

Particulars	2017-18	2016-17
Total revenue	331.76	338.94
Total expenses	239.09	249.72
Profit before tax	**92.67**	**89.22**
Tax expenses	30.82	31.40
Profit after tax and before minority interest	**61.85**	**57.82**
Less: Share of minority interest	0.51	0.39
Profit for the year	**61.34**	**57.43**
Add: Surplus brought forward from previous year	356.67	305.53
Less: Transfer of Pre-acquisition profit	-	0.07
Amount of profit available for appropriation	**418.01**	**362.89**
Less: Appropriations		
Transfer to special reserves	8.00	6.22
Dividend paid	3.96	-
Dividend distribution tax	0.81	-
Surplus carried to the Balance Sheet	**405.24**	**356.67**
Earnings per equity share (face value INR 10/- per share)		
Basic (INR)	92.93	87.01
Diluted (INR)	92.93	87.01

FINANCIAL PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

On standalone basis, your Company earned total revenue of INR 108.29 Crores during the year under review as against INR 96.27 Crores reported in the previous year. The profit before tax is INR 32.11 Crores as against the INR 36.23 Crores during the previous year. After making provision for tax, the net profit of your Company is INR 21.58 Crores as against the net profit of INR 24.37 Crores in the previous year.

The consolidated total revenue of your Company stood at INR 331.76 Crores for the financial year ended March 31, 2018 as against INR 338.94 Crores for the previous year. The consolidated profit before tax is INR 92.67 Crores for the current year as against INR 89.22 Crores in the previous year. After making provision for tax, the consolidated net profit of your Company is INR 61.85 Crores as against INR 57.82 Crores in the previous year.

DIVIDEND

Your Company is rewarding its shareholders by way of consecutive cash dividends, considering the consistent financial performance of your Company and promising future prospects while retaining capital to maintain a healthy capital and to support future growth.

The Board, at its Meeting held on May 26, 2018, has recommended a final dividend @ 60% i.e. INR 6/- per equity share (on the face value of INR 10/- per equity share) on 6,600,000 equity shares for the Financial Year 2017-18. The amount of dividend on equity shares and tax thereon aggregates to INR 4.77 Crore.

The payment of the final dividend is subject to the approval of the members at the ensuing Annual General Meeting (AGM) and shall be paid to those members whose names appear in the Register of Members as on Friday, August 10, 2018. The Register of Members and Share Transfer Books will remain closed from Saturday, August 11, 2018 to Saturday, August 18, 2018 (both days inclusive). The Annual General Meeting of the Company is scheduled to be held on Saturday, September 22, 2018.

TRANSFER TO GENERAL RESERVES

During the year under review, the Company has not transferred any amount to the General Reserves.

SUBSIDIARIES

As on March 31, 2018, your Company has the following subsidiaries:

SN	Name of the subsidiaries
1.	A. K. Stockmart Private Limited
2.	A. K. Capital Corporation Private Limited
3.	A. K. Wealth Management Private Limited
4.	A. K. Capital (Singapore) Pte. Ltd.
5.	A. K. Capital Finance Private Limited
6.	Family Home Finance Private Limited (Step-down subsidiary) - with effect from June 29, 2017.

During the year under review, A. K. Capital Finance Private Limited (AKCFPL), material subsidiary of the Company has issued and allotted 22,700 Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("said debentures") of face value of INR 1 lakh each aggregating to INR 227 Crores, on private placement basis. The said debentures are listed on BSE Limited.

Further net worth of AKCFPL exceeded INR 500 Crores during the half year ended September 30, 2017 which qualifies it as a Qualified Institutional Buyer under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

During the year under review, AKCFPL also incorporated its subsidiary Company in the name of ''Family Home Finance Private Limited"

MATERIAL SUBSIDIARIES

Regulation 16(1)(c)of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines "material subsidiary" as a subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries at the end of the immediately preceding accounting year.

Based on the above criteria the Company has two material subsidiaries namely, A. K. Capital Finance Private Limited & A. K. Stockmart Private Limited.

The Policy for determining the material subsidiaries has been formulated and adopted by the Board. The Policy may be accessed on the website at link:

http://www.akgroup.co.in/docs/Policy%20on%20Determining%20Material%20Subsidiary-20180409150806787352 3.pdf

NOTE ON FINANCIAL STATEMENTS OF SUBSIDIARIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements has been prepared under the historical cost convention on accrual basis and in accordance with the Generally Accepted Accounting Principles ('GAAP') in compliance with the provisions of the Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and forms part of this Annual Report.

In terms of Section 129(3) of the Act, read with Rule 5 of Companies (Accounts) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Statement containing salient features of financial statements of subsidiaries in Form AOC-1 as prescribed in the Companies (Accounts) Rules, 2014 forms a part and is annexed to the Annual Report.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the annual report of the Company, the annual financial statements and the related documents of the subsidiary companies are placed on the website of the Company www.akgroup.co.in. Shareholders may download the annual financial statements and detailed information on subsidiary companies from the Company's website or may write to the Company for the same. Further, the documents shall be available for inspection by the shareholders at the registered office of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all Independent Directors of the Company confirming that they meet the criteria of Independence prescribed both under Section 149 of the Companies Act, 2013 and the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

APPOINTMENTS DURING SINCE LAST ANNUAL GENERAL MEETING

On the recommendation of Nomination and Remuneration Committee of the Company, the Board had appointed:

i. Mr. Ashish Agarwal (DIN: 08064196), Mr. Vikas Jain (DIN: 07887754) and Ms. Aditi Mittal (DIN: 00698397) as Additional Directors with effect from February 3, 2018. Subject to the approval of the Members at the General Meeting, the Board also re-designated Mr. Ashish Agarwal and Mr. Vikas Jain as the Whole-time Directors for a period of 5 Years from the date of Appointment. Mr. Ashish Agarwal and Mr. Vikas Jain, being whole-time Directors of the Company were also designated as Key Managerial Personnel of the Company.

ii Mr. Khimji Shamji Pandav (DIN: 01070944) as an Additional Director (Independent) of the Company with effect from August 11, 2018 for a period of 5 years.

The draft resolutions for the appointment of the Directors and their detailed profiles have been included in the notice convening the ensuing AGM and details of the proposal for appointment are mentioned in the explanatory statement of the notice.

The profile and recommendation of the Board to the Members of the Company for their appointments are furnished herein below:

a) Mr. Ashish Agarwal

Mr. Ashish Agarwal has been associated with the Company for over 17 years and is an expert in his domain. He is a key person who has been instrumental in structuring of innovative fixed income instruments such as perpetual bonds, unsecured subordinated bonds, tax free bonds, non-convertible redeemable preference shares etc.

Mr. Ashish Agarwal is a debt market veteran with over 22 years of work experience. He started his career in arena when markets were in infancy stage. He has played a crucial role in evolvement of corporate bond market in India. His role at AK Capital has revolved around origination of bond placement transactions for diverse set of clients including Central Government Undertakings, Public and Private Sector Banks, Financial institutions and large Corporates. Besides bond placement, he has also undertaken several prestigious financial advisory transactions for country's premier Central Government Undertakings and PSU Banks.

Your Company has received a notice in writing from a member proposing the candidature of Mr. Ashish Agarwal as Director on the Board of the Company. The Nomination and Remuneration Committee and the Board recommend his appointment to the members of the Company.

b) Mr. Vikas Jain

Mr. Vikas Jain is a Chartered Accountant and has been associated with the company for more than 15 years. He has played an important role in the Company's business growth. At A. K. Capital, he has donned several hats and handled placement responsibilities with retirement funds, advisory and structuring of venture capital funds, including fund raising. He is currently handling advisory and business development for private sector companies for their debt resources. His key skill is in successfully understanding the needs of clients with a substantial knowledge of markets and instruments. He has been instrumental in taking the Company to top position as arranger of debt products especially in private placements arena.

Your Company has received a notice in writing from a member proposing the candidature of Mr. Vikas Jain as Director on the Board of the Company. The Nomination and Remuneration Committee and the Board recommend his appointment to the members of the Company.

c) Ms. Aditi Mittal

Ms. Aditi Mittal is a Chartered Accountant by qualification. Aditi has a decade of experience with A.K. Group. Ms. Aditi Mittal has been pioneer in building, managing and engaging teams at A.K. Group to develop strategies both in India and abroad to achieve the Group's vision of creating a liquid, transparent and vibrant domestic corporate bond market. At A.K. Group, she works on Prime Focus areas i.e. Business Forecasting, Product development, P&L, Key client relationship management and holistic strategic initiatives for the organization's growth. She was instrumental in the creation of A. K. Stockmart Private Ltd ('AKSPL'), (a 100% subsidiary of the Company) from inception & now heads AKSPL in the capacity of a Managing Director.

Your Company has received a notice in writing from a member proposing the candidature of Ms. Aditi Mittal as Director on the Board of the Company. The Nomination and Remuneration Committee and the Board recommend her appointment to the members of the Company.

d) Mr. Khimji Shamji Pandav

Mr. Khimji Shamji Pandav is a Chartered Accountant by qualification. Mr. Khimji Shamji Pandav headed the finance function in various companies for more than 33 years and held key posts in the field of Finance and Accounts and also acted as Financial Advisor to CIDCO and MSRDC.

Your Company has received a notice in writing from a member proposing the candidature of Mr. Khimji Shamji Pandav as Independent Director on the Board of the Company. The Nomination and Remuneration Committee and the Board recommend his appointment to the members of the Company.

RESIGNATIONS SINCE LAST ANNUAL GENERAL MEETING

Mr. Deepak Mittal, Whole-time Director of the Company resigned from the Board with effect from February 3, 2018. The same was taken on record by Board at its meeting held on the same day.

Mrs. Anshu, Non-Executive Director tendered her resignation on April 12, 2018. The Board noted her resignation vide circular resolution dated April 12, 2018.

The Board places on record its sincere appreciation for the valuable services rendered by Mr. Deepak Mittal and Mrs. Anshu during their tenure as Directors of the Company.

RETIREMENT BY ROTATION

In accordance with the Articles of Association of the Company and the provisions of the Section 152 of the Companies Act, 2013, Mr. A. K. Mittal (DIN: 00698377), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The requisite agenda for appointment of Mr. A. K. Mittal is incorporated in the notice of Annual General Meeting.

RE-APPOINTMENT OF INDEPENDENT DIRECTORS

The Members of the Company at their 21st Annual General Meeting held on September 20, 2014 had appointed Mr. Subhash Chandra Bhargava (DIN: 00020021) and Mr. Subhash Chander Madan (DIN: 00785025) as the independent directors of the Company for a period of 5 years commencing from April 1, 2014 to March 31, 2019. In view of same, their tenure shall expire on March 31, 2019.

The Members are also informed that pursuant to the provisions of Section 152, Independent Directors shall be eligible for re-appointment for second term of five years if special resolution is passed by the members of the Company to that effect.

Accordingly, the Nomination and Remuneration Committee and the Board of Directors recommend the re-appointment of Independent Directors for a period of 5 years commencing from April 1, 2019 to March 31, 2024 at their meeting held on August 11, 2018.

The draft resolutions for the re-appointment of the Independent Directors and their detailed profiles have been included in the notice convening the ensuing AGM and details of the proposal for reappointment are mentioned in the explanatory statement of the notice.

Composition of the Board

As on March 31, 2018, the Board of Directors (''Board") of your Company comprised of eight Directors of which three are Executive Directors, two Women Directors who are Non-Executive Non-Independent Director and three are Non-Executive Independent Directors. The Chairman of the Company is Non-Executive Independent Director. The composition of the Board is in consonance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in accordance with the applicable provisions of the Companies Act, 2013, as amended from time to time.

Key Managerial Personnel

Pursuant to the resignation of Mr. Deepak Mittal on February 3, 2018, he ceased to be Key Managerial Personnel of the Company.

Further, the Directors have also identified Mr. Ashish Agarwal and Mr. Vikas Jain, Whole-time Directors of the Company as the Key Managerial Personnel of the Company.

The following persons are the Key Managerial Personnel's (KMP's) of the Company as per the provisions of Section 203 of the Companies Act, 2013 (the Act) as on March 31, 2018:-

Mr. A. K. Mittal	-	Managing Director
Mr. Ashish Agarwal	-	Whole-time Director
Mr. Vikas Jain	-	Whole-time Director
Mr. Mahesh Bhootra	-	Chief Financial Officer
Mr. Tejas Dawda	-	Company Secretary

PERFORMANCE EVALUATION

With the objective of enhancing the effectiveness of the Board, the Nomination and Remuneration Committee formulated the methodology and criteria to evaluate the performance of the Board, its Committee and each Director. The evaluation of the performance of the Board, Committees and each Director is based on the approved criteria laid down in the Performance Evaluation Policy of the Company.

The Independent Directors also held a separate meeting to review the performance of the non-executive directors, the Chairman of the Company, the overall performance of the Board along with its Committees.

The details of performance evaluation conducted during the Financial Year 2017-18 is provided in 'Report on Corporate Governance' forming part of the Annual Report

BOARD COMMITTEES

The Board of Directors has four Mandatory Committees, viz.

i. Audit Committee

ii. Nomination and Remuneration Committee

iii. Stakeholders' Relationship Committee

iv. Corporate Social Responsibility Committee

Pursuant to the change in the composition of the Board, the Committees of the Board were re-constituted.

The details of all the Mandatory Committees along with their composition, terms of reference and meetings held during the year are provided in 'Report on Corporate Governance' forming part of the Annual Report.

NON-MANDATORY COMMITTEE

In addition to the above referred Mandatory Committees, the Board also has the following major Committees of the Board and delegated powers and responsibilities with respect to specific purposes:

i. Banking and Investment Committee

ii. Management Committee

iii. Infrastructure Committee

Details of all the Non-Mandatory Committees along with their composition and terms of reference are provided in 'Report on Corporate Governance' forming part of the Annual Report.

MEETINGS OFTHE BOARD

Regular meetings of the Board are held to discuss and decide on various business policies, strategies, financial matters and other businesses. During the year under review, the Board met four times. The details of the Board Meetings and the attendance of the Directors at the meetings are provided in the Corporate Governance Report, which forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your Directors confirm that they have:

i. Followed the applicable accounting standards in preparation of the annual financial statements for the Financial Year 2017-18 ;

ii. Have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the Financial Year 2017-18 ended on that date;

iii. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;

iv. Prepared the annual accounts on a 'going concern basis';

v. Laid down proper internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively; and

vi. Devised proper systems to ensure compliance with the provisions of all applicable laws and that the systems are adequate and are operating effectively.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy is attached as **Annexure - 1** to this Report.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made there under, the Company has in place Corporate Social Responsibility Policy; the same may be accessed at the link given below:

http://www.akgroup.co.in/docs/Policy-CSR_Policy-20170822131431400533 2.pdf

The details of CSR Policy of the Company and CSR activities undertaken during the Financial Year 2017-18 by the Company is attached as **Annexure - 2** and forms an integral part of this Report.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

Pursuant to Section 177 of the Act, the rules made thereunder and the SEBI Regulations, the Company has in place a Whistle Blower Policy ('Vigil Mechanism') for reporting genuine concerns over happening of instances of any irregularity, unethical practice and/or misconduct involving the directors, employees and stakeholders. The Policy may be accessed on the Company's website at the link: http://www.akgroup.co.in/docs/Whistle%20Blower%20Policy%20and%20Establishment%20of%20Vigil%20Mechanism-20180409150500384713 9.pdf.

There was no instance of such reporting received during the year.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace. During the Financial Year 2017-18, no case in the nature of sexual harassment was reported at any workplace of the Company.

MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

The Management Discussion and Analysis report for the Financial Year 2017-18 and the report of the Directors on Corporate Governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given in separate sections forming part of the Annual Report.

A certificate from the Statutory Auditors of the Company, M/s. PYS & Co. LLP, Chartered Accountants (Firm Registration No.: 012388S/S200048) confirming compliance with the conditions of Corporate Governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with reference to the Financial Statements. Internal Financial control have been assessed during the year taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. Based on the results of such assessment carried out by management with the help of M/s JMR & Associates, Practicing Chartered Accountant Firm, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed.

RISK MANAGEMENT

As a diversified enterprise, your Company continues to focus on a system-based approach to business risk management. The management of risk is embedded in the corporate strategies that best match organizational capability with market opportunities, focusing on building distributed leadership and succession planning processes, nurturing specialism and enhancing organizational capabilities. Accordingly, management of risk has always been an integral part of the Company's Strategy.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems to commensurate with the nature of business and size of operations for ensuring:

i. orderly and efficient conduct of business, including adherence to Company's policies and procedures;

ii. safeguarding of all our assets against loss from unauthorized use or disposal;

iii. prevention and detection of frauds and errors;

iv. accuracy and completeness of accounting records;

v. timely preparation of reliable financial information; and

vi. compliance with applicable laws and regulations.

The policies, guidelines and procedures are in place to ensure that all transactions are authorised, recorded and reported correctly as well as provides for adequate checks and balances.

Adherence to these processes is ensured through frequent internal audits. The internal control system is supplemented by an extensive program of internal audit and reviews by the senior management. To ensure independence, the internal audit function has a reporting line to the Audit Committee of the Board.

The Audit Committee of the Board reviews the performance of the audit and the adequacy of internal control systems and compliance with regulatory guidelines. The Audit Committee of Board provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures corrective measures are taken. This system enables us to achieve efficiency and effectiveness of operations, reliability and completeness of financial and management information and compliance with applicable laws and regulations.

STATUTORY AUDITORS

M/s. PYS & Co. LLP (Firm Registration No. 012388S/S200048), Chartered Accountants, Statutory Auditors of your Company, were appointed in the 24th Annual General Meeting of the Company held on September 16, 2017 as Statutory Auditors of the Company to hold office for a term of five years until the conclusion of the 29th Annual General Meeting to be held in 2022, subject to the ratification of such appointment by the shareholders of the Company at every consecutive Annual General Meeting. The ratification of appointment of Statutory Auditors for the 2nd year is being sought from the shareholders of the Company at this AGM.

The Auditors have confirmed their eligibility and independence under the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, pursuant to the enactment of the Companies (Amendment) Act, 2017, the ratification of Statutory Auditors shall not be required at every Annual General Meeting if the Auditors are appointed for 5 Years by the Members of the Company. In view of the same, Members are required to ratify the appointment of auditors up to the conclusion of 29th Annual General Meeting of the Company.

COMMENT ON AUDITOR'S REPORT

There is no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors, in their Audit report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the Financial Year 2017-18.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s. Manish Ghia & Associates, Practicing Company Secretaries, Mumbai, to conduct the Secretarial Audit of the Company for Financial Year 2017-18. The Company provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Secretarial Audit Report is appended as **Annexure - 3** to this Report. There is no qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor in their report.

PUBLIC DEPOSITS

No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Companies Act, 2013, as the Company has not accepted any deposit.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS BY THE COMPANY

Particulars of Loans, Guarantees and Investments as required under the provisions of Section 186 of the Companies Act, 2013 are given in "Notes to the Financial Statements".

RELATED PARTY TRANSACTION

All the Related Party Transactions that were entered into during the Financial Year were on arm's length basis and were in ordinary course of business. Transactions with related parties entered into in the normal course of businesses are periodically placed before the Audit Committee of the Board for its approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen or repetitive in nature.

Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, material related party transaction to be reported under Section 188(1) of the Companies Act, 2013, in form AOC-2 are enclosed as **Annexure - 4** to the Board Report.

All Related Party Transactions as required under Accounting Standards AS-18 are reported in note no. 30 of Notes to the consolidated financial statements and the standalone financial statements of your Company.

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Materiality and Dealing with Related Party Transactions. It can be accessed on the Company' website at the link:

http://www.akgroup.co.in/docs/POLICY%20ON%20MATERIALITY%20AND%20DEALING%20WITH%20RELATED%20PARTY%20TRANSACTIONS-20170914143080587733.pdf

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The following material events have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report:

i. A. K. Capital Finance Private Limited, material subsidiary of the Company has issued and allotted 21,500 Non-Convertible Debentures (NCDs) of face value of INR 1 lakh each aggregating to INR 215 Crores, on private placement basis and subsequently the said NCDs are listed on BSE Limited.

ii. The National Housing Bank has granted Certificate of Registration (Reg. No. 04.0167.18) dated April 5, 2018 to Family Home Finance Private Limited, a step-down subsidiary of the Company, to commence business of Housing Finance and matters incidental thereto (without accepting public deposit).

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS AND COURTS

There is no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future during the Financial Year 2017-18.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, usage of alternate sources of energy and investments for energy conservation, wherever required have been taken. The Company makes all efforts towards conservation of energy, protection of environment and ensuring safety.

The Company has not absorbed any technology.

Your Company has no foreign exchange earnings during the Financial Year 2017-18. The information on foreign exchange outgo is furnished in the "Notes to the Financial Statements" under note no. 28 which forms part of this Annual Report.

TRANSFER OF FUNDS AND 'UNDERLYING SHARES' IN RESPECT OF WHICH DIVIDEND HAS NOT BEEN CLAIMED FOR SEVEN CONSECUTIVE YEARS OR MORE, TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred as "Rules"), as amended from time to time, members are requested to note that the shares in respect of which dividends have been unpaid or unclaimed for seven consecutive years or more shall be credited to the IEPF Demat Account maintained with depositories. Upon transfer of such shares, all benefits (eg. bonus, spilt, dividend etc.), if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

In this connection, the Company had sent intimation letters to members in respect of the shares on which dividend had remained unpaid or unclaimed for seven consecutive years or more, requesting them to claim such dividend so as to avoid the corresponding shares being transferred to the IEPF authority. Simultaneously, an advertisement to this effect was published in leading English and Marathi newspapers. The aforesaid Rules also prescribe the procedure to be followed by an investor to claim the Shares / Dividend amount transferred to IEPF. Shares which are transferred to the IEPF Demat Account can be claimed back by the shareholder from IEPF Authority by following the procedure prescribed under the aforesaid Rules.

The information pertaining to unpaid / unclaimed dividends for last seven years and the details of such members whose unclaimed dividend / shares have been transferred to IEPF Authority is also available on the Company's website www.akgroup.co.in.

In view of the same, the Company has transferred 7,211 Equity Shares on which dividend had remained unpaid or unclaimed for seven consecutive years in favor of Investor Education Protection Fund.

Pursuant to the applicable provisions of Companies Act, 2013 and rules made thereunder, the dividend remaining unpaid/unclaimed for a period of 7 years from the date of its declaration is required to be transferred to Investor Education Protection Fund

Accordingly, all the dividend remained unpaid/ unclaimed for a period of 7 Years amounting to INR 1,72,866 (Indian Rupees One Lakh Seventy Two Thousand Eight Hundred Sixty Six) were transferred to IEPF account.

The details of the same are available on the website of the Company, viz. www.akgroup.co.in

COMPLIANCE WITH SECRETARIAL STANDARD

The Company has complied with Secretarial Standards issued by Institute of Company Secretaries of India on Board Meetings and Annual General Meeting.

EXTRACT OF ANNUAL RETURN

Pursuant to the requirements under Sections 92(3) and 134(3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT - 9 is given in the Annual Report as **Annexure – 5.**

CAUTIONARY STATEMENT

The statements in the Directors Reports and the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereto, are provided in the Annual Report and is attached as **Annexure - 6** and forms an integral part of this Report.

Information as required in terms of the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection by the Members at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on any working day (Monday to Friday) upto the date of 25th Annual General Meeting of the Company. Any member who is interested in obtaining such information may write to the Company Secretary and the same will be furnished on such request.

ACKNOWLEDGEMENT

Your Directors wish to place on record their deep and sincere gratitude for the valuable guidance and support received from the Depository Participants, Government Authorities, Regulators, Stock Exchanges, Bankers of the Company, Auditors of the Company, Other Statutory Bodies. Your Directors would also like to take this opportunity to express their gratitude to the Members of the Company for their trust and support. The Board also wishes to thank the employees of the Company and its subsidiaries at all levels for the dedicated services rendered by them. Your Directors look forward to your continuing support.

On behalf of the Board of Directors

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

Ashish Agarwal
Whole-time Director
(DIN: 08064196)

Place: Mumbai
Date: August 11, 2018

ANNEXURE -1

NOMINATION AND REMUNERATION POLICY

INTRODUCTION:

The only vital value an enterprise has is the experience, skills, innovativeness and insights of its employees, officers, directors, senior management, Key Managerial Personnel (KMP) and other human resource. A. K. Capital Services Limited (the "Company") believes in transparency in evaluating the performances of its Directors, Key Managerial Personnel's (KMPs) and Senior Management of the Company and paying equitable remuneration to them. The Company recognizes its Directors, Key Managerial Personnel (KMP) and Senior Management as an invaluable asset.

In terms of the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), this policy has been formulated by the Nomination and Remuneration Committee and approved by the Board.

OBJECTIVES OF THE POLICY:

The Key objectives of the Policy would be:

a) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

b) That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

c) To formulate criteria for evaluation of annual performance of the Board of Directors and Members of other Committees of the Board, KMPs and Senior Management and other employees of the Company and recommend remuneration payable to them to the Board.

d) Formulate criteria for evaluation of Independent Directors and the Board.

e) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.

f) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

g) Assist the Board in fulfilling responsibilities.

h) To retain, motivate and promote talent and to ensure their sustainability and create competitive advantage.

I) Implement and monitor policies and processes regarding principles of corporate governance.

DEFINITIONS:

*a) **'Act'** means the Companies Act, 2013 and the rules framed thereunder .*

*b) **'Board of Directors'** or '**Board'** in relation to a Company, means the Board of Directors of the Company.*

*c) '**Director'** means Directors of the Company*

*d) **'Independent Director'** means an independent director referred to in sub-section (5) of Section 149 of Companies Act, 2013.*

*e) **'Key Managerial Personnel'** means*

a) Managing Director, or Chief Executive Officer or Manager and in their absence a Whole-Time Director;

b) Chief Financial Officer;

c) Company Secretary; and

d) Such other officer as may be prescribed.

f) ***'Policy'*** means Nomination and Remuneration Policy of the Company.

g) ***'Senior Management'*** means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

INTERPRETATION:

Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other regulations as may be amended from time to time.

APPLICABILITY OF THE POLICY:

This Policy is applicable to:

a) Directors viz. Executive, Non-executive and Independent;

b) Key Managerial Personnel;

c) Senior Management Personnel.

NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors of the Company shall constitute the Committee to be known as the Nomination and Remuneration Committee consisting of three or more Non-Executive Directors out of which not less than one-half are Independent Directors. The Chairperson of the Committee is an Independent Director. The Chairperson of the Company (whether executive or nonexecutive) may be appointed as member of the Nomination and Remuneration Committee but shall not Chair such Committee.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT:

I. APPOINTMENT AND QUALIFICATION CRITERIA

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee shall have the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

c) Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and rules made thereunder.

d) The Company shall not appoint or continue employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

II. TERM/TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairperson, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

III. EVALUATION

The Committee shall carry out evaluation of performance of every Director, members of committees of the Board, KMP, Board Committees and Senior Management Personnel at regular interval (at least once in every year). The results of performance evaluation shall be the basis of remuneration proposed/ amended from time to time by the Committee.

Key Evaluation Criteria/ Performance Benchmark:

a. Providing effective leadership and strategic guidance to the management;

b. Understanding the Business, including the risks and regulatory landscape;

c. Attendance at, and active engagement in the discussion of business performance, competitive landscape and strategies;

d. Development and monitoring of leadership teams, compliance focus and insistence on ethical business practices;

e. Nudging for long term focus areas such as Succession Planning, Business Continuity Planning, etc; Management of conflicts in Board discussion;

f. Management of Conflict of Interest.

IV. REMOVAL

Due to reasons for any disqualification mentioned in the Act, Policies of the Company, or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

V. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

VI. POLICY FOR REMUNERATION TO DIRECTORS, KMP AND SENIOR MANAGEMENT:

A. REMUNERATION TO MANAGING DIRECTOR/ WHOLE-TIME DIRECTOR/ EXECUTIVE DIRECTORS/ KMP

Amongst other, Key Evaluation Criteria/ Performance Benchmark shall be the guiding force or key indicators while determining the remuneration of Directors and KMP.

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director/ KMP etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

Subject to the applicable provisions of law for the time being in force and appropriate consents and permissions, the Nomination and Remuneration Committee of the Board shall have power to fix remuneration and modify/ amend the same within the overall limits of Section 197 read with Schedule V of the Companies Act, 2013 and rules made thereunder. The remuneration may be decided as fixed and/or variable or combination of both.

In case of inadequacy of profits, the remuneration may be recommended/ paid to the Executive Directors of the Board in line with the provisions of Section 197 read with Schedule V of the Companies Act, 2013 and rules made thereunder subject to the passing of special resolution by the members of the Company.

B. REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR:

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

The Nomination and Remuneration Committee of the Board may recommend the payment of remuneration to Non-Executive Directors as permitted/allowed under the provisions of the Companies Act, 2013 and rules made thereunder or pursuant to the any law for the time being in force.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes mentioned above if the following conditions are satisfied:

a) The Services are rendered by such Director in his capacity as the professional; and

b) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

VII. NOMINATION DUTIES:

The duties of the Committee in relation to nomination matters include:

a) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

c) Identifying and recommending Directors who are to be put forward for retirement by rotation.

d) Determining the appropriate size, diversity and composition of the Board;

e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;

j) Recommend any necessary changes to the Board; and

k) Considering any other matters, as may be requested by the Board.

VIII. REMUNERATION DUTIES:

The duties of the Committee in relation to remuneration matters include:

a) to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

b) to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

c) to delegate any of its powers to one or more of its members or the Secretary of the Committee.

d) to consider any other matters as may be requested by the Board.

e) Professional indemnity and liability insurance for Directors and senior management.

IX. REVIEW AND AMENDMENT IN POLICY:

The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary. The Company shall reserve the rights to make amended to the Policy from time to time as it deems fit in accordance with the applicable laws, rules and regulations for the time being in force.

X. DISSEMINATION:

The details of the Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's report therein.

ANNEXURE - 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) FOR THE FINANCIAL YEAR 2017-18

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:	The Company has framed a CSR Policy of the Company in compliance with the provisions of the Companies Act, 2013 ("Act") and the same is uploaded on Company's website at the web-link provided below: http://www.akgroup.co.in/docs/Policy-CSR Policy-20170822131431400533 2.pdf The Company undertakes/ supports/ finances the projects keeping in view the applicable provisions of Section 135 read with Schedule VII of the Act and CSR Policy of the Company. During the year, contribution was made in the project with a view to promote providing quality educational experiences to improve human capital and create quality manpower for a knowledge society.
The Composition of the CSR Committee	The Committee consists of two executive directors' viz. Mr. A.K. Mittal and Mr. Vikas Jain & one non-executive independent director viz. Mr. Subhash Chander Madan. Accordingly, the composition of the Committee consists of three directors and the same is in line with the provisions of the Companies Act, 2013.
Average net profit of the company for last three financial years	INR 30,40,02,865/- (Indian Rupees Thirty Crore Forty Lakhs Two Thousand Eight Hundred Sixty Five only).
Prescribed CSR Expenditure (two per cent of the amount as mentioned above).	INR 60,80,057/- (Indian Rupees Sixty Lakhs Eighty Thousand Fifty Seven only).
Gross amount required to be spent by the Company during the year (including previous years shortfall of INR 51,35,875/-).	INR 1,12,15,932 (Indian Rupees One Crore Twelve Lakh Fifteen Thousand Nine Hundred Thirty Two only).
Details of CSR spent during the financial year. a. Total amount to be spent for the financial year (Actual Spent during the year).	INR 52,00,000/- (Indian Rupees Fifty Two Lakhs only).
b. Amount unspent, if any:	INR 60,15,932/- (Indian Rupees Sixty Lakh Fifteen Thousand Nine Hundred Thirty Two only).
c. Manner in which the amount spent during the financial year	**As per Schedule I**
In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	In absence of suitable CSR Project and due to paucity of time for evaluation of right project/ programme the Company could not spend above mentioned amount.
The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.	

For and on behalf of A. K. Capital Services Limited

A. K. Mittal Managing Director (DIN: 00698377)	Subhash Chander Madan Chairperson of CSR Committee (DIN: 00785025)

Place: Mumbai
Date: August 11, 2018

SCHEDULE - I

Sr. No.	CSR Projects or activity identified	Sector in which project is covered	Location where Projects or Programs were undertaken		Amount outlay (budget) project or programs	Amount spent on Projects or Programs		Amount spent directly or through implementing agency
			Local Area or other	The Stateand district where projects or programs was undertaken		Direct Expenditure	Overhead	
1	Providing quality educational experiences to improve human capital and to create quality manpower for a knowledge society in association with KA-VYAPTA International Trust	Education	Other	Jamshedpur, Jharkhand	INR 52,00,000/-*	INR 52,00,000/-	NA	Through KA-VYAPTA International Trust (Implementing Agency)

*The amount includes budget allocated by the Company for project or program.

For and on behalf of A. K. Capital Services Limited

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

Subhash Chander Madan
Chairperson of CSR Committee
(DIN: 00785025)

Place: Mumbai
Date: August 11, 2018

ANNEXURE - 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

A. K. Capital Services Limited

Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by A. K. Capital Services Limited (CIN: L74899MH1993PLC274881) and having its registered office at 403, 4th Floor, East Wing, Tulsiani Chambers Free Press Journal Marg, 212, Nariman Point, Mumbai-400021 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period);

(d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period); and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, Prevention of Money Laundering Act, 2002 and the rules made thereunder, being laws that are specifically applicable to the Company based on their sector/ industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above and in respect of laws specifically applicable to the Company based on their sector/industry, in so far as registration, membership, submission of various returns/information or other particulars to be filed with Reserve Bank of India.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

We further report that during the audit period the Company has:

1. incorporated a step down subsidiary (through its subsidiary viz. A. K. Capital Finance Private Ltd.) in the name of Family Home Finance Private Limited on 29th June 2017 to carry on the business of housing finance and matters incidental thereto;
2. obtained approval of members for adoption of a new set of Articles of Association vide Special Resolution passed in the 24th Annual General Meeting held on 16th September 2017;
3. obtained the approval of members under Sections 42 and 71 of the Act by a Special Resolution passed at the 24th Annual General Meeting held on 16th September, 2017 for issue of secured/unsecured, redeemable, Non-convertible Debentures aggregating to INR 500 crores on private placement basis;
4. obtained approval of members vide Special Resolution passed in the 24th Annual General Meeting held on 16th September 2017 for issue of Commercial Paper aggregating to INR 300 crores; and
5. obtained approval of members under Sections 42, 55 and 62 of the Act by a Special Resolutions passed in the 24th Annual General Meeting held on 16th September 2017 for issue of Non-Convertible redeemable Preference Shares aggregating to INR100 crores;

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For Manish Ghia & Associates
Company Secretaries

Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531

Place: Mumbai
Date: August 9, 2018

ANNEXURE A

To,

The Members,

A. K. Capital Services Limited

Mumbai

Our report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Manish Ghia & Associates
Company Secretaries

Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531

Place: Mumbai
Date: August 9, 2018

ANNEXURE - 4

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

I. Details of contracts or arrangements or transactions not at arm's length basis:

All contracts/arrangements/transactions entered into during the year ended March 31, 2018, were at arm's length basis.

II. Details of material contracts or arrangement or transactions at arm's length basis:

Transaction no. 1 – Investment in securities of Subsidiary Company	
Name(s) of the related party and nature of relationship	A. K. Capital Finance Private Limited (AKCFPL) Subsidiary Aditi Mittal, Director of the Company
Nature of contracts/arrangements/transactions	Investment in Preference Share Capital of AKCFPL by way of purchase of shares from Ms. Aditi Mittal
Duration of the contracts / arrangements/transactions	Not Applicable
Salient terms of the contracts or arrangements or transactions including the value, if any	Investment in 25,00,000 Compulsory Convertible Preference Shares (CCPS) of INR 100 each at the price of INR 102 each aggregating to INR 25,50,00,000.
Date(s) of approval by the Board/Committee, if any.	February 4, 2017
Amount paid as advances, if any	Nil
Transaction no. 2 – Loan taken during the year	
Name(s) of the related party and nature of relationship	A. K. Services Private Limited (AKSPL) Entity in which KMP have significant interest
Nature of contracts/arrangements/transactions	Availing Credit Facility from AKSPL
Duration of the contracts / arrangements/transactions	Three months, subject to renewal
Salient terms of the contracts or arrangements or transactions including the value, if any	Working Capital Demand Loan Facility of INR 20,00,00,000 (Indian Rupees Twenty Crores Only)
Date(s) of approval by the Board/Committee, if any	November 11,2017
Amount paid as advances, if any	N.A.
Transaction no. 3 – Renewal of Loan Facility	
Name(s) of the related party and nature of relationship	A. K. Services Private Limited (AKSPL) Entity in which KMP have significant interest
Nature of contracts/arrangements/transactions	Renewal of Working Capital Loan Facility
Duration of the contracts / arrangements/transactions	One Year, subject to renewal
Salient terms of the contracts or arrangements or transactions including the value, if any	Working Capital Demand Loan Facility of INR 30,00,00,000 (Indian Rupees Thirty Crores Only)
Date(s) of approval by the Board/Committee, if any	February 4, 2017
Amount paid as advances, if any	N.A.

Transaction no. 4 – Investment in securities of Subsidiary Company	
Name(s) of the related party and nature of relationship	A. K. Capital Finance Private Limited (AKCFPL) Subsidiary
Nature of contracts/arrangements/transactions	Investment in Non-Convertible Debentures of AKCFPL
Duration of the contracts / arrangements/transactions	7 years
Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of 25,000 Non-Convertible Debentures of INR 1,00,000 each
Date(s) of approval by the Board/Committee, if any	February 4, 2017
Amount paid as advances, if any	N.A.
Transaction no. 5 – Corporate guarantee given to Bank for borrowing facility availed by A. K. Capital Finance Private Limited	
Name(s) of the related party and nature of relationship	A. K. Capital Finance Private Limited (AKCFPL) Subsidiary
Nature of contracts/arrangements/transactions	Corporate guarantee given to Bank in respect of working capital demand loan taken by AKCFPL
Duration of the contracts / arrangements/transactions	1 year, subject to renewal
Salient terms of the contracts or arrangements or transactions including the value, if any	Corporate Guarantee given to Bank of India of INR 275.00 crores (Indian Rupees Two Hundred and Seventy Five Crores).
Date(s) of approval by the Board/Committee, if any	December 12, 2017
Amount paid as advances, if any	N.A.

For and on behalf of A. K. Capital Services Limited

Place: Mumbai
Date: August 11, 2018

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

Ashish Agarwal
Whole-time Director
(DIN: 08064196)

ANNEXURE - 5

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L74899MH1993PLC274881
Registration Date	October 5, 1993
Name of the Company	A. K. Capital Services Limited
Category/ Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
Address of the Registered office and contact details	403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai – 400 021 Email ID: compliance@akgroup.co.in Website: www.akgroup.co.in Contact no: +91-22-66349300
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	**Link Intime India Private Limited** C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel. No.: +91-22-49186270 Fax: +91-22-49186060 E-mail id: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company is stated:-

Sr. No.	Name and Description of main services	*NIC Code of the services	% to total turnover of the Company
1	Merchant Banking Fees	64990	54.35
2	Income from Investments	64990	42.59

** As per NIC 2008*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES/BODY CORPORATES:

Sr. No.	Name of the Company/ Body Corporate	Address	Corporate identity Number (CIN)/ Global Location number (GLN)	% of Shares held
SUBSIDIARY {APPLICABLE SECTION: 2 (87)(ii)}				
1	A. K. Capital Finance Private Limited	30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U51900MH2006PTC214277	98.73% in the Equity Paid Up Share Capital 38.46% in the CCPS# Paid Up Share Capital
2	A. K. Stockmart Private Limited	30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U67120MH2006PTC158932	100.00
3	A. K. Wealth Management Private Limited	30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U74140MH2006PTC165653	100.00
4	A. K. Capital Corporation Private Limited	30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U65993MH2006PTC165749	100.00
5	A. K. Capital (Singapore) Pte. Ltd. (AK Singapore)	80 Robinson Road, #02-00 Singapore 068898	Company Registration No.: 201320478E	100.00
6	* Family Home Finance Private Limited	403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai – 400 021	U74999MH2017PTC296737	98.73

CCPS means Compulsory Convertible Preference Shares
* Family Home Finance Private Limited is the direct subsidiary of A. K. Capital Finance Private Limited and step-down subsidiary of the Company.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year (2-1)
	Demat	Physical	Total	% of Total shares (1)	Demat	Physical	Total	% of Total shares (2)	
A. Promoters									
1. Indian									
a Individual /HUF	1,257,232	-	1,257,232	19.05	1,282,345	-	1,282,345	19.43	**0.38**
b Central Govt.	-	-	-	-	-	-	-	-	-
c State Govt(s)	-	-	-	-	-	-	-	-	-
d Bodies Corp	2,920,825	-	2,920,825	44.25	2,953,454	-	2,953,454	44.75	**0.50**
e Banks / FI	-	-	-	-	-	-	-	-	-
f Any Other	-	-	-	-	-	-	-	-	-
Sub - total (A) (1):-	**4,178,057**	**-**	**4,178,057**	**63.30**	**4,235,799**	**-**	**4,235,799**	**64.18**	**0.88**
2. Foreign									
a NRI - Individuals	198,275	-	198,275	3.00	198,275	-	198,275	3.00	**-**
b Other - Individuals	-	-	-	-	-	-	-	-	-
c Bodies Corp	-	-	-	-	-	-	-	-	-
d Banks /FI	-	-	-	-	-	-	-	-	-
e Any Other	-	-	-	-	**-**	-	**-**	**-**	**-**
Sub - total (A) (2):-	**198,275**	-	**198,275**	**3.00**	**198,275**	-	**198,275**	**3.00**	**-**
Total Shareholding of Promoter (A) = (A) (1) +(A) (2)	**4,376,332**	**-**	**4,376,332**	**66.31**	**4,434,074**	-	**4,434,074**	**67.18**	**0.87**
B. Public Shareholding									
1. Institutions									
a Mutual Funds	-	-	-	-	-	-	-	-	-
b Banks / FI	-	-	-	-	-	-	-	-	-
c Central Govt	-	-	-	-	-	-	-	-	-
d State Govt(s)	-	-	-	-	-	-	-	-	-
e Venture Capital Funds	-	-	-	-	-	-	-	-	-
f Insurance Companies	-	-	-	-	-	-	-	-	-
g FIIs	-	-	-	-	-	-	-	-	-
h Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i Others (specify)	-	-	-	-	-	-	-	-	-
Sub - total (B) (1):-	-	-	-	-	-	-	-	-	-

2. Non- Institutions									
a. Bodies Corp	752,948	-	752,948	11.41	600,928	-	600,928	9.10	**(2.31)**
b. Individuals									
I Individuals shareholders holding nominal share capital upto ₹ 1 lakhs	634,067	52,821	686,888	10.41	616,748	44,820	661,568	10.02	**(0.39)**
II Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	570,790	25,000	595,790	9.03	746,932	25,000	771,932	11.70	**2.61**
c. Others									
I Non Resident Indian	61,988	-	61,988	0.94	27,280	-`	27,280	0.41	**(0.53)**
II Clearing Members	49,432	-	49,432	0.75	22,437	-	22,437	0.34	**(0.41)**
III Hindu Undivided Family	76,622	-	76,622	1.16	74,570	-	74,570	1.13	**(0.03)**
IV IEPF	-	-	-	-	7,211	-	7,211	0.11	**0.11**
Sub - Total (B) (2):-	**2,145,847**	**77,821**	**2,223,668**	**33.69**	**2,096,106**	**69,820**	**2,165,926**	**32.82**	**(0.87)**
Total Public Shareholding (B)=(B)(1) + (B)(2):-	**2,145,847**	**77,821**	**2,223,668**	**33.69**	**2,096,106**	**69,820**	**2,165,926**	**32.82**	**(0.87)**
C. Shares held by custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**6,522,179**	**77,821**	**6,600,000**	**100.00**	**6,530,180**	**69,820**	**6,600,000**	**100.00**	**-**

Note: Figures in bracket indicates negative changes
The rounding off of percentages could result into arithmetical differences
Details have been considered as the date on which beneficiary position was provided by the Depositories/RTA of the Company.

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Share pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Share pledged/ encumbered to total shares	
1	A. K. Mittal	**558,665**	**8.46**	**-**	**689,965**	**10.45**	-	**1.99**
2	A. K. Mittal (HUF)	45,900	0.70	-	45,900	0.70	-	-
3	Abhinav Kumar Mittal	**236,898**	**3.59**	-	**262,011**	**3.97**	-	**0.38**
4	Aditi Mittal	149,470	2.26	-	149,470	2.26	-	-
5	Anshu Aggarwal	198,275	3.00	-	198,275	3.00	-	-
6	Dinesh Kumar Gupta	52,500	0.80	-	52,500	0.80	-	-
7	Kavita Garg	24,899	0.38	-	24,899	0.38	-	-
8	Sanjiv Kumar	29,100	0.44	-	29,100	0.44	-	-
9	Sanjeev Kumar (HUF)	28,500	0.43	-	28,500	0.43	-	-
10	Sneh Lata Mittal	**131,300**	**1.99**	-	-	-	-	**(1.99)**
11	Family Home Consultancy Services Private Limited *[Formerly known as "Second Leasing Private Limited"]*	**2,920,825**	**44.25**	-	**2,953,454**	**44.75**	-	**0.50**
	Total	**4,376,332**	**66.31**	-	**4,434,074**	**67.18**	-	**0.87**

Note: Figures in bracket indicates negative changes
The rounding off of percentage could result into arithmetical differences
Promoters includes promoter group.

iii. Change in Promoters' Shareholding

Sr. No.	Name of the Promoter	Shareholding at the beginning/end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**A. K. Mittal**				
	At the beginning of the year	558,665	8.46	-	-
	Inter-se transfer between Promoters without consideration on 25.01.2018	131,300	1.99	689,965	10.45
	At the end of the year	**689,965**	**10.45**	**689,965**	**10.45**
2	**Abhinav Kumar Mittal**				
	At the beginning of the year	236,898	3.59	-	-
	Market Purchase on 02.08.2017	12,790	0.19	249,688	3.78
	Market Purchase on 04.08.2017	323	0.01	250,011	3.79
	Market Purchase on 07.09.2017	12,000	0.18	262,011	3.97
	At the end of the year	**262,011**	**3.97**	**262,011**	**3.97**
3	**Sneh Lata Mittal**				
	At the beginning of the year	131,300	1.99	-	-
	Inter-se transfer without consideration 25.01.2018	(131,300)	(1.99)	-	-
	At the end of the year	**-**	**-**	**-**	**-**
4	**Family Home Consultancy Services Private Limited *[Formerly known as "Second Leasing Private Limited"]***				
	At the beginning of the year	2,920,825	44.25	-	-
	Market Purchase on 07.02.2018	19,321	0.29	2,940,146	44.55
	Market Purchase on 08.02.2018	13,308	0.20	2,953,454	44.75
	At the end of the year	**2,953,454**	**44.75**	**2,953,454**	**44.75**

Note: Figures in bracket indicates negative changes
The rounding off of percentage could result into arithmetical differences
There is no change in the other Promoters shareholding during the year

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders (Name of the Shareholder)	Shareholding at the beginning/ end of the year		Date wise Increase/ (Decrease) in Shareholding during the year specifying the Reason for increase /decrease			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	No. of Shares	Reason	No. of shares	% of total shares of the Company
1	A. M. Credit Analysis and Research Ltd.	371,000	5.62	No change in the shareholding during the year				
	At the end of the year	**371,000**	**5.62**					
2	Harigovind Bajranglal Murarka	-	-	01.12.2017	187,735	Purchase	187,735	2.84
	At the end of the year	**187,735**	**2.84**					
3	Shri Shyam Advisory Services Private Limited	15,000	0.23	21.07.2017	74,167	Purchase	89,167	1.35
	At the end of the year	**89,167**	**1.35**					
4	Vijai Kumar Goel	69,400	1.05	No change in the shareholding during the year				
	At the end of the year	**69,400**	**1.05**					
5	Divya Goel	65,800	1.00	No change in the shareholding during the year				
	At the end of the year	**65,800**	**1.00**					
6	Archana Goel	64,700	0.98	No change in the shareholding during the year				
	At the end of the year	**64,700**	**0.98**					
7	Ankur Goel	59,100	0.90	No change in the shareholding during the year				
	At the end of the year	**59,100**	**0.90**					

Sr. No.	For Each of the Top 10 Shareholders (Name of the Shareholder)	Shareholding at the beginning/ end of the year		Date wise Increase/ (Decrease) in Shareholding during the year specifying the Reason for increase /decrease			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	No. of Shares	Reason	No. of shares	% of total shares of the Company
8	Annu Garg	49,918	0.76	14.04.2017	(300)		49,618	0.75
				12.05.2017	(218)		49,400	0.75
				26.05.2017	(100)		49,300	0.75
				09.06.2017	(100)		49,200	0.75
				16.06.2017	(500)		48,700	0.74
				23.06.2017	(100)		48,600	0.74
				30.06.2017	(200)		48,400	0.73
				11.08.2017	(200)		48,200	0.73
				25.08.2017	(100)	Sale	48,100	0.73
				01.09.2017	(100)		48,000	0.73
				15.09.2017	(300)		47,700	0.72
				29.09.2017	(100)		47,600	0.72
				27.10.2017	(100)		47,500	0.72
				24.11.2017	(100)		47,400	0.72
				05.01.2018	(100)		47,300	0.72
				12.01.2018	(300)		47,000	0.71
				09.03.2018	(100)		46,900	0.71
	At the end of the year	**46,900**	**0.71**					
9	Abhishek Kumar	45,600	0.69	No change in the shareholding during the year				
	At the end of the year	**45,600**	**0.69**					
10	Chander Kant Arora	30,666	0.46	07.04.2017	961		31,627	0.48
				14.04.2017	1,350		32,977	0.50
				21.04.2017	23		33,000	0.50
				05.05.2017	146		33,146	0.50
				12.05.2017	854		34,000	0.52
				19.05.2017	579		34,579	0.52
				23.06.2017	621		35,200	0.53
				30.06.2017	100		35,300	0.53
				28.07.2017	10		35,310	0.54
				25.08.2017	30		35,340	0.54
				22.09.2017	33	Purchase	35,373	0.54
				29.09.2017	332		35,705	0.54
				17.11.2017	1,100		36,805	0.56
				24.11.2017	318		37,123	0.56
				08.12.2017	140		37,263	0.56
				19.01.2018	237		37,500	0.57
				25.01.2018	84		37,584	0.57
				09.02.2018	500		38,084	0.58
				16.02.2018	350		38,434	0.58
				23.03.2018	500		38,934	0.59
	At the end of the year	**38,934**	**0.59**					

Note: Details have been considered as the date on which beneficiary position was provided by the Depositories/RTA of the Company.
Figures in bracket indicates negative changes
The rounding off of percentage could result into arithmetical differences

v. Shareholding of Directors and Key Managerial Personnel:

A. Directors

Sr. No.	Name of the Directors	Shareholding at the beginning/ end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**A. K. Mittal**				
	At the beginning of the year	558,665	8.46	-	-
	Receipt of shares without consideration on 25.01.2018	131,300	1.99	689,965	10.45
	At the end of the year	**689,965**	**10.45**	**689,965**	**10.45**
2	**Anshu**				
	At the beginning of the year	198,275	3.00	-	-
		No change in the shareholding during the year			
	At the end of the year	**198,275**	**3.00**	**-**	**-**
3	**Aditi Mittal**				
	At the beginning of the year	149,470	2.26	-	-
		No change in the shareholding during the year			
	At the end of the year	**149,470**	**2.26**	**-**	**-**
4	**Ashish Agarwal***				
	At the beginning of the year	-	-	-	-
		No transactions/trade executed during the year			
	At the end of the year	-	-	-	-
5	**Vikas Jain***				
	At the beginning of the year	-	-	-	-
		No transactions/trade executed during the year			
	At the end of the year	-	-	-	-
6	**Subhash Chandra Bhargava**				
	At the beginning of the year	-	-	-	-
		No transactions/trade executed during the year			
	At the end of the year	-	-	-	-
7	**Subhash Chander Madan**				
	At the beginning of the year	-	-	-	-
		No transactions/trade executed during the year			
	At the end of the year	-	-	-	-
8	**Raghubinder Rai**				
	At the beginning of the year	-	-	-	-
		No transactions/trade executed during the year			
	At the end of the year	-	-	-	-

* Mr. Ashish Agarwal & Mr. Vikas Jain were appointed as Whole-time Director on the Board of the Company from February 3, 2018

B. Key Managerial Personnel others than Directors

Sr. No.	Name of the Key Managerial Personnel	Shareholding at the beginning/ end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Mahesh Bhootra**				
	At the beginning of the year	-	-	-	-
		No transactions/trade executed during the year			
	At the end of the year	-	-	-	-
2	**Tejas Dawda**				
	At the beginning of the year	-	-	-	-
		No transactions/trade executed during the year			
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Amount in INR)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,836,984,938	-	27,918,000	3,864,902,938
ii) Interest due but not paid	2,357,508	-	-	2,357,508
iii) Interest accrued but not due	226,028	-	-	226,028
Total (i+ii+iii)	**3,839,568,474**	-	**27,918,000**	**3,867,486,474**
Change in Indebtedness during the financial year				
· Addition	304,753,178	-	-	304,753,178
· Reduction	(2,056,124,513)	-	-	(2,056,124,513)
Net Change	**(1,751,371,335)**	-	-	**(1,751,371,335)**
Indebtedness at the end of the financial year				
i) Principal Amount	2,084,770,921	-	27,918,000	2,112,688,921
ii) Interest due but not paid	1,967,862	-	-	1,967,862
iii) Interest accrued but not due	1,458,356	-	-	1,458,356
Total (i+ii+iii)	**2,088,197,139**	-	**27,918,000**	**2,116,115,139**

Note: Figures in bracket indicates negative changes

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

(Amount in INR)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		A. K. Mittal (MD)	Deepak Mittal (WTD)#	Ashish Agarwal (WTD) *	Vikas Jain (WTD) *	
1	Gross salary (a)Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	9,600,000	6,505,600	1,037,615	942,923	**18,086,138**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,056,000	-	-	-	**1,056,000**
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-	-	**-**
2	Stock option	-	-	-	-	**-**
3	Sweat Equity	-	-	-	-	**-**
4	Commission	-	-	-	-	**-**
	- as % of profit	-	-	-	-	**-**
	- others, specify	-	-	-	-	**-**
5	Others, please specify	-	-	-	-	**-**
	Total (A)	**10,656,000**	**6,505,600**	**1,037,615**	**942,923**	**19,142,138**
	Ceiling as per the Act					**33,923,070**

* Mr. Ashish Agarwal & Mr. Vikas Jain were appointed as Whole-time Director on the Board of the Company from February 3, 2018, in view of the same proportionate salary paid post their appointment.
# Mr. Deepak Mittal has been resigned from the Board of the Company from February 3, 2018.

B. Remuneration to other directors:

(Amount in INR)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Subhash Chandra Bhargava	Subhash Chander Madan	Raghubinder Rai	Anshu	
1	Independent Directors					-
	Fee for attending board/ committee meetings	80,000	80,000	80,000	-	**240,000**
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (1)	**80,000**	**80,000**	**80,000**	-	**240,000**
2	Other Non-Executive Directors					
	Fee for attending board/ committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (2)	-	-	-	**-**	**-**
	Total (B)=(1+2)	**80,000**	**80,000**	**80,000**	**-**	**240,000**
	Total Managerial Remuneration (A+B)					**19,382,138**
	Overall Ceiling as per the Act	**The Total Managerial Remuneration is within the ceiling prescribed.**				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in INR)

Sr No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	67,36,478 - -	12,77,106 - -	**80,13,584** **-** **-**
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit -others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total	**67,36,478**	**12,77,106**	**80,13,584**

VII. PENALTIES/ PUNISHMENT/ COMPUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For and on behalf of A. K. Capital Services Limited

Place: Mumbai
Date: August 11, 2018

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

Ashish Agarwal
Whole-time Director
(DIN: 08064196)

ANNEXURE - 6

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial year	**Name of the Director**	**Ratio**
		Mr. A. K. Mittal	13.14%
		Mr. Deepak Mittal*	NA
		Mr. Ashish Agarwal*	NA
		Mr. Vikas Jain*	NA
		*Remuneration Paid to Mr. Deepak Mittal, Mr. Ashish Agarwal and Mr. Vikas Jain is not comparable with the median remuneration of the employee.	
2	The percentage increase in remuneration of each director, Chief Financial Officer and the Company Secretary in the Financial year	**Directors**	-
		Mr. A. K. Mittal	NA
		Mr. Deepak Mittal*	NA
		Mr. Ashish Agarwal*	NA
		Mr. Vikas Jain*	NA
		*Remuneration Paid to Mr. Deepak Mittal, Mr. Ashish Agarwal and Mr. Vikas Jain is not comparable with previous year figures.	
		Key Managerial Personnel	
		Mr. Mahesh Bhootra – Chief Financial Officer	21.73%
		Mr. Tejas Dawda* *Remuneration Paid to Mr. Tejas Dawda is not comparable with previous year figures.	NA
3	The percentage increase in the median remuneration of employees in the Financial year	During Financial Year 2017-2018, the percentage increase in the median remuneration of employees as compared to previous year was approximately 18.77%.	
4	The number of permanent employees on the rolls of Company	There were 89 employees as on March 31, 2018	
5	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in salary of employees other than managerial personnel is 2.56% approximately due to high employee turnover. Remuneration of Mr. Mahesh Bhootra, Chief Financial Officer was increased by 21.73% based on the responsibilities entrusted on him. Remuneration Paid to Mr. Tejas Dawda is not comparable with previous year figures. No other KMP's are in receipt of increased remuneration as compared to the previous financial year.	
6	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration is paid as per the Remuneration Policy for the Directors, Key Managerial Personnel and employees.	

For and on behalf of A. K. Capital Services Limited

A. K. Mittal	Ashish Agarwal
Managing Director	Whole-time Director
(DIN: 00698377)	(DIN: 08064196)

Place: Mumbai
Date: August 11, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACRO-ECONOMIC SCENARIO

Indian Economy went through a series of changes in the past year. From the rolling out of Goods and Services Tax, abolishment of FIPB, amendments to Insolvency and Bankruptcy Code, Recapitalisation of Public Sector Banks, OPEC decision to curb the supply affecting the oil prices to upgradation of India's rating by Moody's and India moving up 30 ranks to 100 in the World Bank's Doing Business Report, the macro-economic scenario has been turbulent.

FY2018 began in an uncertain environment with the economy coming to terms with the impact of demonetisation of INR 500 and INR 1,000 banknotes and the initial hurdles associated with the implementation of the Goods and Services Tax. Real GDP growth for FY 2018 stood at 6.7%, driven by services sector, construction and pick up in the manufacturing sector. Though the growth in Q4 was at a record 7.7%, on the annual basis, the growth has slowed down for the second consecutive year from 8.2% in FY16 and 7.1% in FY17. Gross fixed capital formation (GFCF) as a component of GDP is stagnant at 28.5% for the last 3 years since FY16 indicating pick up in investment has not yet materialized.

On the external front, current account deficit (CAD) widened in the latest quarter to 1.9% of the GDP. Higher trade deficit (USD 44.1 billion) was attributed to larger increase in merchandise imports relative to exports, specifically due to higher oil imports. Fiscal Deficit slipped to 3.5% of GDP from the initial target of 3.3% but does not fundamentally alter India's overall fiscal strength. Implementation of GST will formalize the unorganized sector leading to an increase in formal jobs and better competitiveness. The uniformity of tax structure will bring efficient tax administration and improvement in government finances. Government has mobilised INR 7.41 lakh crore from the Goods and Services Tax (GST) during 2017-18 with the average monthly collection being INR 89,885 crore during the Aug-Mar period. Rising inflation has increased RBI's concern regarding the possibility of it remaining above the medium-term target of 4% in FY2019 leading to monetary tightening by the RBI.

The growth environment

India grew at 7.7% in Q4 making it one of the fastest growing economies over China. Private final consumption expenditure (PFCE) grew by 6.7% in the fourth quarter; Government expenditure (GFCE) also grew by 16.8%. Purchase of Valuables continued to rise at a significant pace, growing by 29.1% over previous year adding to growth in capital formation (GFCF) which increased by 14.4%.

For FY 2018 GDP growth stood at 6.7%, driven by services sector, construction and pick up in the manufacturing sector. Gross Value Added grew by 6.5% in FY18. Industrial production for FY 18 grew by 4.3% which was higher than the previous years supported by broad based growth across segments, mainly manufacturing sector which indicated highest growth since FY14. The capital goods and consumer non-durables also grew at a highest rate in the past 5 years indicating a sustained uptick in the economy. Overall, the economic fundamentals have fared reasonably well in FY2018 and private investment is poised to rebound in the fiscal year 2019 and employment, education and agriculture will remain the focus in the medium term.

Industry Structure and Bond Market Development

Capital infusion of INR 2.11 lakh crore (1.3% of GDP) in 2 financial years i.e.:- FY 2018 and FY 2019 for the public sector banks (PSBs) was announced to strengthen the balance sheets of the state owned banks through meeting out the capital adequacy requirement under BASEL III norms and revive the overall economy through higher credit offtake. Credit growth outstripped the deposit growth in FY18. The incremental credit-deposit (C-D) ratio for FY18 was around to about 114%. There was a slowdown in deposit accrual on account of other investment avenues such as mutual funds and stock market investments turning more attractive for the better part of the last financial year. March 18 witnessed a mere 8.4% YoY growth in credit, mainly led by personal loans (17.8% YoY) and services (13.8% YoY). Agriculture and allied activities registered stable growth of 3.8% YoY while credit uptake to industry had a slow growth of 0.7% YoY.

RBI shifted the monetary policy stance to neutral from accommodative and maintained it throughout the year and subsequently narrowed the LAF corridor to 25bps in fear of rising inflation due to global spill overs. As on March 31, 2018, CRR was at 4%, SLR at 19.50%, repo rate at 6.00%, reverse repo at 5.75% and MSF/bank rate at 6.25%. Strong inflows, positive macro data and weak undertone in dollar index helped the rupee recover in 2017. The exchange rate during FY18 averaged INR 64.45 per US$ after touching an all-time high of INR 63.37 per US$.

FY 17-18 started with the bonds trending upwards as a result of RBI narrowing its LAF corridor to 25bps in the first monetary policy of the year. Retail inflation as well as the wholesale inflation for April was lower than the expectation which along with Govt's decision to reduce the expenditure in FY'17 to meet the fiscal deficit of 3.5% pushed the bonds yields down from around 7% to 6.80% and thereafter the downward bias continued. Further fall in consumer inflation in June 17 followed by the repo rate cut by RBI to 6.00% brought about a rally in the market. Though there was a rate hike by the Federal Reserve in July 17, the rally did not stop. The bond yields started to trend upwards post September after announcement of the Government of INR 2.11 lakh crore capital infusion towards recapitalization of Public Sector Banks followed with an increase in India's ranking in the World Bank's Doing Business 2018 Report where it reached rank 100 making a jump of 30 ranks. Moody's upgraded India's issuer rating to Baa2 after a period of 13 years helping the bond yields surge even higher. This was further strengthened by the outcome of the OPEC meeting at the end of November where they decided to extend oil production cuts through the end of 2018 to achieve oil market stability in the interest of all oil producers and consumers. In December, speculation over fiscal slippage fueled the bond market till the Union Budget revised the fiscal deficit target to 3.5% of the GDP from 3.2% set earlier. New 10-year Benchmark was introduced at 7.17% in January. The Government Security Borrowing for FY 18-19 was set at INR 6,05,539 crore. It was decided that instead of front loading the borrowing, as was the norm earlier, only about 48% of the borrowing was to be done in the first half leaving more than 50% of the borrowing for the second half. The benchmark 10-yr paper tightened to 7.40% to end the fiscal year, easing around 75bps from March FY2017.

India's total debt outstanding is INR 1088.10 billion comprising 75% of sovereign securities and 25% of corporate bonds. Currently, Government bonds dominate the debt market with an advantage of being more liquid and risk free vis-à-vis corporate bonds. In the corporate bond market, issuance by way of Private placement route was almost 90% of the total amount of corporate bonds raised. Public issuance of corporate bonds though initially stagnant, picked up in the second half and will continue into the next financial year. Traditional banking channels have been stressed on account of higher nonperforming assets so corporates have been increasingly tapping the bond markets for their funding requirements.

The business environment is set to improve with structural reforms; SEBI put in place a new framework for consolidation in debt securities as part of its efforts to deepen the corporate bond market. Under the new framework, an issuer will be permitted a maximum of 17 ISINs maturing per financial year and a maximum of 12 ISINs maturing per financial year will be allowed only for plain vanilla debt securities. RBI eased the norms for FPIs to invest in debt especially into individual large corporates increasing the FPIs cap on investment in government security to 30% of the outstanding stock of that security, from 20% earlier.

OUR BUSINESS

A. K. Capital Services Limited ("AK Capital/ Company") was incorporated as A. K. Capital Services Private Limited on October 5, 1993 under the Companies Act, 1956 with the Registrar of Companies, N.C.T. of Delhi & Haryana, New Delhi ("RoC"). Pursuant to a special resolution passed by the shareholders on September 30, 1994, the Company was converted from a Private Limited Company to a Public Limited Company and consequently the name of the Company was changed to A. K. Capital Services Limited with effect from December 21, 1994. AK Capital received an order from the Regional Director, Northern Region, Ministry of Corporate Affairs dated March 17, 2016 for approval of shifting of the Registered Office address of the Company. The Registered Office of the Company has been shifted to 403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai 400021 and new Corporate Identification Number (CIN) after change in Registered Office is: L74899MH1993PLC274881.

AK Capital, the flagship company of the A. K. Group, has been registered with SEBI as a Category I Merchant Banker since April 1, 1998 and the registration is valid permanently unless suspended/ cancelled by SEBI. AK Capital is one of the country's leading merchant bank managing private placements as well as public issues of debt. AK Capital is acknowledged for its unmatched management consultancy, advisory services, financial restructuring etc. and is also one of the few merchant bankers who has direct access as counterparty to almost all domestic banks / institutions. AK Capital is primarily engaged in providing various fee-based services such as fund mobilisation through issue of debt, quasi-equity, structured hybrid instruments, etc. for over 200 clients including India's premier central and state Government undertakings, public and private sector banks, financial institutions and private corporates. AK Capital aspires to facilitate making the debt markets accessible to retail investors and relentlessly strives towards fulfilling its vision of "A bond in every hand".

AK Capital has 5 subsidiaries and one step down subsidiary which conduct their operations through a network of 10 branches spread over 9 cities of India and 1 at Singapore. The group has interests in diversified business fields and the subsidiaries have been incorporated to undertake and specialize each business area.

A. K. Capital Finance Private Limited ("AK Capital Finance"), a subsidiary of AK Capital, is registered with the Reserve Bank of India as a Systematically Important Non Deposit Accepting Non-Banking Financial Company ("NBFC-ND-SI"). A K Capital Finance is engaged in the business of investment and lending activities. The AK Capital Finance primarily operates a hybrid business model, under which the revenue streams comprises of a regular and stable interest income from its growing loan book, fees income and treasury income from its investment book. A.K. Capital Finance is amongst one of the few NBFCs having CBLO (Collateralized Borrowing and Lending Obligation) membership given by the Clearing Corporation of India Limited (CCIL) which enables the AK Capital Finance to access fund on tap against pledge of SLR securities like G-Secs at very competitive cost. AK Capital Finance in its onward lending segment has a strong risk management policies and credit appraisal system in place thereby having maintained strong asset quality, which is reflected by the fact that there are NIL NPAs and ZERO delinquency in its portfolio as on March 31, 2018.

Further net worth of AK Capital Finance has exceeded INR 500 Crores during the half year ended September 30, 2017 which qualifies it as a Qualified Institutional Buyer under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

During the year under review, AK Capital Finance also incorporated its subsidiary Company in the name of ''Family Home Finance Private Limited"

A. K. Stockmart Private Limited ("AK Stockmart"), a wholly owned subsidiary of AK Capital incorporated in 2006, is a full service brokerage house registered with SEBI as a stock broker with NSE and BSE, governed by SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 and is also a SEBI registered Depository Participant with CDSL and NSDL. Besides, AK Stockmart is also registered with SEBI in the wholesale debt market segment of NSE. AK Stockmart is into retail distribution, WDM broking, stock broking and depository services. The company and plays a dominant role in distribution and mobilization of tax free and taxable bonds / debentures/ NCDs offered through public issue route. AK Stockmart is a strong and well-established player in the bond markets. The company has successfully distributed tax-free bonds of major Government entities such as NHAI, IRFC, PFC, REC, NABARD, IIFCL, IREDA etc.

AK Stockmart has also distributed debt public issues of private sector companies such as Mahindra Finance, Reliance Home Finance, Dewan Housing Finance, Indiabulls Housing Finance, Shriram Transport Finance, Shriram City Union Finance, Muthoot Finance, Muthoot Fincorp, SREI Equipment, Manappuram Finance etc.

A. K. Wealth Management Private Limited ("AK Wealth"), incorporated in November 2006 and a wholly owned subsidiary of AK Capital, is registered with SEBI as a Portfolio Management Company. The Company is in process of commencing its operations in providing portfolio management services, private wealth management, asset management, investment advisory and research backed investment solutions to ensure returns commensurate to risk appetite of its clients.

A. K. Capital Corporation Private Limited (''AK Capital Corporation"), incorporated in November 2006 and a wholly owned subsidiary of AK Capital

A. K. Capital (Singapore) Pte. Ltd. ("AK Singapore"), domiciled in Singapore, was incorporated on July 29, 2013 as a wholly owned subsidiary of AK Capital. AK Singapore is registered with Monetary Authority of Singapore as a financial services company and provides financial advisory services to its clients across the globe. It offers cross border funding solutions by identifying potential investors to meet the fund raising needs of its clients. AK Singapore also offers the full range of money market operations in India to meet both the lending and borrowing needs of its clients. The AK Singapore research team has conducted in-depth studies of foreign markets and is well-equipped to apply the gained technical information to help accelerate the company's expansion in India and other nascent debt markets.

Family Home Finance Private Limited (''FHFPL"), incorporated in June 2017 and a step down subsidiary of AK Capital is registered with National Housing Bank as a non-deposit taking housing finance company. FHFPL proposes to commence the business of Housing Finance.

Execution and other services

AK Capital has marked a glorious journey of over 24 years and has gained expertise as well as recognition in various facets of the corporate bond markets by undertaking and successfully executing various landmark transactions.

AK Capital has been reckoned as a leading arranger for private placement of secured/ unsecured, senior/ subordinated, redeemable, non-convertible debentures/ bonds, perpetual bonds, redeemable preference shares, etc. for a diverse profile of issuers comprising of:

a) Central Public Sector Undertakings;
b) State Government Undertakings;
c) Public and Private Sector Banks;
d) Public Financial Institutions;
e) Private Corporates;
f) Non-Banking Finance Companies;
g) Housing Finance Companies;
h) Infrastructure Finance Companies;
i) Infrastructure Development Funds;
j) Core Investment Companies;
k) Infrastructure Developers; and
l) Manufacturing and Services sector companies

In FY 2017-18, AK Capital managed 126 assignments of private placement of debt aggregating to INR 98,696 crores corresponding to a market share of 21%. On a cumulative basis over past decade (01-Apr-2008 to 31-Mar-2018), AK Capital has managed 1,287 assignments of private placement of debt aggregating to INR 7,41,244 crores corresponding to a market share of 26% (Source: PRIME Database).

1. AK Capital has been rated as No. 1 Lead Manager in terms of managing public issues of bonds/ debentures over last decade (01-Apr-2008 to 31-Mar-2018) having managed 73 public issues of debt assignments aggregating to INR 1,35,801 crores corresponding to a market share of 73% (Source: PRIME Database) for country's premier public as well as private sector companies.
2. AK Stockmart has been rated as No. 1 Mobiliser of subscription in public issues of bonds/ debentures over last decade (01-Apr-2008 to 31-Mar-2018) having mobilized INR 60,839 crores in 102 public issues of debt corresponding to a market share of 19% (Source: PRIME Database).
3. Besides private placements and public issues of debt, the Company and its subsidiaries have demonstrated their progressive presence in undertaking and executing transactions in the following segments:
   I. Loan syndication, project financing, syndication of short term debt (CPs etc.)
   II. Managing and mobilizing Initial Public Offerings ("IPOs")/ Follow-on Public Offerings ("FPOs")/ Qualified Institutional Placements ("QIPs") of equity shares
   III. Syndication for Venture Capital Funds, Syndication for Infrastructure Development Funds, structured hybrid financial products
   IV. Asset backed financing, investment and trading in debt securities, loan against property, loan against securities, IPO funding (including debt public issues), real estate funding etc.
   V. Trading/investment in Government Securities and Corporate Bonds
   VI. Stock broking, WDM broking and Depository services
   VII. Providing portfolio management services, private wealth management, asset management and investment advisory
   VIII. Retirement fund advisory
   IX. Global financial advisory, cross border funding solutions, foreign currency bonds
4. The Company and AK Stockmart have undertaken and executed maximum number and volume of issues of redeemable non-convertible preference shares for country's top corporate houses.
5. The Company has successfully executed various landmark financial advisory transactions relating to management and arrangement of funds for India's leading public sector undertakings.
6. During FY 2017-18, the Company managed on an exclusive basis, the Tier II bond issue aggregating INR 100 crores for a general insurance company (Cholamandalam MS General Insurance Company Limited).

Outlook and Strategy

Over the period, AK Capital, along with its subsidiary companies, has emerged as a specialized boutique in domestic corporate bond market encompassing almost all spheres such as investment banking, private placement and public issue of debt, underwriting, market making, financial advisory, retirement trust solutions, retail distribution, portfolio management, financing against debt securities, hybrid debt structuring and syndication, G-Sec trading and broking, venture capital, project financing etc. In its journey of over two decades, AK Capital has pioneered and introduced numerous debt and hybrid debt instruments including perpetual bonds, optionally convertible debentures, redeemable preference shares, asset backed debentures, escrow based debentures, unsecured structures, rating linked structures, accelerated redemption structures, zero coupon structures, tax paring structures, loss absorbency embedded structures, discretionary coupon structures, covenant embedded structures etc. Besides institutional syndication, AK Capital has also been instrumental in retail penetration of debt instruments through public offerings.

The Company intends to capitalize on the potential of debt market and act as a catalyst towards building a vibrant and robust corporate bond market. Globally, debt market comprises of large portion of the financial markets. India contributes 3.1% towards the total global GDP, while its share of debt market capital is less than that of 2.00% of the global outstanding debt (Source: IMF). India offers moderate-risk, high-yielding debt investment opportunities to offshore investors.

India's total debt outstanding is INR 1,08,809 billion (Source: RBI & SEBI), comprising 75% of sovereign securities and 25% of corporate bonds. Currently, Government bonds dominate the debt market with an advantage of being more liquid and risk free vis-à-vis corporate bonds. Also, 90% of corporate bonds are privately placed to institutional investors restricting development of healthy secondary markets.

Crowding out by government bonds is one of the potential obstacles to healthy corporate bond markets. A high level of public debt crowds out corporate borrowing by reducing the appetite of financial institutions.

Earlier around 80-90% of debt in India was in form of bank loans. But mounting NPAs and increased capital requirements under Basel III limited banks' lending to corporates, which further opened up bond market as an avenue for financing the requirements of the growing Indian economy. Bond market rates reflect changes in key interest rates by the RBI more efficiently than the bank lending rates. Thus, there is a need for economical capital at interest rates that better reflect monetary policy through tradable bonds.

Currently the economy is showing a healthy growth momentum and fiscal discipline leading to added demand by the foreign and domestic investors which will support the growth of corporate bond market.

OPPORTUNITIES AND CHALLENGES:

Opportunities

- Debt markets have witnessed an exponential growth in the Country over last decade which may be seen from the tables given below:

Table-1: Private Placement of Debt (Non-Convertible Debentures/ Bonds)

2017-18		2007-08	
Total no. of Issues	**Amount in INR**	**Total no. of Issues**	**Amount in INR**
2,155	6,39,405	609	1,10,971
			Growth over last decade : 476%

2017-18		2008-09*	
No. of Issues	**Amount in INR**	**No. of Issues**	**Amount in INR**
8	51,673	1	1,500
			Growth over the period : 3,345%

* Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, were released by the SEBI vide notification no. LAD-NRO/GN/2008/13/127878 on June 6, 2008. Therefore the period of reference has been taken as FY 2008-09.

- Over past few years, the regulatory authorities have initiated major structural reforms towards building a robust, transparent and vibrant corporate bond markets in India:
  a. Allowing FPIs to transact in corporate bonds directly without involving brokers;
  b. Allowing FPIs to invest in unlisted corporate bonds;
  c. Increase in FPI limits;
  d. Increasing the FPIs cap on investment in government security;
  e. Mandatory usage of Electronic bidding mechanism in private placement for transparent price discovery;
  f. Allowing retail investors to invest in government security;
  g. Simplification and rationalization of disclosure requirements for debt public issues;
  h. Allowing a maximum of 17 ISINs maturing in any financial year towards promoting depth and liquidity;
  i. Re-issuance of debt securities;
  j. Market making in debt securities;
  k. Repo in corporate bonds;
  l. Regulatory framework for issue of Municipal Bonds;
  m. Introduction of Electronic Dealing Platform for repo in corporate bonds
  n. Accepting corporate bonds under Liquidity Adjustment Facility (LAF) of RBI
  o. Enhancement of limit of partial credit enhancement (PCE) to corporate bonds provided by banks to 50%
  p. Allowing banks to issue AT1 and Tier 2 bonds by way of Masala bonds
  q. Allowing Infrastructure Investment Trusts (InvITs) and Real Estate investment Trust (REITs) to raise debt by issuing debt securities
  r. Putting the onus on credit rating agencies to monitor sharing of information by companies with regard to servicing of their debt
  s. Introduction of Credit Default Swaps to facilitate hedging of credit risk by the holders of corporate bonds
  t. Framework for issuance of rupee-denominated Masala bonds by domestic companies from global markets without assuming currency risk;

Such measures along with growing awareness and acceptability of fixed income securities across investor class are likely to provide impetus to growth of domestic corporate bond markets.

Challenges

Like any other market:

(a) corporate bond markets are venerable to market risks originating from volatility in interest rates;

(b) operations in corporate bond markets may be vulnerable to competition thereby affecting margins;

(c) besides market risks, corporate bonds may be vulnerable to credit risk;

(d) Growth and performance of domestic corporate bond markets is dependent upon a host of domestic and global macro and micro-economic factors. India offers moderate-risk, high-yielding debt investment opportunities to offshore investors. However any significant tightening of monetary policy rates by the global central banks may lead to flight of capital and pose competition to Indian markets

FINANCIAL PERFORMANCE OF THE COMPANY

The consolidated revenue of your Company stood at INR 331.76 Crores for the financial year ended March 31, 2018 as against INR 338.94 Crores for the previous year. The consolidated profit before tax is INR 92.67 Crores for the current year as against INR 89.22 Crores in the previous year. After making provision for tax, the consolidated net profit of your Company is INR 61.85 Crores as against INR 57.82 Crores in the previous year.

On standalone basis, your Company earned gross income of INR 108.29 Crores during the year under review as against INR 96.27 Crores reported in the previous year. The profit before tax is INR 32.11 Crores as against the INR 36.23 Crores during the previous year. After making provision for tax, the net profit of your Company is INR 21.58 Crores as against the net profit of INR 24.37 Crores in the previous year.

HUMAN RESOURCE

Management believes that employees are core assets for our business. We understand that our workforce has a life beyond our doors. Our development activities are focused on creating opportunities that help them achieve the right work-life balance and grow in their respective roles and even beyond them.

Diversity & Inclusion:

At AK Group; diversity is our strength. The Company hires from different cultural and social backgrounds and have a non-discriminatory approach to acquiring talent. Openness and inclusion makes AK Group a place where talented professionals like to work. Our focus is always on developing skills, encouraging talent and helping people do their best. We work with our employees as partners and provide opportunities for high quality learning, get coaching from industry's best and offer a challenging and rewarding workplace.

We intend to develop and sustain a diverse workforce which strives to meet the unique needs of our diverse client base and the sectors in which we operate.

Employee Programs:

We invest in every step of our employees' careers and ensure their long term interests remain closely aligned with those of our clients and other shareholders. Our goals are to reinforce the Company culture, maximize individual potential and expand our employees' professional opportunities and abilities. We hold varied employee engagement activities, organise skill development workshops and create an environment of openness where learning is always a possibility and asking questions is the norm rather than the exception.

RISK AND CONCERN

As a diversified enterprise, your Company continues to focus on a system-based approach to business risk management. The management of risk is embedded in the corporate strategies that best match organisational capability with market opportunities, focusing on building distributed leadership and succession planning processes, nurturing specialism and enhancing organizational capabilities. Accordingly, management of risk has always been an integral part of the Company's Strategy.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems to commensurate with the nature of business and size of operations for ensuring:

I. orderly and efficient conduct of business, including adherence to Company's policies and procedures;

II. safeguarding of all our assets against loss from unauthorized use or disposal;

III. prevention and detection of frauds and errors;

IV. accuracy and completeness of accounting records;

V. timely preparation of reliable financial information; and

VI. compliance with applicable laws and regulations.

Policies, guidelines and procedures are in place to ensure that all transactions are authorised, recorded and reported correctly as well as provides for adequate checks and balances.

Adherence to these processes is ensured through frequent internal audits. The internal control system is supplemented by an extensive program of internal audit and reviews by the senior management. To ensure independence, the internal audit function has a reporting line to the Audit Committee of the Board.

The Audit Committee of the Board reviews the performance of the audit and the adequacy of internal control systems and compliance with regulatory guidelines. The Audit Committee of Board provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures corrective measures are taken. This system enables us to achieve efficiency and effectiveness of operations, reliability and completeness of financial and management information and compliance with applicable laws and regulations.

SAFE HARBOUR

The statements made in this report describe the Company's objectives and projections that may be forward looking statement within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending in the economic conditions, government policies and other incidental factors which may be beyond the control of the Company.

The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed. We are under no obligation to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events and assume no liability for any action taken by anyone on the basis of any information contained herein.

CORPORATE GOVERNANCE REPORT

(A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Code of Corporate Governance is aimed at promoting corporate fairness, transparency, accountability and integrity in the management.

The Company firmly believes in and has consistently practiced good Corporate Governance and continues to lay great emphasis on the broad principles of Corporate Governance. The Company fosters a culture in which high standards of ethical behavior, individual accountability and transparent disclosures are ingrained in all its business dealings and shared by its Board of Directors, management and employees.

The Company assigned the highest importance to elements of good corporate governance like transparency, accountability and responsibility in every sphere of management practice with customers, shareholders, regulators, government, bankers, vendors, staff members and other stakeholders.

The Company creates an environment for the efficient conduct of the business and to enable management to meet its obligations to all its stakeholders, including amongst others, shareholders, clients, employees and the community in which the Company operates. The Company believes that essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the higher echelons of management.

The Report on Corporate Governance, as per the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as the "Listing Regulations") is as under:

(B) BOARD OF DIRECTORS

The Board of Directors oversees the management functions to ensure that they are effective and enhance value for all the stakeholders. The Board's mandate inter-alia is to have an oversight of the Company's strategic direction, to review corporate performance, assess the adequacy of risk management and mitigation measures, to authorise and monitor strategic investments, to ensure regulatory compliance as well as high standards of governance and safeguard interests of all stakeholders.

(1) Appointment of Directors since last Annual General Meeting

The Directors of the Company are appointed / re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the Members at the General Meetings.

Since last Annual General Meeting, the following appointments were made by the Board:

SN	Name of the Director	DIN	Current Designation	Date of Appointment
1	Mr. Ashish Agarwal	08064196	Whole-time Director & KMP	February 3, 2018
2	Mr. Vikas Jain	07887754	Whole-time Director & KMP	February 3, 2018
3	Ms. Aditi Mittal	00698397	Non-Executive Woman Director	February 3, 2018
4	Mr. Khimji Shamji Pandav	01070944	Independent Director (Additional)	August 11, 2018

All the Directors appointed by the Board since last Annual General Meeting shall hold office up to the date of 25th Annual General Meeting of the Company. Accordingly, your Directors recommends the regularization of appointment and their terms of appointment at the 25th Annual General Meeting.

(2) Resignations

Mr. Deepak Mittal, Whole-time Director of the Company resigned from the Board with effect from February 3, 2018. The same was taken on record by the Board at its meeting held on the same day.

Mrs. Anshu, Non-Executive Director tendered her resignation on April 12, 2018. The Board noted her resignation vide circular resolution dated April 12, 2018.

The Board places on record its sincere appreciation for the valuable services rendered by Mr. Deepak Mittal and Mrs. Anshu during their tenure as Directors of the Company.

(3) Retirement by rotation

In accordance with the Articles of Association of the Company and pursuant to provisions of the Section 152 of the Companies Act, 2013, Mr. A. K. Mittal (DIN: 00698377), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment to enable compliance by the Company with the provisions of Section 152 of the Companies Act, 2013. The detailed profile of Mr. A. K. Mittal is stated in the notice of the 25th Annual General Meeting of the Company.

(4) Re-appointment of Independent Directors

The Members of the Company at their 21st Annual General Meeting held on September 20, 2014 had approved the appointment of Mr. Subhash Chandra Bhargava (DIN: 00020021) and Mr. Subhash Chander Madan (DIN: 00785025) as the Independent Directors for a period of 5 years commencing from April 1, 2014 to March 31, 2019.

Now, the Members are informed that pursuant to the provisions of Section 152 of the Companies Act, 2013, Independent Directors can be appointed for second term of 5 Years, commencing from April 1, 2019 to March 31, 2024 with the approval of shareholders by way of special resolutions.

It is also informed that Mr. Subhash Chandra Bhargava and Mr. Subhash Chander Madan shall attain the age of 75 years during their second term and pursuant to proposed enactment of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

All the Directors have contributed in the decision making process, evaluating plans and policies of the Company resulting into overall growth and development of the Company. Considering the performance of the Directors in the first term and their vast experience and expertise in different domain resulting into well-balanced board composition, in view of the same and on the recommendation of Nomination and Remuneration Committee of the Board, your Directors have appointed and recommend to the members of the Company for the re-appointment of Mr. Subhash Chandra Bhargava and Mr. Subhash Chander Madan as an Independent Directors of the Company for a period of five years commencing from April 1, 2019.

Necessary resolutions for the appointment / re-appointment of the Directors and their detailed profiles have been included in the notice convening the ensuing AGM and details of the proposal for appointment / reappointment are mentioned in the explanatory statement of the notice.

Your directors commend their appointment / re-appointment.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

(5) Composition and Category of the Board

As on March 31, 2018, the Board of Directors ("Board") of your Company comprised of the following Directors:

SN	Name of the Directors & DIN	No. of Directorship	No. of membership in committee	Chairman in committee	Category
1	Mr. A. K. Mittal (DIN: 00698397)	4	1	0	Promoter & Managing Director
2	Mr. Subhash Chandra Bhargava (DIN: 00020021)	9	7	1	Chairman & Independent Director
3	Mr. Subhash Chander Madan (DIN: 00785025)	2	2	1	Independent Director
4	Mr. Raghubinder Rai (DIN: 00851994)	2	2	0	Independent Director
5	Mrs. Anshu* (DIN: 01227279)	1	0	0	Non-Executive, Non Independent, Woman Director
6	Ms. Aditi Mittal# (DIN: 00698397)	4	1	1	Non-Executive, Non Independent, Woman Director
7	Mr. Ashish Agarwal# (DIN: 08064196)	1	0	0	Whole-time Director
8	Mr. Vikas Jain# (DIN: 07887754)	2	1	0	Whole-time Director

* Mrs. Anshu resigned from the Board of the Company with effect from April 12, 2018.
# Ms. Aditi Mittal, Mr. Ashish Agarwal and Mr. Vikas Jain were appointed as Directors with effect from February 3, 2018.

Notes:

1. Directorships/memberships in committees of public companies are considered including A. K. Capital Services Limited.
2. The committees considered for above purpose are those prescribed in the Listing Regulations viz. Audit Committee and Stakeholders Relationship Committee.
3. Excluding the separate meeting of independent directors, in which non independent directors were not eligible to participate.
4. Ms. Aditi Mittal is daughter of Mr. A. K. Mittal and Mrs. Anshu.
5. Mr. A. K. Mittal and Mrs. Anshu are husband and wife.

The composition of the Board is in consonance with Listing Regulations and in accordance with the applicable provisions of the Companies Act, 2013, as amended from time to time.

As on March 31, 2018, the composition of the Board was as follows:

Total No. of Directors	8
Total No. of Executive Directors	3
Total No. of Non-Executive Directors	5
Out of Total No. of Non-Executive Directors, No. of Independent Directors	3
Women Directors	2

The Chairman of the Board is Non-Executive Independent Director.

All the Non-Executive Independent Directors have confirmed to the Board that they qualify to be Independent as per the definition of "Independent Director" stipulated under the Listing Regulations and Section 149(6) of the Companies Act, 2013 and rules made thereunder.

(6) Board Meetings and category of Directors

The Board meets at least once in a quarter and the time gap between two Board Meetings is not more than one hundred and twenty days. During the Financial Year 2017-18, the Board met four times on the following dates:

May 20, 2017, July 29, 2017, November 11, 2017 and February 3, 2018, The name and category of directors, attendance at the Board Meetings held during the Financial Year 2017-18 and at the last Annual General Meeting (AGM) held on September 16, 2017, are as under:

Sr. No.	Name of the Directors	No. of Board Meetings held	No. of Board Meetings attended	Whether attended AGM held on September 16, 2017
1	Mr. A. K. Mittal	4	4	Yes
2	Mr. Subhash Chandra Bhargava	4	4	No
3	Mr. Subhash Chander Madan	4	4	Yes
4	Mr. Raghubinder Rai	4	4	Yes
5	Mrs. Anshu *	4	1	No
6	Mr. Deepak Mittal *	3	1	Yes
7	Ms. Aditi Mittal#	-	-	NA
8	Mr. Ashish Agarwal#	-	-	NA
9	Mr. Vikas Jain#	-	-	NA

* Mr. Deepak Mittal and Mrs. Anshu resigned from the Board of the Company with effect from February 3, 2018 and April 12, 2018 respectively.

Ms. Aditi Mittal, Mr. Ashish Agarwal and Mr. Vikas Jain were appointed as Directors with effect from February 3, 2018.

(7) Familiarisation Programme for Independent Directors

The Company has in place the Familiarisation Programme for Independent Directors who are appointed from time to time. The Programme aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarise them with the business functionaries and the processes of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Programme may be accessed on the Company's website at link:

http://www.akgroup.co.in/docs/Familiarisation%20Programme%20For%20Independent%20Directors-20170823184740490918 2.pdf

Meeting of Independent Directors

The Independent Directors met on February 3, 2018 without the presence of the Executive, Non-executive Non –Independent Directors and the senior management team of the Company. The Meeting was attended by all the Independent Directors. The matters considered and discussed thereat, inter alia, included those prescribed under Schedule IV to the Act and Regulation 25 of the Listing Regulations.

(8) Board Procedure

The tentative annual calendar of the Board Meetings is agreed upon at the beginning of the financial year. With regard to matters requiring the approval of the Board, all the concerned persons in the Company communicate to the Company Secretary in advance to enable inclusion of such matters in the agenda of the Board Meetings.

The detailed agenda is circulated in advance to the Directors, invitees and attendees. All major agenda items are backed by comprehensive background information to enable the Board to take the informed decisions. In cases, where it is not practicable to circulate any document or if the agenda item is of confidential nature, the same is sent separately or tabled at the Meeting, as the case may be. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the permission of the Chairman and the consent of all the Directors present at the Meeting. The senior officials of the Company are invited to the Board Meetings in respect of the items concerning them to provide additional inputs as and when necessary.

The draft minutes of the Board meetings are circulated amongst the Directors for their perusal and comments, suggestions, if any, received from the Directors are suitably incorporated in the draft minutes, in consultation with the Chairman of the Board. Minutes are signed by the Chairman of the Board at the next Meeting. The Company has an effective post meeting follow-up, review and reporting process for implementation of the decisions taken by the Board and the Committees thereof. Important decisions taken at the Board/ Committee Meetings are communicated to the concerned departments and persons promptly. Minutes of the previous meetings is placed at the succeeding meetings of the Board/ Committee for noting.

As part of its functions, the Board periodically reviews the items required to be placed before it as per the Listing Regulations and in particular reviews and approves the quarterly/half yearly unaudited financial statements and the audited annual accounts, corporate strategies, etc. The Company Secretary places a gist of amendments as they take place in various laws applicable to the Company along with the implications of such amendments on the Company, its Directors and employees.

The Board periodically reviews compliance reports of all the laws applicable to the Company. The minutes of the Board Meetings of the subsidiaries are placed at the Board Meetings on a quarterly basis. The Board minutes are confirmed by the Board Members at the next Meeting. The comments, if any, received from the Directors are incorporated in the minutes, in consultation with the Chairman.

The Board Members interact with the officials of various operating subsidiary companies frequently both at the Meetings and outside the Meetings.

(9) Code of Conduct

The Company has adopted a Code of Conduct ("Code") in accordance with the Listing Regulations which applies to all the Board Members and Senior Management Personnel and all other concerned persons covered under the Code. The Code has been posted on the Company's website www.akgroup.co.in. The Board Members and Senior Management Personnel of the Company have confirmed their adherence to the provisions of the Code. The Code further enjoins the Board Members and Senior Management to act in accordance with the highest standard of honesty, integrity, fairness and good faith and diligent in performing their duties. The Code has been circulated to all the Board Members and Senior Management Personnel and all other concerned persons and they have confirmed compliance with the Code. A declaration by the Managing Director of the Company to this effect is annexed to this report as Annexure I of the Corporate Governance Report.

(C) BOARD COMMITTEES

The Board has constituted various Committees with their specific terms of reference and scope to take informed decisions in the best interests of the Company in accordance with the Companies Act, 2013, Listing Regulations and other applicable Laws .

(1) Audit Committee

The Company has a qualified and independent Audit Committee which has been formed in pursuance of the Listing Regulations and Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The Audit Committee consists of three Directors of which two are Non-Executive Independent Directors and one is Executive Director. Mr. Subhash Chander Madan, Chairman of the Audit Committee is a Non-Executive Independent Director. All Members of the Committee possess strong accounting and financial management expertise and knowledge. The constitution and terms of reference of the Committee are wide enough covering matters as specified under Section 177 of the Companies Act, 2013 and the Listing Regulations and amendments thereof. The Audit Committee acts as a link between the Auditors (Statutory Auditor and Internal Auditors) and the Board of Directors of the Company.

Terms of Reference

i. Oversight of the Company's financial reporting process and disclosures of financial information to ensure that the financial statements are correct, sufficient and credible;

ii. Monitoring the Statutory Auditors independence, performance and appointment and their remuneration. Also recommend the change in Auditors, if felt necessary;

iii. Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval;

iv. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;

v. Evaluation of internal financial controls and risk management systems;

vi. Reviewing, with the management, performance of statutory auditors and internal auditors, adequacy of the internal control systems;

vii. Discussion with internal auditors of any significant findings and follow up there on;

viii. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

ix. Review, approval and disclosure of any related party transaction;

x. Monitoring end use of the funds of the Company;

xi. To review the functioning of the Whistle Blower/Vigil mechanism; and

xii. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

xiii. *Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding INR 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

* The terms of reference of the Audit Committee were amended to include the Clause xiii within the ambit of Audit Committee vide Board Resolution dated August 11, 2018.

During the Financial Year 2017-18, four Meetings of Audit Committee were held on the following dates:

May 20, 2017, July 29, 2017, November 11, 2017 and February 3, 2018

The gap between two Audit Committee Meetings was not more than one hundred and twenty days. The Composition, designation and attendance record of the Audit Committee Meetings are as under:

Name of the Member	Designation	Category of the Member	Number of Committee Meetings	
			Held during the Year	Attended
Mr. Subhash Chander Madan	Chairman	Non-Executive Independent Director	4	4
Mr. Raghubinder Rai	Member	Non-Executive Independent Director	4	4
Mr. A. K. Mittal	Member	Executive Director	4	4

The Board at its meeting held on August 11, 2018 reconstituted Audit Committee of the Board by induction of Mr. Khimji Shamji Pandav as a member of Audit Committee in place of Mr. Raghubinder Rai. As on the date of this report, the Constitution of Audit Committee consists of the following members:

Name of the Member	Designation	Category of the Member
Mr. Subhash Chander Madan	Chairman	Non-Executive Independent Director
Mr. Khimji Shamji Pandav	Member	Non-Executive Independent Director
Mr. A. K. Mittal	Member	Executive Director

Attendees

The Statutory Auditor, Internal Auditor and Chief Financial Officer were invited to attend the Audit Committee Meetings to point out any observations they may have with regards to finance, accounting, operations and other allied matters. The Company Secretary acts as the Secretary to the Audit Committee.

Mr. Subhash Chander Madan, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 16, 2017. The Internal Auditor reports directly to the Audit Committee.

(2) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of three Directors of which two are Non-Executive Independent Directors and one is Non-Executive Non-Independent Director. The Chairman of the Committee is a Non-Executive Independent Director. The Composition of Nomination and Remuneration Committee is in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

On February 3, 2018, the Board of Directors reconstituted the Nomination and Remuneration Committee of the Board. Ms. Aditi Mittal was appointed as the Member of Nomination and Remuneration Committee in place of Mrs. Anshu.

Terms of Reference

i. Recommend persons to the Board for appointment and removal as Directors, KMPs and Senior Management Personnel and their remuneration.

ii. Carry out performance evaluation of all Directors, Committee, KMPs and Senior Management Personnel.

iii. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

iv. Monitoring the Nomination and Remuneration policy.

v. To decide on the commission of the Directors and/or other incentives payable, taking into account the individual's performance as well as that of the Company, if any.

vi. *Recommend to the board, all remuneration, in whatever form, payable to senior management.

* The terms of reference of the Nomination and Remuneration Committee were amended to include the clause vi within the ambit of Nomination and Remuneration Committee vide Board Resolution dated August 11, 2018.

The terms of reference and powers of the Nomination and Remuneration Committee also include all items listed under the Listing Regulations and Section 178 of the Companies Act, 2013.

Meetings

The Nomination and Remuneration Committee met twice during Financial Year 2017-18 on May 20, 2017 and February 3, 2018. The Composition, designation and attendance record of the Nomination and Remuneration Committee Meetings are as under:

Name of the Member	Designation	Category of the Member	Number of Committee Meetings Attended	
			Held during the year	Attended
Mr. Raghubinder Rai	Chairperson	Non-Executive Independent Director	2	2
Mr. Subhash Chander Madan	Member	Non-Executive Independent Director	2	2
Mrs. Anshu *	Member	Non-Executive Non-Independent Director	2	-
Ms. Aditi Mittal *	Member	Non-Executive Non-Independent Director	-	-

* Ms. Aditi Mittal was appointment as the Member of the Nomination and Remuneration Committee in place of Mrs. Anshu with effect from February 3, 2018

The Board at its meeting held on August 11, 2018 reconstituted Nomination and Remuneration Committee of the Board by induction of Mr. Khimji Shamji Pandav as a member of Nomination and Remuneration Committee in place of Mr. Raghubinder Rai. As on the date of this report, the Constitution of Nomination and Remuneration Committee consist of the following members:

Name of the Member	Designation	Category of the Member
Mr. Subhash Chander Madan	Chairman	Non-Executive Independent Director
Mr. Khimji Shamji Pandav	Member	Non-Executive Independent Director
Ms. Aditi Mittal	Member	Non-Executive Director

Nomination and Remuneration Policy

The Board of Directors of the Company have adopted a Nomination and Remuneration Policy ("the Policy") pursuant to Section 178 of the Companies Act, 2013 and the Listing Regulations, inter alia to deal with the manner of selection and removal of Board of Directors, KMPs and Senior Management Personnel and their remuneration. The reference of the Policy is given in the Directors Report and also uploaded on the website of the Company at www.akgroup.co.in.

Criteria for Performance Evaluation of Independent Directors

The key evaluation criteria for performance evaluation of Independent Directors of the Company are given below:

i. Providing effective leadership and strategic guidance to the management;

ii. Understanding the Business, including the Risks and regulatory landscape;

iii. Attendance at and active engagement in the discussion of business performance, competitive landscape and strategies;

iv. Development and monitoring of leadership teams, Compliance focus and insistence on ethical business practices;

v. Nudging for long term focus areas such as Succession Planning, Business Continuity Planning etc.;

vi. Management of conflicts in Board discussion;

vii. Management of Conflict of Interest.

viii. Maintains high level of confidentially

Remuneration of Directors

While deciding on the remuneration to the Directors, the Board and Nomination and remuneration Committee considers the performance of the Company, director's qualification, his/her experience, level of responsibility, past performance and other relevant factors.

Non-Executive Directors

The Company pays INR 20,000 (Indian Rupees Twenty Thousand) towards sitting fees to the Non-Executive Directors for every Board Meeting attended. The sitting fees paid to the Non-Executive Directors for the Financial Year 2017-18 is as under:

(Amount in INR)

Name of the Director	Sitting fees for the Board Meetings paid/payable for the Financial Year 2017-18
Mr. Subhash Chandra Bhargava	80,000
Mr. Subhash Chander Madan	80,000
Mrs. Anshu	-
Mr. Raghubinder Rai	80,000

Executive Directors

Remuneration to Managing Director and Whole-time Director is fixed by the Nomination and Remuneration Committee which is subsequently approved by Board of Directors and Shareholders.

The details of remuneration paid to the Managing Director and Whole-time Directors during the Financial Year 2017-18 are as under:

(Amount in INR)

Particulars	Mr. A. K. Mittal	Mr. Deepak Mittal*	Mr. Ashish Agarwal**	Mr. Vikas Jain**
Salary and allowances	9,600,000	6,505,600	1,037,615	942,923
Bonus	-	-	-	-
Perquisites	1,056,000	-	-	-
Total	**10,656,000**	**6,505,600**	**1,037,615**	**942,923**
Service Contract	April 1, 2015 to March 31, 2020	April 1, 2015 to February 3, 2018	February 3, 2018 to February 2, 2023	February 3, 2018 to February 2, 2023
No. of Stock options granted	N.A.	N.A.	N.A.	N.A.
Notice Period	As per the terms of employment	N.A.	As per the terms of employment	As per the terms of employment
Severance Fee	As per the terms of employment	N.A.	As per the terms of employment	As per the terms of employment

* *Mr. Deepak Mittal has been resigned from the Board of the Company from February 3, 2018.*

** *Mr. Ashish Agarwal & Mr. Vikas Jain were appointed as Whole-time Director on the Board of the Company from February 3, 2018, in view of the same proportionate salary paid post their appointment.*

Shareholding of Directors

The shareholding of the Directors in the Company as on March 31, 2018 is as under:

Sr. No.	Name of the Director	No. of Equity Shares held	% of the total paid up equity share capital of the Company
1	Mr. Subhash Chandra Bhargava	-	-
2	Mr. A. K. Mittal	689,965	10.45
3	Mr. Subhash Chander Madan	-	-
4	Mr. Raghubinder Rai	-	-
5	Mrs. Anshu	198,275	3.00
6	Ms. Aditi Mittal	149,470	2.26
7	Mr. Ashish Agarwal	-	-
8	Mr. Vikas Jain	-	-

Note: 1. Mrs. Anshu, resigned from the Board of the Company on April 12, 2018.
2. Ms. Aditi Mittal, Mr. Ashish Agarwal and Mr. Vikas Jain were appointed as Directors on February 3, 2018.

(3) Stakeholders' Relationship Committee

Stakeholders Relationship Committee had Mrs. Anshu (Chairperson, Non-Executive, Non-Independent Director) and Mr. Deepak Mittal (Whole-time Director) as its members.

However, pursuant to the resignation of Mr. Deepak Mittal, Whole-time Director from the Board of the Company, Stakeholder Relationship Committee was re-constituted by the Board at its meeting held on February 3, 2018 with the following members:

Sr. No.	Name of the Director	Designation	Category
1	Ms. Aditi Mittal	Chairperson	Non-Executive Director
2	Mr. Vikas Jain	Member	Whole-time Director

The Stakeholder Relationship Committee is primarily responsible to review all matters connected with transfer of shares and redressal of shareholders complaints. It primarily focuses on the grievances of the investors and ensures speedy disposal thereof. The composition of the Committee is in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference and powers of the Stakeholders' Relationship Committee includes all items listed under the Listing Regulations and Section 178 of the Companies Act, 2013.

Pursuant to the proposed to enactment of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board at its meeting held on August 11, 2018, inducted Mr. Subhash Chander Madan, Independent Director as the Member of Stakeholders Relationship Committee.

In view of the same, as on the date of this Report the Stakeholder Relationship Committee consist of the following members:

Sr. No.	Name of the Director	Designation	Category
1	Ms. Aditi Mittal	Chairperson	Non-Executive Director
2	Mr. Vikas Jain	Member	Whole-time Director
3	Mr. Subhash Chander Madan	Member	Independent Director

Ms. Aditi Mittal, Chairperson heads the Stakeholders' Relationship Committee.

Pursuant to the proposed to enactment of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, The Board also revised the terms of reference of the Stakeholders' Relationship Committee at its meeting held on August 11, 2018.

Terms of Reference of Stakeholders' Relationship Committee as on the date of this Report:

i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

ii. Review of measures taken for effective exercise of voting rights by shareholders.

iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company."

Meetings

The Committee met four times during the Financial Year 2017-18 on the following dates:

April 17, 2017, July 29, 2017, November 24, 2017 and February 3, 2018.

The Composition, designation and attendance record of the Stakeholders' Relationship Committee Meetings held during Financial Year 2017-18 are as under:

Name of the Director	Designation	Category	Number of Committee Meetings attended	
			Held during the year	Attended
Mrs. Anshu	Chairperson	Non-Executive Non Independent Director	3	3
Mr. Deepak Mittal	Member	Whole -Time Director	3	3
Ms. Aditi Mittal	Chairperson	Non-Executive Non Independent Director	1	1
Mr. Vikas Jain	Member	Whole -Time Director	1	1

Note: The Committee was re-constituted by the Board at its meeting held on February 3, 2018, accordingly Ms. Aditi Mittal was appointed as the Chairperson of the Committee and Mr. Vikas Jain was appointed as the Member of the Committee in place Mrs. Anshu and Mr. Deepak Mittal.

Mr. Tejas Dawda is the Company Secretary and Compliance Officer of the Company.

Based on the periodical report received from the Company's Registrar and Share Transfer Agent, no complaints were received during the Financial Year 2017-18. There was no complaint outstanding or any instrument pending for transfer as on March 31, 2018.

(4) Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) Committee had following members at the beginning of the year:

Name of the Members	Designation	Category
Mr. Subhash Chander Madan	Chairman	Non-Executive Independent Director
Mr. A. K. Mittal	Member	Managing Director
Mr. Deepak Mittal	Member	Whole-time Director

However, pursuant to the resignation of Mr. Deepak Mittal from the Board of the Company, the CSR Committee was re-constituted with the following members:

Name of the Members	Designation	Category
Mr. Subhash Chander Madan	Member	Non-Executive Independent Director
Mr. A. K. Mittal	Member	Managing Director
Mr. Vikas Jain	Member	Whole-time Director

Terms of Reference:

The terms of reference of the CSR Committee are as follows:

i. Formulating and recommending to the Board, CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

ii. Making recommendation on the amount of expenditure to be incurred on CSR activities;

iii. Instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company.

The Company formulated CSR Policy, which is uploaded on the website of the Company. The CSR Committee met twice during Financial Year 2017-18, on May 20, 2017 and July 17, 2017 and all members of the Committee were present at the Meeting.

The terms of reference and powers of the Corporate Social Responsibility Committee also include all items listed under Section 135 of the Companies Act, 2013 and rules made thereunder.

The activities and initiatives undertaken by the Company on CSR during the year are annexed as **Annexure - 2** to the Board's Report.

OTHER COMMITTEES OF THE DIRECTORS

In addition to the above referred Committees, which are constituted pursuant to the Corporate Governance Code, the Board has constituted the following major Committees of the Board and delegated thereto powers and responsibilities with respect to specific purposes.

(1) Banking & Investment Committee

The Banking & Investment Committee comprised two members' viz. Mr. A. K. Mittal, Managing Director and Mrs. Anshu, Non-Executive Director.

Pursuant to the re-constitution of the Board, the Banking & Investment Committee was also re-constituted on February 3, 2018 with following members:

Name of the Member	Designation
Mr. A. K. Mittal	Managing Director
Mr. Ashish Agarwal	Whole-time Director
Mr. Vikas Jain	Whole-time Director

Terms of Reference of the Committee:

i. To consider the matters relating to opening/operating/closing of bank accounts including matters relating to authorizing officers to operate bank accounts and any change thereto.

ii. To avail E-net, Credit Card and other facilities offered by Banks and/ Financial Institution

iii. To open Demat & CSGL account for holding / keeping Government Securities.

iv. To empanel with other market intermediaries, participants and regulators for making investment/ disinvestments.

v. To consider making of Investments, mainly in debt securities, shares and mutual funds, liquid funds and any other securities including Investments in subsidiaries and group companies.

vi. Approve the matters related to giving/ making loans, guarantee and securities.

vii. To avail credit/ loan or other services from the Bank within the limits approved by the Bank.

viii. To authorize officer(s) to exercise rights as an investor from time to time.

ix. To consider such other matters as may be required to make an investment or operation of bank accounts from time to time.

(2) Management Committee

The Management Committee had two members' viz. Mr. A. K. Mittal, Managing Director and Mrs. Anshu, Non-Executive Director.

Pursuant to the re-constitution of the Board, the Management Committee was also re-constituted on February 3, 2018 with following members:

Name of the Members	Designation
Mr. A. K. Mittal	Managing Director
Ms. Aditi Mittal	Non-Executive Director
Mr. Ashish Agarwal	Whole-time Director
Mr. Vikas Jain	Whole-time Director

Terms of Reference of the Committee

i. To authorize the officers of the Company to appear before any government / semi government authorities, judicial, quasi-judicial bodies, regulatory/ taxation authorities, stock exchanges.

ii. To authorize officers to make, sign and finalize any documents, applications, affidavits, forms etc to be executed with third parties including but not limited to taxation authorities, vendors, suppliers, clients, regulators, judiciary bodies, shareholder, employees and other stakeholders.

iii. To apply for membership of any of the government / semi government authorities, judicial, quasi-judicial bodies, regulatory/ taxation authorities, stock exchanges in connection with the business of the Company

iv. To avail services/ purchase goods, execute the contracts/ agreements in ordinary course of business of the Company.

v. To do specific acts or classes of acts, defining the range of their terms of office.

(3) Infrastructure Committee

The Infrastructure Committee had three members' viz. Mr. A. K. Mittal, Managing Director, Mrs. Anshu, Non-Executive Director and Mr. Subhash Chandra Bhargava, Independent Director.

However, the Infrastructure Committee was also re-constituted on February 3, 2018 with following members:

Name of the Members	Designation
Mr. A. K. Mittal	Managing Director
Mr. Ashish Agarwal	Whole-time Director
Mr. Vikas Jain	Whole-time Director

Terms of Reference of the Committee:

i. Hiring/Letting, Residential/Commercial accommodation/s on lease for official use;

ii. Acquisition/disposal of fixed assets and commercial property for official purposes;

iii. To enter into an agreement for maintenance of the premises with third parties/ vendors;

iv. To authorize employees to complete the requisite formalities in connection with buying/ selling and letting out the properties of the Company including registration and stamp duty payment thereof.

(D) SUBSIDIARY COMPANIES

Regulation 16(1) (c)of the SEBI (LODR), 2015 defines "material subsidiary" as a subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in immediately preceding accounting year.

During the year under review, the Company has two material subsidiaries whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the listed entity and its subsidiaries in the preceding accounting year.

Mr. Raghubinder Rai, Independent Director on the Board of the Company is also a Director on the Board of A. K. Capital Finance Private Limited (material subsidiary) as on March 31, 2018.

Mr. Subhash Chander Madan, Independent Director on the Board of the Company is also a Director on the Board of A. K. Stockmart Private Limited (material subsidiary) as on March 31, 2018.

The financial statements including the particulars of investments made by all the subsidiary companies are reviewed by the Audit Committee.

The Company has a system of placing the minutes and statement of all the significant transactions of all the subsidiary companies at the Meeting of the Board of Directors.

The Policy for determining the material subsidiaries has been formulated and adopted by the Board. The Policy may be accessed on the Company's website at link:

http://www.akgroup.co.in/docs/Policy%20on%20Determining%20Material%20Subsidiary-20180409150806787352 3.pdf.

It may be noted that pursuant to the proposed enactment of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the policy on determining material subsidiaries was amended by the Board at its meeting held on August 11, 2018 to give requisite effect to the proposed amendment. The amended policy shall be uploaded once the amendments are made effective.

(E) GENERAL BODY MEETINGS

All the resolutions moved at the last Annual General Meeting (AGM) of the Company were passed by e-voting and polling paper with requisite majority of members voted and attending the Meeting. No Extraordinary General Meeting was held during the year.

The Location, date, time and venue of the last three AGM of the Company are as follows:

Financial Year	Date	Time	Location/ Venue	Whether Special resolutions passed
2016-17	September 16, 2017	9.00 a.m.	The Resort, 11, Madh-Marve Road, Aksa Beach, Malad (West), Mumbai - 400095	Yes
2015-16	September 17, 2016	9.00 a.m.	The Resort, 11, Madh-Marve Road, Aksa Beach, Malad (West), Mumbai - 400095	Yes
2014-15	September 19, 2015	9.00 a.m.	Tivoli Garden Resort Hotel, Chattarpur Road, New Delhi	Yes

No postal ballot was conducted during the Financial Year 2017-18.

(F) DISCLOSURES

a) Related Party Transactions

All the Related Party Transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. Transactions with related parties entered into in the normal course of businesses are periodically placed before the Audit Committee of the Board for its approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen or repetitive in nature.

Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, material related party transaction to be reported under Section 188(1) of the Companies Act, 2013, in form AOC-2 are enclosed as **Annexure - 4** to the Board Report.

All Related Party Transactions as required under Accounting Standards AS-18 are reported in note no. 30 of Notes to the consolidated financial statements and note no. 30 of Notes to the standalone financial statements of your Company.

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Materiality and Dealing with Related Party Transactions. It can be accessed on the Company' website at the link:

http://www.akgroup.co.in/docs/POLICY%20ON%20MATERIALITY%20AND%20DEALING%20WITH%20RELATED%20PARTY%20TRANSACTIONS-20170914143080587733.pdf

The Board may note that pursuant to the proposed enactment of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the policy on Materiality and Dealing with Related Party Transactions was amended by the Board at its meeting held on August 11, 2018 to give effect requisite effect to the proposed amendment. The amended policy shall be uploaded once the amendments are made effective.

b) Disclosure of Accounting Treatment

In the preparation of the financial statements (standalone and consolidated), the Company has followed the Accounting Standards and policies generally accepted in India.

c) Risk Management

As a diversified enterprise, your Company continues to focus on a system-based approach to business risk management. The management of risk is embedded in the corporate strategies that best match organizational capability with market opportunities, focusing on building distributed leadership and succession planning processes, nurturing specialism and enhancing organizational capabilities. Accordingly, management of risk has always been an integral part of the Company's Strategy.

d) Other Disclosures:

i The Company has complied with the corporate governance requirements as prescribed in Regulations 17 to 27, 46(2) (b) to (i) and para C, D and Schedule V of Chapter IV of the Listing Regulations which are applicable to the Company.

Disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46 (2) (b) to (i) of the Listing Regulations:

Sr. No.	Regulation and Particulars	Compliance Status Yes/No/N.A.	Compliance observed during the Financial Year 2017-18
1	Regulation 17 Board of Directors	Yes	• Board Composition • Meeting of Board of Directors • Review of compliance reports • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to Non-Executive Directors • Minimum information to be placed before the Board • Compliance Certificate • Risk Assessment & Management • Performance Evaluation of Independent Directors
2	Regulation 18 Audit Committee	Yes	• Composition • Meeting of Audit Committee • Powers of Audit Committee • Role of Audit Committee and review of information by the Committee
3	Regulation 19 Nomination and Remuneration Committee	Yes	• Composition • Presence of Chairperson of NRC at the Annual General Meeting • Role of the Committee and review of information by the Committee
4	Regulation 20 Stakeholders Relationship Committee	Yes	• Composition • Role of the Committee and review of information by the Committee
5	Regulation 21 Risk Management Committee	N. A.	• The Company is not in the list of top 100 listed entities by market capitalization
6	Regulation 22 Vigil Mechanism	Yes	• Review of Vigil Mechanism for Directors and employees • Direct access to Chairperson of Audit Committee
7	Regulation 23 Related Party Transactions	Yes	• Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions • Related Party Transactions of the Company are pursuant to contracts duly approved by the Audit Committee, Board of Directors and Shareholders of the Company • Review of Related Party Transactions • Approval of Audit Committee of all the related party transactions
8	Regulation 24 Corporate Governance requirements with respect to subsidiary of listed entity	Yes	• One Independent Director from the Board of listed entity shall be a director on the Board of an unlisted material subsidiary • To review financial statement of unlisted subsidiary particularly investment by them • Minutes of Board of unlisted subsidiary placed at the meeting of Board of listed entity • Significant transaction stated of subsidiary placed before the Board
9	Regulation 25 Obligations with respect to Independent Directors	Yes	• Maximum Directorship and Tenure • Meeting of Independent Directors • Familiarisation Programme of Independent Directors • Re-appointment of Independent Director
10	Regulation 26 Obligations with respect to Directors and Senior Management	Yes	• Membership(s)/ Chairmanship(s) in the Committee(s) • Affirmation with compliance to Code of Conduct from Directors and senior management • Disclosure of shareholding by Non- Executive Directors

Sr. No.	Regulation and Particulars	Compliance Status Yes/No/N.A.	Compliance observed during the Financial Year 2017-18
11	Regulation 27 Other Corporate Governance requirements	Yes	• Compliance with discretionary requirements • Filing of quarterly compliance report on Corporate Governance
12	Regulation 46 (2) (b) to (i) website	Yes	• Terms and conditions of appointment of Independent Directors • Composition of various Committees of Board of Directors • Code of Conduct for Directors and Senior Management Personnel • Details of establishment of Vigil Mechanism/Whistle Blower Policy • Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions • Policy for determining material subsidiaries • Details of familiarization programme imparted to Independent Directors

ii. No penalty or strictures has been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any other Statutory Authorities, on any matter related to the capital markets, during the last three years.

iii. The Company has adopted a code of conduct for prevention of insider trading of Securities with a view to regulate trading in securities by Board of Directors, Employees including their immediate relatives. The Code requires pre-clearance for dealing in securities and prohibits dealing in securities by Board of Directors, Employees including their immediate relatives while in possession of unpublished price sensitive information. The Compliance Officer ensures compliance of the said Code by all the Directors, Senior Management and employees including their immediate relative likely to have access to price sensitive information.

iv. The Audit Committee has established a Vigil Mechanism and adopted a Whistle-Blower Policy, which provides a formal mechanism for all Directors and employees of the Company to approach the Audit Committee and make protective disclosures to the Committee about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conducts or ethic policy. The Company affirms that no Director or employee has been denied access to the Audit Committee during Financial Year 2017-18.

v. In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has two material subsidiaries. The Policy for determining the material subsidiaries has been formulated and adopted by the Board. The Policy may be accessed on the Company's website at link:

http://www.akgroup.co.in/docs/Policy%20on%20Determining%20Material%20Subsidiary-20180409150806787352 3.pdf

vi. As confirmed by the Independent Directors, they did not have any material pecuniary relationship (other than receiving sitting fees) with the Company during the financial year ended March 31, 2018.

vii. In line with the requirements stipulated by SEBI, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

viii. **CEO / CFO Certification**

The Managing Director and the CFO have certified to the Board, the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, with regard to the financial statements. The Certificate is annexed to this report as **Annexure II** of the Corporate Governance.

ix. **Compliance Certificate**

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from M/s. PYS & Co. LLP (Firm Registration No. 012388S/S200048), Chartered Accountants, Statutory Auditor of the Company, certifying the compliance by the Company with the provisions of the Corporate Governance of the Listing Regulations forms part of this Report.

x. The Company is not exposed to commodity price risk or foreign exchange risk and hedging activities.

(G) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of the Schedule V of the Listing Regulations. The status of compliance with the non-mandatory requirements of this clause has been detailed herein.

Adoption of Non-mandatory requirement: Part C of Schedule V of the Listing Regulations states that non-mandatory requirements may be implemented at the discretion of the Company. However, disclosures on compliance with mandatory requirement and adoption / non-adoption of non-mandatory requirements shall be made in the Corporate Governance Report of the Annual Report. The status of compliance of the non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the Listing Regulations are as follows:

i. The Board:

The Company does not defray any expenses of the Chairman's Office.

ii. Shareholder Rights:

The Company's quarterly, half-yearly and yearly results are furnished to the Stock Exchanges and are also published in the newspapers and on the website of the Company and therefore results were not separately sent to the Members.

iii. Modified opinion(s) in Audit Report:

For the Financial Year ended March 2018, the Independent Auditors have given unmodified opinion on the Company's Financial Statements. The Company continues to adopt best practices to ensure the regime of unmodified Financial Statements

iv. Separate posts of Chairman and Chief Executive Officer (CEO):

The Company has separate post of Chairman (Non-Executive) and Managing Director.

v. Reporting of the Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

(H) Means of Communication

i. The quarterly/ half yearly and annual financial results of the Company are regularly submitted to the stock exchange where the shares of the Company are listed in accordance with the Listing Regulations and are generally published in an English newspaper (Financial Express) and in a Marathi newspaper (Navshakti)

ii. The Company has its own website (www.akgroup.co.in) and the information relating to the Company and its services is displayed on its website. The Company's results and official news releases, if any, are displayed on the website of the Company.

iii. During the year under review the Company did not have any institutional investors or analysts. Thus, the Company was not required to make any presentations to the institutional investors or analysts.

(I) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the Financial Year 2017-18 as required under Listing Regulations, is presented in a separate section forming part of this Annual Report.

(J) GENERAL SHAREHOLDERS' INFORMATION

Details of the 25th Annual General Meeting of the Company

Date: September 22, 2018

Time: 9.00 a.m.

Venue: The Retreat Hotel & Convention Centre, Erangal Beach, Madh Island, Marve Road, Malad (W), Mumbai - 400061 Maharashtra

Financial year of the Company

The financial year of the Company covers the period from April 1 to March 31.

Tentative Calendar for the Financial Year 2018-19:

Financial reporting for the	Tentative dates of the Meetings
First quarter ending on June 30, 2018	On or before September 14, 2018
25th Annual General Meeting	September 22, 2018
Second quarter ending on September 30, 2018	On or before December 14, 2018
Third quarter ending on December 31, 2018	On or before February 14, 2019
Fourth quarter/year ending on March 31, 2019	On or before May 30, 2019

Dividend payment date

The payment of dividend, if any, shall be paid on or before, Saturday, October 20, 2018.

Listing of Equity Shares on Stock Exchanges:

The Company's Equity Shares are listed on BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. The Company has paid the requisite annual listing fees for the Financial Year 2018-19 to BSE.

Stock code and ISIN:

BSE Scrip Code - 530499

Demat International Securities Identification Number (ISIN) in NSDL and CDSL for equity shares:

ISIN: INE701G01012

Corporate Identification Number (CIN) of the Company:

L74899MH1993PLC274881

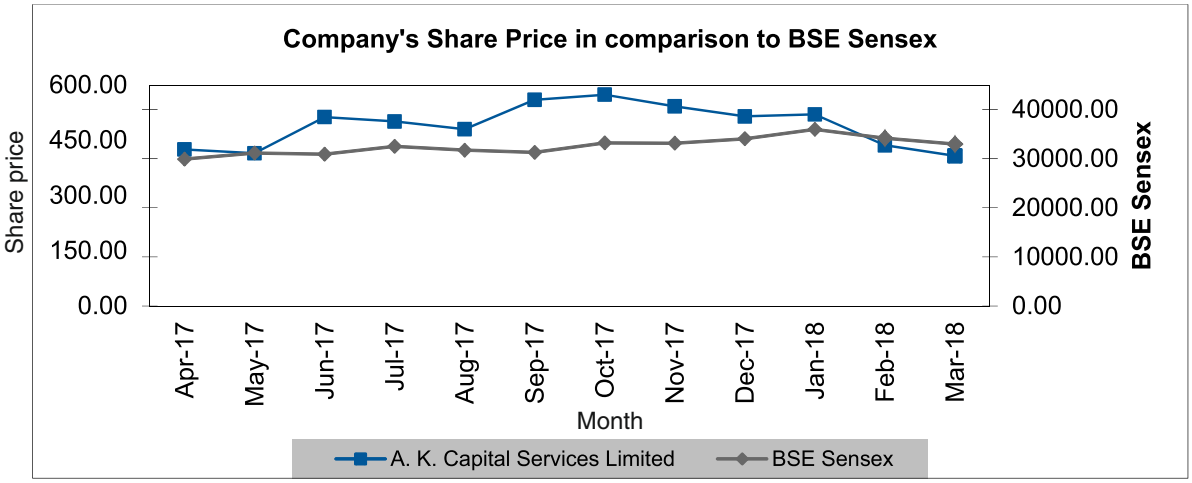
Market Price Data

The table below gives the monthly high and low quotations of shares traded at BSE Limited (BSE) for the Financial Year 2017-18:

Month	High price (INR)	Low price (INR)	No. of share traded
April 2017	458.00	390.00	82,998
May 2017	455.10	400.00	97,098
June 2017	611.80	408.80	220,919
July 2017	575.00	492.30	59,319
August 2017	539.00	441.50	84,062
September 2017	635.00	477.00	124,947
October 2017	625.00	535.30	38,244
November 2017	584.90	511.00	65,021
December 2017	553.70	496.10	46,139
January 2018	665.00	501.40	117,362
February 2018	543.90	399.95	142,349
March 2018	501.00	380.30	98,579

Performance in Comparison to broad-based indices such as BSE Sensex, CRISIL Index, etc.

The chart below plots the monthly closing price of A. K. Capital Services Limited versus BSE-Sensex for the Financial Year 2017-18:



Registrar and Share Transfer Agent:

Link Intime India Private Limited

C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai - 400 083

Tel: +91 22 49186270 | Fax: +91 22 49186060 | E-mail: rnt.helpdesk@linkintime.co.in | Website: www.linkintime.co.in

The Registrar and Share Transfer Agent (RTA) acknowledges and executes the transfer of shares and arranges for issue of dividend Warrants and also undertakes the dematerialization/rematerialisation of equity shares. The Registrar and Share Transfer Agent also accepts, deals with and resolves complaints of shareholders.

The following activities are also handled by RTA:

I To maintain master files of all Shareholders on an up to-date basis;

ii. To maintain all statutory and other records relating to share accounting;

iii. To facilitate filing of all statutory returns relating to shares;

iv. To ensure compliance with all formalities relating to shares with reference to Companies Act, Depositories guidelines and other applicable laws;

v. To handle all kinds of correspondence with the Shareholders and Depositories, SEBI, Stock Exchanges, etc., in the proper manner;

vi. To scrutinise and process all kinds of transactions and updates to Shareholders master data;

vii. To reconcile and affect a proper control on the total number of shares, dividend amounts issued, etc. and reconcile dividend amount un-cashed based on paid/unpaid data receipt from the Dividend bankers;

viii. Any other services as may be prescribed by the SEBI.

Share transfer system and half yearly audit of share transfers

The Company's shares are traded on stock exchange in compulsory dematerialized form. The transfers in physical form logged at the Registrar and Share Transfer Agent's office are processed within a period of 15 days, from the date of submission of all the required documents. With a view to expediting the process of share transfers, transmissions, etc., the Stakeholders' Relationship Committee along with the Company Secretary, have been severally empowered to approve the same.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains the certificate from a Practicing Company Secretary on half yearly basis to the effect that the requests for share transfers, sub-division, consolidation, renewal and exchange of certificates comprising equity shares have been processed within the stipulated time period subject to all the documents being in order. A copy of the certificate so received is submitted to the stock exchanges where the Company's shares are listed.

Distribution of Shareholding

Distribution schedule of Equity shareholding of the Company as at March 31, 2018 is as follows:

Category			Number of Shareholders	% of total Shareholders	Total number of shares held	% of total Shareholding
From		To				
1	-	500	2,335	85.91	219,116	3.32
501	-	1,000	170	6.26	134,415	2.04
1,001	-	2,000	91	3.35	132,794	2.01
2,001	-	3,000	30	1.10	75,010	1.14
3,001	-	4,000	15	0.55	51,632	0.78
4,001	-	5,000	17	0.63	79,305	1.20
5,001	-	10,000	27	0.99	202,414	3.07
10,001	-	Above	33	1.21	5,705,314	86.44
Total			**2,718**	**100.00**	**6,600,000**	**100.00**

Note: The rounding off of percentages could result into arithmetical differences

Numbers of Shareholders are calculated on the basis of Folio Numbers

Equity Shareholding pattern of the Company as at March 31, 2018 is as follows:

Category	Number of shares	% of total Shareholding
Promoter and promoter group		
Indian	4,235,799	64.18
Foreign (NRI)	198,275	3.00
Sub-total (A)	**4,434,074**	**67.18**
Public		
NRIs/Foreign Bodies Corporate	27,280	0.41
Indian Bodies Corporate	600,928	9.10
Individual/HUF	1,508,070	22.85
Clearing Members	22,437	0.34
IEPF	7,211	0.11
Sub-total (B)	**2,165,926**	**32.82**
Total Shareholding (A) + (B)	**6,600,000**	**100.00**

Note: The rounding off of percentages could result into arithmetical differences

REDRESSAL OF INVESTOR GRIEVANCES THROUGH SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES)

SCORES stands for SEBI Complaints and redress System. It is a centralized web based grievance Redressal system launched by SEBI (http://scores.gov.in/admin). SCORES provide a platform for aggrieved investors, whose grievances, pertaining to securities market, remain unresolved by the concerned listed company or registered intermediary after a direct approach. All the activities starting from lodging of a complaint till its closure by SEBI would be handled in an automated environment and the complainant can view the status of his complaint online.

An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form at any of the offices of SEBI. Such complaints would be scanned and also uploaded in SCORES for processing.

Dematerialization of shares and liquidity

As on March 31, 2018, 98.94% of the paid-up Equity Share Capital of the Company was held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company's equity shares are frequently traded at the BSE Limited. The market lot is one share as the trading in equity shares of the Company is permitted in dematerialised form.

Quarterly audit of share capital

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary with the objective to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the total issued and listed capital of the Company. The certificate received from the Practicing Company Secretary is submitted to BSE and is also placed before the Board of Directors on a quarterly basis.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

Plant Locations

The Company is in the business of providing financial services; therefore, it does not have any manufacturing plants.

Address for correspondence

For any assistance, request or instruction regarding transfer or transmission of shares, dematerialization of shares, change of address, non-receipt of annual report, interest/dividend warrant and any other query relating to the shares of the Company, the investors may please write to the following address:

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai - 400 083
Tel: +91 22 4918 6270
Fax: +91 22 4918 6060
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

The Company Secretary
A. K. Capital Services Limited
30-39, Free Press House, 3rd floor
Free Press Journal Marg 215, Nariman Point, Mumbai – 400021
Tel: +91 22 66349300
Fax: +91 22 66100594
E-mail: compliance@akgroup.co.in
Website: www.akgroup.co.in

For queries relating to the financial statements and investors information, other than those relating to shares/ dividend, please write to:

Mr. Mahesh Bhootra
Chief Financial Officer
A. K. Capital Services Limited
30-39, Free Press House, 3rd floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021
Tel: +91 22 67546500
Fax: +91 22 66100594
E-mail: accounts@akgroup.co.in
Website: www.akgroup.co.in

Unclaimed Equity Shares in Demat Suspense Account/ Unclaimed Suspense Account

As per Listing Regulations, 2015, the Company reports the following details in respect of unclaimed equity shares that are kept in demat suspense account/unclaimed suspense account:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2017	NIL	NIL
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	NIL	NIL
Number of shareholders to whom shares were transferred from suspense account during the year;	NIL	NIL
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	NIL	NIL

ANNEXURE I

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

The Company has adopted a Code of Conduct for Directors and Senior Management, which is posted on the website of the Company. The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct in respect of the Financial Year 2017-18.

For A. K. Capital Services Limited

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

Place: Mumbai
Date: August 11, 2018

ANNEXURE II

CERTIFICATE FROM THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To

The Board of Directors;

A. We have reviewed financial statements and the cash flow statement for the Financial Year 2017-18 and we, certify that:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there have been no deficiencies in the design or operation of such internal controls of which we are aware.

D. We have indicated to the auditors and the Audit committee that there were:

1. no significant change in internal control over financial reporting during the year;
2. no significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. there have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For A. K. Capital Services Limited

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

Mahesh Bhootra
Chief Financial Officer

Place: Mumbai
Date: August 11, 2018

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Members,

A. K. Capital Services Limited

1. The Corporate Governance Report prepared by A. K. Capital Services Limited ("the Company"), contains details as per regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended March 31, 2018. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

Management responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

   The Management along with the Board of Directors are responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

3. Pursuant to the requirement mentioned above, it is our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
4. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by Institute of Chartered Accountants of India.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
6. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report.
   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors have been met throughout the reporting period.
   iii. Obtained the details of the Directors and verified that at least one woman director was on the Board during the year.
   iv. Obtained and read minutes of the following meetings held from 01 April 2017 to 31 March 2018:
      a) Board of Directors meeting
      b) Audit committee
      c) Annual General meeting
      d) Nomination and Remuneration committee
      e) Stakeholders' Relationship committee
      f) Corporate Social Responsibility committee
   v. Obtained necessary representations and declarations from Directors of the Company including the independent directors and
   vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

   The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

7. Based on the procedures performed by us as referred in paragraph 6 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

Other matters and Restriction on Use

8. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
9. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For PYS & CO. LLP
Chartered Accountants
Firm's Reg.No. : 012388S/S200048

G. D. Joglekar
Partner
Membership No.:39407
Place: Mumbai
Date: August 11, 2018

INDEPENDENT AUDITORS' REPORT

To,

The Members,

A. K. CAPITAL SERVICES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of A. K. Capital Services Limited ("the Company") which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to Company's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, its profit & its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 & 4 of the Order.
2. 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 purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
      i. The Company does not have any pending litigations which would impact its financial position;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund bythe Company

For PYS & CO. LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

G.D. Joglekar
Partner
Membership No.: 39407

Place: Mumbai
Dated: May 26, 2018

ANNEXURE – 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

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

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

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

(ii) Considering the nature of business, the nature of business, the Company does not have inventory. In view of this, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3 (iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced or granted any loan covered under Section 185 of the Act. Further, the Company has complied with provisions of Section 186 of the Act, with respect to the loans, guarantee or security and investments made.

(v) The Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.

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

(vii) (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income tax, service tax, goods and service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the 31 March, 2018 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, sales tax, duty of customs, duty of excise and value added tax are not applicable to the Company.

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

Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	Nil *	A.Y. 2013-2014	Income Tax Appellate Tribunal

* Disputed demand amounting to ₹ 5,147,388 has been adjusted against the refund order issued for the Assessment year 2014-2015 and refund of Assessment year 2005-06.

(viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions. The Company does not have any loans or borrowings from government and has not issued any debentures during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has utilized the term loan for the purpose it was raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).

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

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

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

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

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

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

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For PYS & CO. LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

G.D. Joglekar
Partner
Membership No.: 39407
Place: Mumbai
Dated: May 26, 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of A. K. Capital Services Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PYS & CO. LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

G.D. Joglekar
Partner
Membership No.: 39407
Place: Mumbai
Dated: May 26, 2018

BALANCE SHEET AS AT MARCH 31, 2018

		Note No.	As at 31.03.2018 ₹	As at 31.03.2017 ₹
I	**EQUITY AND LIABILITES**			
1	**Shareholders' funds**			
	(a) Share capital	2	66,000,000	66,000,000
	(b) Reserves and surplus	3	3,657,208,995	3,489,105,216
			3,723,208,995	**3,555,105,216**
2	**Non-current liabilities**			
	(a) Long-term borrowings	4	265,989,356	250,327,777
	(b) Deferred tax liabilities (net)	5	44,861,678	45,222,984
	(c) Long-term provisions	6	14,248,916	12,213,630
			325,099,950	**307,764,391**
3	**Current liabilities**			
	(a) Short-term borrowings	7	1,779,065,965	3,534,800,832
	(b) Trade payables	8	15,553,622	5,566,905
	(c) Other current liabilities	9	97,495,966	95,864,744
	(d) Short-term provisions	10	12,935,171	1,379,052
			1,905,050,724	**3,637,611,533**
	TOTAL		**5,953,359,669**	**7,500,481,140**
II	**ASSETS**			
1	Non-current assets			
	(a) Fixed assets	11		
	(i) Property, plant and equipment		356,211,716	352,826,973
	(ii) Intangible assets		460,759	186,524
	(b) Non-current investments	12	3,455,297,426	3,203,937,426
	(c) Long-term loans and advances	13	5,910,702	18,019,517
			3,817,880,603	**3,574,970,440**
2	**Current assets**			
	(a) Current investments	14	2,021,469,788	3,792,278,605
	(b) Trade receivables	15	18,242,520	29,301,193
	(c) Cash and bank balances	16	10,624,090	7,131,907
	(d) Short-term loans and advances	17	42,430,301	40,265,219
	(e) Other current assets	18	42,712,367	56,533,776
			2,135,479,066	**3,925,510,700**
	TOTAL		**5,953,359,669**	**7,500,481,140**
Significant accounting policies		**1**		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For PYS & Co LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

On behalf of the Board of Directors

G. D. Joglekar
Partner
Membership No. 39407

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

Ashish Agarwal
Director
(DIN: 08064196)

Mahesh Bhootra
Chief Financial Officer

Tejas Dawda
Company Secretary
(ACS: A27660)

Place: Mumbai
Date: May 26, 2018

Place: Mumbai
Date: May 26, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

		Note No.	Current Year ₹	Previous Year ₹
I	Revenue from operations	19	1,049,760,574	928,251,096
II	Other income	20	33,174,947	34,432,130
III	**Total revenue (I+II)**		**1,082,935,521**	**962,683,226**
IV	**EXPENSES**			
	Employee benefits expense	21	195,915,205	155,946,642
	Finance costs	22	331,986,624	235,094,077
	Depreciation / amortisation expenses	11	14,104,285	15,767,857
	Other expenses	23	219,784,844	193,602,958
	Total expenses		**761,790,958**	**600,411,534**
V	**Profit before tax (III-IV)**		**321,144,563**	**362,271,692**
VI	Tax expenses			
	- current tax		106,000,000	117,500,000
	- deferred tax expense / (benefits)		(361,306)	(1,067,629)
	- Earlier year tax adjustments		(259,538)	2,112,740
			105,379,156	**118,545,111**
VII	**Profit after tax (V-VI)**		**215,765,407**	**243,726,581**
	Basic and Diluted earnings per share	32	32.69	36.93
	Nominal value of equity shares		10.00	10.00
	Significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For PYS & Co LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

On behalf of the Board of Directors

G. D. Joglekar
Partner
Membership No. 39407

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

Ashish Agarwal
Director
(DIN: 08064196)

Mahesh Bhootra
Chief Financial Officer

Tejas Dawda
Company Secretary
(ACS: A27660)

Place: Mumbai
Date: May 26, 2018

Place: Mumbai
Date: May 26, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

		Current Year ₹	Previous Year ₹
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit before tax	321,144,563	362,271,692
	Adjustments for		
	Depreciation/ Amortisation	14,104,285	15,767,857
	Loss on sale of fixed assets (net)	1,255,547	406,512
	Interest income - others	(3,360,776)	(4,929,941)
	Interest expenses	325,314,788	230,056,155
	Income from investments	(461,221,855)	(351,442,774)
	Deposits / bad debts written-off	600,000	6,540,807
	Balances written back	(109,030)	(1,852)
	Operating profit before working capital adjustments	**197,727,522**	**258,668,456**
	Adjustments for		
	(Increase)/decrease in trade and other receivables	12,191,051	52,383,380
	Increase/(Decrease) in trade and other payables	29,650,761	(1,426,510)
	Cash generated from operations	**239,569,334**	**309,625,326**
	Direct taxes paid	(87,968,444)	(132,461,290)
	Net cash generated from operating activities	**151,600,890**	**177,164,036**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets	(23,164,726)	(11,294,752)
	Sale of fixed assets	4,145,916	302,200
	(Purchase) / sale of investments (net)	1,564,349,642	(2,130,234,968)
	Interest income on investments	426,993,914	191,333,943
	Interest income - others	3,360,776	2,019,287
	Net cash used in investing activities	**1,975,685,522**	**(1,947,874,290)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/(repayment) of short-term borrowings (net)	(1,755,734,867)	2,007,793,732
	Proceeds from long-term borrowings	306,650,000	-
	Repayment from long-term borrowings	(303,129,150)	(1,680,186)
	Interest paid	(323,870,384)	(228,231,218)
	Dividend paid	(39,600,000)	(39,600,000)
	Dividend distribution tax paid	(8,061,628)	(8,061,628)
	Net cash generated from financing activities	**(2,123,746,029)**	**1,730,220,700**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**3,540,383**	**(40,489,554)**
	Cash and cash equivalents at the beginning of the year	6,020,431	46,509,985
	Cash and cash equivalents at the end of the year	**9,560,814**	**6,020,431**
	Cash and cash equivalents at the end of the year comprise of:		
	Cash on hand	1,587,729	858,814
	Balances with banks in accounts	7,973,085	5,161,617
		9,560,814	**6,020,431**

Notes:
1) The above cash flow statement has been prepared under 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statement' notified by Central Government of India.
2) Cash and Cash equivalents for the purpose of cash flow statement comprises cash on hand and cash at bank excluding fixed deposit with original maturity period of more than three months.

As per our report of even date attached

For PYS & Co LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

G. D. Joglekar
Partner
Membership No. 39407

Place: Mumbai
Date: May 26, 2018

On behalf of the Board of Directors

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

Ashish Agarwal
Director
(DIN: 08064196)

Mahesh Bhootra
Chief Financial Officer

Tejas Dawda
Company Secretary
(ACS: A27660)

Place: Mumbai
Date: May 26, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 1

SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles ('GAAP') in compliance with the provisions of the Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India are also considered, wherever applicable.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of the Accounting Standard (AS) 3 Cash Flow Statements. The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

b) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed assets and depreciation / amortisation:

Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

Depreciation on Property, Plant and Equipment is provided the basis of useful life of fixed assets specified by Schedule II to the Companies Act, 2013.

Leasehold improvements are amortised over the lease period.

Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The capitalised cost includes license fees and cost of implementation / system integration services.

Software being amortised on a straight line basis over its estimated useful life or maximum 5 years, whichever is shorter.

d) Investments:

i) Non-current investments are valued at cost. Provision is made for diminution in the values when the decline is other than temporary.

ii) Current investments are valued at lower of cost or fair value determined on an individual investment basis.

e) Revenue recognition:

Revenue from service charges, fees and commission is recognised when the contract has been completed.

Investment income is recognised on the date of sale of securities.

Interest income is recognised on accrual basis.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rent income is recognised on accrual basis.

f) Transaction in foreign currencies:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the balance sheet date are translated at the rates of exchange prevailing at the date of the balance sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.

g) Retirement benefits:

i Defined contribution plans

The Company contributes to Employee's Provident Fund (a defined contribution plan) towards post employment benefits, which is administered by the respective Government authorities and the Company has no further obligation beyond making its contribution.

ii. Defined benefit plans

The Company has a defined benefit plan namely gratuity for all its employees. The liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

iii. Employee leave entitlement

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided as at the year end and charged to the statement of profit and loss.

h) Accounting for taxes on income:

i) Provision for income tax is made on the basis of the estimated taxable income for the accounting year in accordance with the Income-tax Act, 1961.

ii) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a virtual / reasonable certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

I Lease:

i) As a Lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on straight-line basis over the lease term.

ii) As a Lessor:

Assets subject to operating lease are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

j) Borrowing costs:

Borrowing costs attributable to the acquisition and construction of qualifying assets upto the date of such acquisition or construction are capitalised as part of the cost of respective assets. Other borrowing costs are charged to statement of profit and loss in the period in which they are incurred.

k) Impairment of assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

l) Provisions and contingent liabilities:

The Company creates a provision when there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

m) Earnings per share:

The basic earnings per share ("EPS") is computed by dividing the net profit/ (loss) after tax for the year available for the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year available for equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 2		
SHARE CAPITAL		
Authorised		
33,000,000 (previous year 33,000,000) Equity shares of ₹ 10 each	330,000,000	330,000,000
10,200,000 (previous year 10,200,000) Redeemable cumulative preference shares of ₹ 100 each	1,020,000,000	1,020,000,000
	1,350,000,000	**1,350,000,000**
Issued, subscribed and paid up		
6,600,000 (previous year 6,600,000) Equity shares of ₹ 10 each fully paid up	66,000,000	66,000,000
	66,000,000	**66,000,000**

a. Reconciliation of the shares outstanding at the beginning and at the year end

Equity shares	As at 31.03.2018		As at 31.03.2017	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Shares outstanding at the beginning of the year	6,600,000	66,000,000	6,600,000	66,000,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**6,600,000**	**66,000,000**	**6,600,000**	**66,000,000**

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of the liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31.03.2018		As at 31.03.2017	
	No. of shares held	% of holding	No. of shares held	% of holding
Family Home Consultancy Services Private Limited (Formally Known as Second Leasing Private Limited)	2,953,454	44.75%	2,920,825	44.25%
A. K. Mittal	689,965	10.45%	558,665	8.46%
A. M. Credit Analysis and Research Limited	371,000	5.62%	371,000	5.62%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 3		
RESERVES AND SURPLUS		
Capital reserve		
Opening balance	67,500,000	67,500,000
Add: Additions during the year	-	-
Closing balance	**67,500,000**	**67,500,000**
Securities premium account		
Opening balance	344,000,000	344,000,000
Add: Additions during the year	-	-
Closing balance	**344,000,000**	**344,000,000**
General reserve		
Opening balance	496,088,960	496,088,960
Add: Additions during the year	-	-
Closing balance	**496,088,960**	**496,088,960**
Surplus in statement of profit and loss		
Opening balance	2,581,516,256	2,337,789,675
Add: Profit for the year	215,765,407	243,726,581
Amount available for appropriation	**2,797,281,663**	**2,581,516,256**
Appropriations:		
Dividend paid	39,600,000	-
Dividend distribution tax paid	8,061,628	-
Closing balance	**2,749,620,035**	**2,581,516,256**
	3,657,208,995	**3,489,105,216**

During the current year the Board of Directos of the Company had paid a final dividend of ₹ 6 per equity share having face value of ₹ 10 each for the year ended March 31, 2017. The same is approved by the shareholders of the Company in the annual general meeting held on September 16, 2017. The total case outflow of ₹ 476,61,628/- including corporate dividend tax.

The Board of Directors of the Company in its meeting held on 26 May 2018, have proposed a final dividend of ₹ 6 per equity share having face value of ₹ 10 each for the year ended March 31, 2018. The same is subject to approval of the shareholders in the ensuing annual general meeting. The proposed dividend, if approved at the 25 th Annual General Meeting will result in cash outflow of ₹ 47,739,896 including corporate dividend tax.

NOTE - 4		
LONG TERM BORROWINGS		
Secured		
Term loans		
From bank*	260,747,841	-
From NBFC**	-	250,000,000
Vehicle loan		
From a bank***	5,241,515	327,777
	265,989,356	**250,327,777**

* Term loan from bank is secured against mortgage of the Company's immovable property together with all structures and appurtenances thereon held by the Company situated at 8th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021.The loan amount is repayable in 20 quarterly installments commencing from the end of third month from the date of disbursement.

** Term loan from NBFC was secured against mortgage of the Company's immovable property together with all structures and appurtenances thereon held by the Company situated at 8th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021.The loan amount was repayable in 12 quarterly installments commencing from the end of third month after the moratorium period of 24 months from the date of first disbursement, with a put and call option at the end of moratorium period and every 6 months thereon with 30 days notice. During the year, term loan has been fully repaid.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 5		
DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities:		
Depreciation	53,755,557	52,179,660
	53,755,557	**52,179,660**
Less; Deferred tax assets:		
Expenses allowable on payment basis (gratuity)	6,351,635	4,326,468
Expenses allowable on section 35D	1,925,414	2,630,208
Expenses under section 40(a)(ia)	616,830	-
	8,893,879	**6,956,676**
	44,861,678	**45,222,984**
NOTE - 6		
LONG TERM PROVISIONS		
For employee benefits	14,248,916	12,213,630
Gratuity (unfunded)	**14,248,916**	**12,213,630**
NOTE - 7		
SHORT TERM BORROWINGS		
Secured		
Loans repayable on demand		
From banks *	1,779,065,965	3,309,800,832
Secured		
From a Related Party **	-	225,000,000
	1,779,065,965	**3,534,800,832**

*Secured against pledge of debt securities / Central & State Government securities/ subservient charge on standard moveable assets of the Company. The loan is repayable on demand.

**Loan from related party is secured against subservient charge by way of hypothecation / pledge / mortgage over all the Fixed Assets of the Company (excluding the charges already created in favour of existing lenders)

NOTE - 8		
TRADE PAYABLES		
Total outstanding dues of micro, small and medium enterprises (Refer Note 35)	-	-
Total outstanding dues of trade payable other than micro, small & medium enterprises	15,553,622	5,566,905
	15,553,622	**5,566,905**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 9
OTHER CURRENT LIABILITIES

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
Current maturities of long-term debt - from banks (Refer note no.4)	39,715,600	1,856,329
Current maturities of long-term debt - from NBFC (Refer note no.4)	-	50,000,000
Interest accrued and due on borrowings	1,967,862	2,357,508
Interest accrued but not due on borrowings	1,458,356	226,028
Unpaid dividends*	1,063,176	1,111,476
Statutory dues	15,628,954	5,051,251
Security deposits towards leased asset	27,918,000	27,918,000
Employees dues	9,744,018	7,344,152
	97,495,966	**95,864,744**

* During the current year, ₹ 172,866 (previous year ₹ 98,602) has been credited into Investor Education and Protection Fund under Section 205C of the Companies Act, 1956. Further, there are no dues as at 31 March 2018 which needs to be credited into Investor Education and Protection Fund.

NOTE - 10
SHORT TERM PROVISIONS

Provision for employee benefits	4,554,476	287,721
Gratuity (unfunded)	1,415,035	1,091,331
Leave encashment	**5,969,511**	**1,379,052**
Others		
Provision for taxation(Net of Advance Tax ₹ 314,862,529 Previous Year ₹ Nil)	6,965,660	-
	6,965,660	**-**
	12,935,171	**1,379,052**

NOTE - 11
FIXED ASSETS

(Amount in ₹)

Particulars	Property, plant and equipment									Intangible assets		Total
	Plant and machinery	Computers	Furniture and fixtures	Office equipment	Office buildings	Office premises under lease	Leasehold improvements	Vehicles	Total	Software	Total	
Gross block (at cost)												
As at 1 April 2016	369,060	14,202,836	21,230,373	13,931,377	29,620,505	343,500,152	24,046,303	42,047,209	488,947,815	4,511,971	4,511,971	493,459,786
Additions	-	333,551	38,921	167,160	10,700,000	-	-	-	11,239,632	55,120	55,120	11,294,752
Deductions/adjustments	-	-	-	(16,495)	-	-	-	(2,020,399)	(2,036,894)	-	-	(2,036,894)
As at 31 March 2017	**369,060**	**14,536,387**	**21,269,294**	**14,082,042**	**40,320,505**	**343,500,152**	**24,046,303**	**40,026,810**	**498,150,553**	**4,567,091**	**4,567,091**	**502,717,644**
As at 1 April 2017	369,060	14,536,387	21,269,294	14,082,042	40,320,505	343,500,152	24,046,303	40,026,810	498,150,553	4,567,091	4,567,091	502,717,644
Additions	-	2,138,029	89,419	203,664	10,747,200	-	-	9,513,400	22,691,712	473,014	473,014	23,164,726
Deductions/adjustments	-	(67,166)	-	-	-	-	-	(15,899,860)	(15,967,026)	-	-	(15,967,026)
As at 31 March 2018	**369,060**	**16,607,250**	**21,358,713**	**14,285,706**	**51,067,705**	**343,500,152**	**24,046,303**	**33,640,350**	**504,875,239**	**5,040,105**	**5,040,105**	**509,915,344**
Depreciation/amortisation												
As at 1 April 2016	340,290	14,171,542	15,154,227	12,842,924	4,507,565	43,798,290	23,072,842	17,136,171	131,023,851	4,240,621	4,240,621	135,264,472
For the year	5,760	131,735	2,552,230	421,899	489,266	5,738,403	973,461	5,315,157	15,627,911	139,946	139,946	15,767,857
Deductions/adjustments	-	-	-	(10,285)	-	-	-	(1,317,897)	(1,328,182)	-	-	(1,328,182)
As at 31 March 2017	**346,050**	**14,303,277**	**17,706,457**	**13,254,538**	**4,996,831**	**49,536,693**	**24,046,303**	**21,133,431**	**145,323,580**	**4,380,567**	**4,380,567**	**149,704,147**
As at 1 April 2017	346,050	14,303,277	17,706,457	13,254,538	4,996,831	49,536,693	24,046,303	21,133,431	145,323,580	4,380,567	4,380,567	149,704,147
For the year	5,760	452,183	1,658,019	374,677	840,594	5,738,403	-	4,835,870	13,905,506	198,779	198,779	14,104,285
Deductions/adjustments	-	(37,303)	-	-	-	-	-	(10,528,260)	(10,565,563)	-	-	(10,565,563)
As at 31 March 2018	**351,810**	**14,718,157**	**19,364,476**	**13,629,215**	**5,837,425**	**55,275,096**	**24,046,303**	**15,441,041**	**148,663,523**	**4,579,346**	**4,579,346**	**153,242,869**
Net block												
As at 31 March 2017	23,010	233,110	3,562,837	827,504	35,323,674	293,963,459	-	18,893,379	352,826,973	186,524	186,524	353,013,497
As at 31 March 2018	**17,250**	**1,889,093**	**1,994,237**	**656,491**	**45,230,280**	**288,225,056**	**-**	**18,199,309**	**356,211,716**	**460,759**	**460,759**	**356,672,475**

Notes:

Vehicles include vehicles hypothecated against loan taken having gross block of ₹16,261,212 (as at 31.3.2017 ₹ 6,747,812), accumulated depreciation of ₹ 2,725,659 (as at 31.3.2017 ₹ 1,589,350) and net block of ₹13,535,553 (as at 31.3.2017 ₹ 5,158,462).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	Face Value ₹	As at 31.03.2018 Number	As at 31.03.2018 ₹	As at 31.03.2017 Number	As at 31.03.2017 ₹
NOTE - 12					
NON CURRENT INVESTMENTS					
Trade -unquoted-subsidiaries -fully paid up					
Equity shares of A.K. Stockmart Private Limited (wholly owned subsidiary)	10	12,000,000	120,000,000	12,000,000	120,000,000
Equity shares of A.K. Capital Corporation Private Limited (wholly owned subsidiary)	10	2,100,000	21,000,000	2,100,000	21,000,000
Equity shares of A.K. Capital Finance Private Limited	10	22,997,490	2,930,524,000	22,997,490	2,930,524,000
Equity shares of A.K. Wealth Management Private Limited (wholly owned subsidiary)	10	2,250,000	22,500,000	2,250,000	22,500,000
Equity shares of A.K. Capital (Singapore) PTE. Limited (wholly owned subsidiary)	SGD 1	665,000	34,619,326	665,000	34,619,326
Preference shares of A.K. Capital Finance Private Limited	100	2,500,000	255,000,000	-	-
			3,383,643,326		**3,128,643,326**
Unquoted - others - fully paid up					
Equity shares of Intelligroup Advisors Private Limited	10	4,600	46,000	4,600	46,000
Equity shares of A.K. Capital Retail Private Limited	10	1,000	10,000	1,000	10,000
Equity shares of A.K. Commodities Private Limited	10	3,000	30,000	3,000	30,000
Equity shares of India Bond Private Limited	10	800	8,000	800	8,000
Equity shares of Nessa Leisure Limited	10	415,000	68,100,000	415,000	68,100,000
Non trade, unquoted - others					
Units of Urban Infrastructure Venture Capital Limited*	100,000	70	3,460,100	70	7,100,100
			71,654,100		**75,294,100**
TOTAL			**3,455,297,426**		**3,203,937,426**
Aggregate amount of unquoted investments			**3,455,297,426**		**3,203,937,426**

Note:
* Paid up per unit ₹ 49,430 (Previous year ₹ 101,430)
During the year, cost of investment in Urban Infrastructure Venture Capital Limited has been reduced by ₹ 3,640,000 (including ₹ 2,870,000 pertaining to earlier years) towards reduction in paid up value of the funds on account of distribution received from Urban Infrastructure Opportunity fund by way of return of capital.

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 13		
LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Deposits	596,575	589,377
Other loans and advances		
Advance income tax (Net of Provision ₹ Nil ; previous year ₹ 216,401,544)	-	11,408,080
Capital advances	-	700,000
Loan to an employee	5,001,697	5,008,097
Prepaid expenses	312,430	313,963
	5,910,702	**18,019,517**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 14

CURRENT INVESTMENTS

	Face Value	As at 31.03.2018		As at 31.03.2017	
	₹	Number	₹	Number	₹
Non trade, quoted (fully paid up) - current					
Equity shares					
Shamken Spinners Ltd.	10	8,500	9,010	8,500	9,010
Bonds/ Debentures					
In Subsidiary					
9.00% A.K.Capital Finance Private Limited 2024	100,000	150	14,820,000	-	-
9.60% A.K.Capital Finance Private Limited 2024 (INE197P07052)	100,000	-	-	1,240	124,000,000
9.50% A.K.Capital Finance Private Limited 2022	100,000	-	-	200	20,000,000
9.60% A.K.Capital Finance Private Limited 2024 (INE197P07102)	100,000	-	-	200	20,000,000
In Other Companies					
9.15% Indiabulls Housing Finance Limited 2026	1,000	-	-	494	489,999
10.50% Indiabulls Real Estate Limited 2017	1,000,000	-	-	150	150,018,400
10.50% Indiabulls Real Estate Limited 2018 (INE069I07264)	1,000,000	200	200,834,600	200	200,834,600
10.50% Indiabulls Real Estate Limited 2018 (INE069I07280)	1,000,000	-	-	350	350,467,200
11.75% Indiabulls Real Estate Limited 2017	1,000,000	-	-	40	40,023,600
11.80% Indiabulls Real Estate Limited 2018	1,000,000	6	6,001,200	16	16,003,400
11.25% Sobha Limited 2018 (INE671H07285)	100,000	-	-	350	35,014,000
11.25% Sobha Limited 2018 (INE671H07293)	100,000	-	-	2,300	230,000,000
12.00% Sobha Limited 2017	100,000	-	-	30	3,001,800
12.00% Sobha Limited 2018	100,000	590	59,113,600	365	36,509,400
12.00% Sobha Limited 2019	100,000	-	-	3,500	350,905,000
7.00% Industrial Development Bank of India 2019	5,000	155	775,233	155	775,233
11.15% Dewan Housing Finance Limited 2018	1,000,000	15	15,462,000	15	15,462,000
11.20% Dewan Housing Finance Limited 2022	1,000,000	1	1,083,400	1	1,083,400
12.75% Neogrowth Credit Private Limited 2018 (Paid up value ₹ 53,333)	100,000	2,500	133,333,333	-	-
13.35% Neogrowth Credit Private Limited 2018 (Paid up value ₹ 33,333)	100,000	2,500	83,333,322	2,500	250,000,000
11.00% Ashiana Housing Limited 2018	100,000	800	80,000,000	800	80,000,000
11.00% Ashiana Housing Limited 2019	100,000	500	50,000,000	500	50,000,000
12.64% Indian School Finance Co. Pvt. ltd. 2019 (Paid up value ₹ 70,000)	100,000	2,500	175,000,000	2,500	250,000,000
9.50% Future Enterprises Limited 2025	1,000,000	1	1,000,000	-	-
9.75% Future Enterprises Limited 2021	1,000,000	-	-	11	11,000,000
9.80% Future Enterprises Limited 2023	1,000,000	-	-	30	30,000,000
9.95% Future Consumer Limited 2019 (INE220J07097)	100,000	450	45,000,000	-	-
9.95% Future Consumer Limited 2019 (INE220J07105)	100,000	450	45,000,000	-	-
9.95% Future Consumer Limited 2020	100,000	475	47,500,000	-	-
15.60% Karvy Financial Services Limited 2020	1,000,000	78	83,323,500	-	-
11.00% Ess Kay Fincorp Limited 2018 (Paid up value ₹ 75,000)	100,000	1,500	112,500,000	-	-
11.50% Esskay Fincorp Private Limited 2018	100,000	-	-	1,500	150,000,000
12.50% Esskay Fincorp Private Limited 2018	100,000	-	-	1,500	150,000,000
14.00% Mentor Home Loans India Limited 2022	100,000	500	50,000,000	500	50,000,000
12.25% Asirvad Microfinance Limited 2018	100,000	140	14,000,000	845	84,500,000
12.25% Asirvad Microfinance Limited 2019	100,000	-	-	750	75,000,000
12.80% Asirvad Microfinance Limited 2018 (INE516Q08075)	100,000	-	-	333	33,476,490
12.80% Asirvad Microfinance Limited 2018 (INE516Q08091)	100,000	303	30,460,590	303	30,460,590
12.80% Asirvad Microfinance Limited 2019	100,000	160	16,084,800	333	33,476,490
13.00% Asirvad Microfinance Limited 2022	1,000,000	150	150,000,000	150	150,000,000
16.83% ESAF Small Finance Bank Limited 2021	1,000,000	50	57,129,400	-	-
11.45% Vistaar Financial Services Private Limited 2019	1,000,000	150	150,000,000	150	150,000,000
9.23% Corporation Bank (P)	1,000,000	400	399,705,800	-	-
11.60% Bank of Maharashtra 2021	1,000,000	-	-	4	4,030,000
9.85% DCB Bank Limited 2026	100,000	-	-	1	100,019
11.25% Syndicate Bank 2021	1,000,000	-	-	16	16,000,000
12.00% United Bank Of India 2022	1,000,000	-	-	173	173,000,000
11.50% Bank of India 2026	1,000,000	-	-	10	10,649,000
11.45% Five Star Business Finance Limited 2019 (INE128S07069)	100,000	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07077)	100,000	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07085)	100,000	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07093)	100,000	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07101)	100,000	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07119)	100,000	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07127)	100,000	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07135)	100,000	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2021 (INE128S07143)	100,000	-	-	500	50,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07168)	100,000	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07176)	100,000	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07184)	100,000	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07192)	100,000	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07200)	100,000	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07218)	100,000	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07226)	100,000	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07234)	100,000	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2021 (INE128S07242)	100,000	-	-	300	30,000,000
9.65% Tourism Finance Corporation of India Limited 2033	1,000,000	-	-	1	1,018,974
10.95% Industrial Development Bank of India 2022	1,000,000	-	-	15	14,970,000
TOTAL			**2,021,469,788**		**3,792,278,605**
Aggregate amount of quoted investments					
Equity		**-**	**9,010**		**9,010**
Bonds		**-**	**2,021,460,778**		**3,792,269,595**
Aggregate market value of quoted investments					
Equity			**Nil**		**Nil**
Bonds*			**2,021,460,778**		**3,792,269,595**

* Bonds are valued at cost as the market value is not available. *(Refer note no. 27)*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 15		
TRADE RECEIVABLES		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	46,934	-
Others	18,195,586	29,301,193
	18,242,520	**29,301,193**
NOTE - 16		
CASH & BANK BALANCES		
Cash and cash equivalents		
a) Cash on hand	1,587,729	858,814
b) Balances with banks		
- in current account	2,895,753	4,822,566
- debit balance of bank overdraft facility	5,077,332	339,051
	9,560,814	**6,020,431**
Other bank balances:		
In Earmarked accounts- unpaid dividend accounts	1,063,276	1,111,476
	1,063,276	**1,111,476**
	10,624,090	**7,131,907**
NOTE - 17		
SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Loans and advances to related parties		
Deposits with directors and relative	10,662,000	10,662,000
Loans and advances to others		
Loans and advances to other parties	13,055,265	11,061,441
Deposits	14,284,990	14,717,270
Prepaid expenses	4,262,568	3,452,449
Balances with government authorities	165,478	372,059
	42,430,301	**40,265,219**
NOTE - 18		
OTHER CURRENT ASSETS		
Current maturities of long term loans and advances to employees	6,400	5,707
Interest receivable on investments / deposits	42,105,103	52,777,987
Advance recoverable in cash or kind or for value to be received	600,864	839,428
Other receivables	-	2,910,654
	42,712,367	**56,533,776**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	Current Year ₹	Previous Year ₹
NOTE - 19		
REVENUE FROM OPERATIONS		
Sale of services	588,538,719	576,808,322
Income from investments(net)	461,221,855	351,442,774
	1,049,760,574	**928,251,096**
NOTE - 20		
OTHER INCOME		
Rent income	29,313,900	29,313,900
Interest income	3,360,776	4,929,941
Other non operating income	500,271	188,289
	33,174,947	**34,432,130**
NOTE - 21		
EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	192,655,128	152,893,078
Contribution to provident fund	1,333,440	782,669
Staff welfare expenses	1,926,637	2,270,895
	195,915,205	**155,946,642**
NOTE - 22		
FINANCE COST		
Interest expenses	324,713,066	229,586,885
Others borrowing costs	6,671,836	5,037,922
Interest on income tax	601,722	469,270
	331,986,624	**235,094,077**
NOTE - 23		
OTHER EXPENSES		
Electricity expenses	959,432	823,979
Rent expenses	29,620,965	41,046,664
Repairs and maintenance:		
- building	3,883,660	4,172,212
- others	1,876,062	767,886
Rates and taxes	2,520,115	3,816,992
Travelling expenses	14,033,565	12,019,831
Auditor's remuneration:		
As auditor	325,000	362,500
for other services	80,000	78,500
Professional fees	23,686,486	6,862,351
Legal fees	1,794,839	9,837,909
Printing and stationary expenses	1,405,239	2,989,040
Bad debts	600,000	6,540,807
Advertisement expenses	146,700	2,215,618
Business promotion expenses	4,210,062	3,402,963
Selling expenses	106,876,150	71,690,138
Loss on sale of fixed assets	1,255,547	406,512
CSR expenditure (Refer Note - 34)	5,200,000	8,000,000
Miscellaneous expenses	21,311,022	18,569,056
	219,784,844	**193,602,958**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 24

CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
Corporate guarantee given to a bank in respect of working capital facility, cash credit and term loan facility taken by a subsidiary company	2,750,000,000	1,750,000,000
Total	**2,750,000,000**	**1,750,000,000**

NOTE - 25

DETAILS OF SALES OF SERVICES

	Current Year ₹	Previous Year ₹
Merchant banking fees	585,134,440	572,964,723
Brokerage received	3,404,279	3,843,599
Total	**588,538,719**	**576,808,322**

NOTE - 26

Consequent to the adoption of Accounting Standard 15 (AS 15 Revised 2005) on employee benefits, the following disclosures have been made as required by the standards :

1) Retirement benefits in the form of Provident fund are defined contribution scheme and the contributions are charged to the statement of profit and loss of the current year when the contribution to the respective fund is due. There are no other obligations other than the contribution payable to the respective fund.

2) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

	Current Year ₹	Previous Year ₹
Change in present value of obligation		
Present value of obligation as at 1 April	12,501,351	9,771,933
Interest cost	943,852	781,755
Past service cost	8,747,221	-
Service cost	3,207,002	1,511,354
Benefits paid	(669,559)	(1,740,348)
Actuarial (gain)/loss on obligation	(5,926,475)	2,176,657
Present value of obligation as at year end	18,803,392	12,501,351
Amount recognised in the balance sheet		
Present value of obligation, as at year end	18,803,392	12,501,351
Fair value of plan assets as at year end	-	-
Assets recognised in the balance sheet	-	-
Liabilities recognised in the balance sheet	18,803,392	12,501,351
Net gratuity cost		
Past service cost	8,747,221	
Current service cost	3,207,002	1,511,354
Interest cost	943,852	781,755
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be recognised	(5,926,475)	2,176,657
Net gratuity cost (Included in salaries and wages)	6,971,600	4,469,766
Assumptions used in accounting for the gratuity plan	IALM	IALM
Mortality	(2006-08)	(2006-08)
Discount rate	7.74%	7.55%
Salary escalation rate	5%	5%
Expected rate of return on plan assets	-	-

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 27

THE DETAILS OF SECURITIES PLEDGED WITH THE BANK ARE AS UNDER:

	As at 31.03.2018		As at 31.03.2017	
	Number	₹	Number	₹
9.50% A.K.Capital Finance Private Limited 2022	-	-	200	20,000,000
9.60% A.K.Capital Finance Private Limited 2024 (INE197P07052)	-	-	1,220	122,000,000
9.60% A.K.Capital Finance Private Limited 2024 (INE197P07102)	-	-	200	20,000,000
10.50% Indiabulls Real Estate Limited 2017	-	-	150	150,018,400
10.50% Indiabulls Real Estate Limited 2018 (INE069I07264)	200	200,834,600	200	200,834,600
10.50% Indiabulls Real Estate Limited 2018 (INE069I07280)	-	-	350	350,467,200
11.75% Indiabulls Real Estate Limited 2017	-	-	40	40,023,600
11.80% Indiabulls Real Estate Limited 2018	6	6,001,200	16	16,003,400
11.25% Sobha Limited 2018 (INE671H07285)	-	-	350	35,014,000
11.25% Sobha Limited 2018 (INE671H07293)	-	-	2,300	230,000,000
12.00% Sobha Limited 2017	-	-	30	3,001,800
12.00% Sobha Limited 2018	590	59,113,600	365	36,509,400
12.00% Sobha Limited 2019	-	-	3,500	350,905,000
7.00% Industrial Development Bank of India 2019	155	775,233	155	775,233
11.15% Dewan Housing Finance Limited 2018	15	15,462,000	15	15,462,000
11.20% Dewan Housing Finance Limited 2022	1	1,083,400	1	1,083,400
12.75% Neogrowth Credit Private Limited 2018 (Paid up value ₹ 53,333)	2,500	133,333,333	-	-
13.35% Neogrowth Credit Private Limited 2018 (Paid up value ₹ 33,333)	2,500	83,333,322	2,500	250,000,000
11.00% Ashiana Housing Limited 2018	800	80,000,000	800	80,000,000
11.00% Ashiana Housing Limited 2019	500	50,000,000	500	50,000,000
12.64% Indian School Finance Co. Pvt. Ltd. 2019 (Paid up value ₹ 70,000)	2,500	175,000,000	2,500	250,000,000
9.50% Future Enterprises Limited 2025	1	1,000,000	-	-
9.75% Future Enterprises Limited 2021	-	-	11	11,000,000
9.80% Future Enterprises Limited 2023	-	-	30	30,000,000
9.95% Future Consumer Limited 2019 (INE220J07097)	450	45,000,000	-	-
9.95% Future Consumer Limited 2019 (INE220J07105)	450	45,000,000	-	-
9.95% Future Consumer Limited 2020	475	47,500,000	-	-
15.60% Karvy Financial Services Limited 2020	78	83,323,500	-	-
11.00% Ess Kay Fincorp Limited 2018 (Paid up value ₹ 75,000)	1,500	112,500,000	-	-
11.50% Esskay Fincorp Private Limited 2018	-	-	1,500	150,000,000
12.50% Esskay Fincorp Private Limited 2018	-	-	1,500	150,000,000
14.00% Mentor Home Loans India Limited 2022	500	50,000,000	500	50,000,000
12.25% Asirvad Microfinance Limited 2018	120	12,000,000	845	84,500,000
12.25% Asirvad Microfinance Limited 2019	-	-	750	75,000,000
12.80% Asirvad Microfinance Limited 2018 (INE516Q08075)	-	-	333	33,476,490
12.80% Asirvad Microfinance Limited 2018 (INE516Q08091)	303	30,460,590	303	30,460,590
12.80% Asirvad Microfinance Limited 2019	160	16,084,800	333	33,476,490
13.00% Asirvad Microfinance Limited 2022	150	150,000,000	150	150,000,000
16.83% ESAF Small Finance Bank Limited 2021	50	57,129,400	-	-
11.45% Vistaar Financial Services Private Limited 2019	150	150,000,000	150	150,000,000
9.23% Corporation Bank (P)	400	399,705,800	-	-
11.60% Bank of Maharashtra 2021	-	-	4	4,030,000
11.25% Syndicate Bank 2021	-	-	16	16,000,000
12.00% United Bank Of India 2022	-	-	173	173,000,000
11.50% Bank of India 2026	-	-	10	10,649,000
11.45% Five Star Business Finance Limited 2019 (INE128S07069)	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07077)	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07085)	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07093)	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07101)	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07119)	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07127)	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07135)	-	-	250	25,000,000
11.45% Five Star Business Finance Limited 2021 (INE128S07143)	-	-	500	50,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07168)	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07176)	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07184)	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2019 (INE128S07192)	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07200)	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07218)	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07226)	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2020 (INE128S07234)	-	-	150	15,000,000
11.45% Five Star Business Finance Limited 2021 (INE128S07242)	-	-	300	30,000,000
9.65% Tourism Finance Corporation of India Limited 2033	-	-	1	1,018,974
10.95% Industrial Development Bank of India 2022	-	-	15	14,970,000
Total		**2,004,640,778**		**3,789,679,577**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 28		
EXPENDITURE IN FOREIGN CURRENCY		
Travelling expenses	97,175	775,139
Total	**97,175**	**775,139**

NOTE - 29

SEGMENT REPORTING

The Company operates in a single business and geographical segment i.e. "Providing Merchant Banking Services" within India. Accordingly, no separate disclosures for primary business and secondary geographical segment are required.

NOTE - 30

RELATED PARTY DISCLOSURES

I **Related party relationships:**

Subsidiaries

A. K. Stockmart Private Limited (wholly owned)
A. K. Wealth Management Private Limited (wholly owned)
A. K. Capital Corporation Private Limited (wholly owned)
A. K. Capital (Singapore) PTE Ltd (Wholly owned)
A. K. Capital Finance Private Limited
Family Home Finance Private Limited (step down subsidiary w.e.f. 29th June 2017)

Key managerial personnel

Mr. A. K. Mittal- Managing Director
Mr. Deepak Mittal- Whole Time Director (Till 3rd February, 2018)
Mr. Vikas Jain - Whole Time Director (Appointed w.e.f. 3rd February, 2018)
Mr. Ashish Agarwal - Whole Time Director (Appointed w.e.f. 3rd February, 2018)

Relative of key management personnel

Mrs. Anshu
Mr. Abhinav Kumar Mittal
Mrs. Aditi Mittal (Appointed w.e.f. 3rd February 2018 as Non-executive women Director)

Enterprise in which key management personnel is having significant influence

A. K. Services Private Limited

Enterprise in which relative of key management personnel is having significant influence

M Square Automobile Private Limited

Notes:

A) The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS) - 18 'Related Party Disclosures' and the same have been relied upon by the auditors.

B) The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year, except where control exist, in which case the relationships have been mentioned irrespective of transactions with the relatives.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

II Details of related party transactions are as follows:	Current Year ₹	Previous Year ₹
Transactions with related parties:		
Investments in share capital		
A. K. Capital Finance Private Limited	-	215,000,000
A. K. Capital (Singapore) Pte. Limited	-	14,834,326
Investments in preference share capital		
A. K. Capital Finance Private Limited	255,000,000	-
Directors remuneration (including perquisites)		
A. K. Mittal	10,656,000	10,656,000
Deepak Mittal	6,505,600	9,420,174
Vikas Jain	942,923	-
Ashish Agarwal	1,037,615	-
Brokerage expense		
A. K. Stockmart Private Limited	230,932	1,908,727
Demat charges		
A. K. Stockmart Private Limited	2,300	38,737
Purchase of Car		
M Square Automobile Private Limited	9,500,000	-
Sale of Car		
M Square Automobile Private Limited	3,500,000	-
Repairs and Maintenance charges paid for car		
M Square Automobile Private Limited	280,983	345,092
Interest expenses		
A. K. Services Private Limtied	26,409,120	7,877,734
Rent expense		
A. K. Mittal	3,408,000	3,408,000
Anshu	1,728,000	1,728,000
Abhinav Kumar Mittal	2,169,600	2,169,600
Director's sitting fees		
Anshu	-	20,000
Interest Income on Investment in Non Convertible Debentures		
A. K. Capital Finance Private Limited	5,947,733	950,400
Brokerage Income		
A. K. Stockmart Private Limited	10,076,312	-
Loan Taken during the year		
A. K.Services Private Limtied	435,000,000	225,000,000
Loan Repaid during the year		
A. K.Services Private Limtied	660,000,000	-
Application in Non Convertible Debentures		
A. K.Capital Finance Private Limited (Inculding 1,787,500 accrued interest, Previous year Nil)	251,787,500	180,000,000
Balances with related parties:		
Balance payable		
A. K. Stockmart Private Limited	11,961	47,794
M Square Automobile Private Limited	-	291,283
Rent deposit given outstanding as at year end		
A. K. Mittal	6,250,000	6,250,000
Anshu	2,450,000	2,450,000
Abhinav Kumar Mittal	1,962,000	1,962,000
Accured interest income on investment in Non-Convertible Debentures		
A. K. Capital Finance Private Limited	865,480	870,444
Loan Taken outstanding as at year end		
A. K.Services Private Limtied	-	225,000,000
Investment in Non Convertible Debentures		
A. K.Capital Finance Private Limited	14,820,000	164,000,000
Corporate guarantee given to a bank in respect of working capital demand loan taken by a subsidiary company		
A. K. Capital Finance Private Limited	2,750,000,000	1,750,000,000

Note: Transaction amount is excluding taxes, wherever applicable

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 31

LEASES

i Where the company is lessee:

The Company has taken various office premises under operating lease that are renewable on a periodic basis at the option of both the lessor and lessee.

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

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
Not later than one year	9,473,175	2,023,780
Later than one year and not later than five years	-	-

Notes:
The amount of minimum lease payments with respect to operating lease recognised in the statement of profit and loss for the year is ₹ 29,620,965 (previous year ₹ 41,046,664)
Above disclosure is for leases entered after 1 April 2001, as per Accounting Standard (AS) - 19 'Leases' as notified by Central Government of India.

ii Where the company is lessor:

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

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
Not later than one year	24,948,000	-
Later than one year and not later than five years	24,948,000	-

The amount of minimum lease income with respect to operating lease recognised in the statement of profit and loss for the year is ₹ 29,313,900 (previous year ₹ 29,313,900).

NOTE - 32

Non Current Investments (Note 12) include ₹ 68,100,000 being amount invested in unquoted equity shares of a company (other than group company) in earlier years. The investee company is under going through severe financial difficulties and accordingly, petition for winding up is admitted by the Hon'ble High Court. However, having regard to the fact that the outcome of the said matter is still pending before High Court, management feels that diminution in the value of such long term unquoted investments in shares is of temporary in nature in accordance with Accounting Standard - 13 "Accounting for Investments" and there is no need to provide for any impairment loss of such investment at this point of time.

NOTE - 33

EARNINGS PER SHARE

	Current Year ₹	Previous Year ₹
Net profit after tax as per statement of profit and loss (₹)	215,765,407	243,726,581
Weighted average number of equity shares outstanding during the year for basic and diluted earnings per share (No.)	6,600,000	6,600,000
Basic and diluted earnings for the year (₹)	32.69	36.93
Nominal value of share (₹)	10.00	10.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 34

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education, promoting gender equality, empowering women, setting up homes and ensuring environmental sustainability.

Particular			Amount ₹
Gross amount required to be spent by the Company during the year (including previous years' shortfall of ₹ 51,35,875)			11,215,932
Amount spent during the year	**Yet to be Paid in Cash ₹**	**In Cash ₹**	**Total ₹**
(i) Construction/acquisition of any asset	-	-	-
(ii) Donation for promoting education	-	5,200,000	5,200,000
(iii) Donation for promoting preventive health care and sanitation	-	-	-
(iv) Donation for empowering woman and setting up homes	-	-	-
Short fall in CSR Expenditure			**6,015,932**

NOTE - 35

The Company has not received any intimation from its suppliers regarding their registration under the 'Micro, Small and Medium Enterprises Development Act, 2006'. Hence, no disclosure has been made.

NOTE - 36

There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with Accounting Standard (AS) – 28 'Impairment of Assets'.

NOTE - 37

Income from investments (net) includes interest income ₹ 417,491,030 (previous year ₹ 232,290,797).

NOTE - 38

In the opinion of management, current assets, loans and advances 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.

NOTE - 39

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

NOTE - 40

Amounts for the year ended and as at March 31, 2017 were audited by previous auditors Suresh Surana & Associates LLP.

Signatures to 1 to 40

As per our report of even date attached

For PYS & Co LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

G. D. Joglekar
Partner
Membership No. 39407

Place: Mumbai
Date: May 26, 2018

On behalf of the Board of Directors

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

Ashish Agarwal
Director
(DIN: 08064196)

Mahesh Bhootra
Chief Financial Officer

Tejas Dawda
Company Secretary
(ACS: A27660)

Place: Mumbai
Date: May 26, 2018

INDEPENDENT AUDITORS' REPORT

To,
The Members of
A. K. CAPITAL SERVICES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of A. K. Capital Services Limited (hereinafter referred to as "the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

a) We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 22,595,165,302 and net assets of ₹ 5,505,813,735 as at March 31, 2018, total revenues of ₹ 2,246,751,968 and net cash inflows amounting to ₹ 76,838,864 for the year then ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

INDEPENDENT AUDITORS' REPORT

One subsidiary company is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditors under generally accepted auditing standards applicable in its country. The Company's management has converted the financial statements of the subsidiary company located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of the subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act , based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 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 Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. There were no pending litigations which would impact the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2018. Further, there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India during the year ended March 31, 2018.

For PYS & CO. LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

G.D. Joglekar
Partner
Membership No.: 39407
Place: Mumbai
Dated: May 26, 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of A. K. Capital Services Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 respective companies policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the respective Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

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

For PYS & CO. LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

G.D. Joglekar
Partner
Membership No.: 39407
Place: Mumbai
Dated: May 26, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

	Note No.	As at 31.03.2018 ₹	As at 31.03.2017 ₹
I EQUITY AND LIABILITES			
1 Shareholders' funds			
(a) Share capital	2	66,000,000	66,000,000
(b) Reserves and surplus	3	5,279,448,859	4,712,681,775
		5,345,448,859	**4,778,681,775**
Minority interest		**429,972,563**	**51,572,440**
Non-current liabilities			
(a) Long-term borrowings	4	5,609,583,326	3,774,599,505
(b) Deferred tax liabilities (net)	5	38,773,990	49,094,547
(c) Long-term provisions	6	45,303,412	25,211,285
(d) Other non current liabilities	7	1,240,508	-
		5,694,901,236	**3,848,905,337**
Current liabilities			
(a) Short-term borrowings	8	12,816,201,637	15,506,747,133
(b) Trade payables	9	32,975,058	37,156,902
(c) Other current liabilities	10	662,695,436	821,382,041
(d) Short-term provisions	11	37,862,528	15,165,560
		13,549,734,659	**16,380,451,636**
TOTAL		**25,020,057,317**	**25,059,611,188**
II ASSETS			
1 Non-current assets			
(a) Fixed assets	12		
(i) Property, plant and equipment		685,183,973	502,244,233
(ii) Intangible assets		1,931,929	950,626
(b) Goodwill on consolidation		39,996,948	18,278,776
(c) Non-current investments	13	4,345,994,625	1,650,228,486
(d) Long-term loans and advances	14	5,237,173,478	990,345,891
(e) Other non-current assets	15	22,400,000	22,400,000
		10,332,680,953	**3,184,448,012**
2 Current Assets			
(a) Current investments	16	3,926,727,074	9,532,660,241
(b) Stock of securities	17	5,389,419,593	9,248,292,560
(c) Trade receivables	18	159,200,738	220,823,673
(d) Cash and bank balances	19	177,683,292	97,352,246
(e) Short-term loans and advances	20	2,212,340,128	1,794,979,136
(f) Other current assets	21	2,822,005,539	981,055,320
		14,687,376,364	**21,875,163,176**
TOTAL		**25,020,057,317**	**25,059,611,188**
Significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For PYS & Co LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

On behalf of the Board of Directors

G. D. Joglekar	A. K. Mittal	Ashish Agarwal	Mahesh Bhootra	Tejas Dawda
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
Membership No. 39407	(DIN: 00698377)	(DIN: 08064196)		(ACS: A27660)

Place: Mumbai
Date: May 26, 2018

Place: Mumbai
Date: May 26, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

		Note No.	Current Year ₹	Previous Year ₹
I	Revenue from operations	22	3,276,714,330	3,351,895,274
II	Other income	23	40,883,156	37,544,907
III	**Total revenue (I+II)**		**3,317,597,486**	**3,389,440,181**
IV	**EXPENSES**			
	Employee benefits expense	24	456,928,655	409,208,986
	Finance costs	25	1,379,486,475	1,064,999,308
	Depreciation / amortisation expenses	11	25,944,057	26,468,681
	Other expenses	26	501,143,922	992,892,024
	Contingent provision against standard assets		27,410,888	3,637,233
	Total expenses		**2,390,913,997**	**2,497,206,232**
V	**Profit before tax (III-IV)**		**926,683,489**	**892,233,949**
VI	**Tax expenses**			
	- current tax		319,235,000	318,533,149
	- deferred tax		(6,199,316)	(1,155,272)
	- deferred tax relating to earlier years		(4,121,241)	-
	- tax adjustment relating to earlier years		(730,941)	(3,349,262)
			308,183,502	**314,028,615**
VII	**Profit after tax and before minority interest (V-VI)**		**618,499,987**	**578,205,334**
	Share of minority interest		(5,149,198)	(3,948,430)
VIII	**Profit after tax and minority interest**		**613,350,789**	**574,256,904**
IX	**Profit for the year**		**613,350,789**	**574,256,904**
X	**Earnings per share (₹):**			
	Basic earnings per share	40	92.93	87.01
	Diluted earnings per share	40	92.93	87.01
	Nominal value of equity shares		10	10
	Significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For PYS & Co LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

On behalf of the Board of Directors

G. D. Joglekar
Partner
Membership No. 39407

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

Ashish Agarwal
Director
(DIN: 08064196)

Mahesh Bhootra
Chief Financial Officer

Tejas Dawda
Company Secretary
(ACS: A27660)

Place: Mumbai
Date: May 26, 2018

Place: Mumbai
Date: May 26, 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	Current Year ₹	Previous Year ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	926,683,489	892,233,949
Adjustments for		
Depreciation / amortisation	25,944,057	26,468,681
Loss/(profit) on sale of fixed assets (net)	605,924	409,088
Interest income	(1,707,946,549)	(1,273,662,820)
Interest income - others	(8,466,003)	(7,899,117)
Interest expenses	1,357,198,426	1,057,107,313
General provision for standard assets	27,410,888	3,637,233
Income from investments (net)	(449,456,061)	(430,728,135)
Dividend income on current investments	(1,054,751)	(3,463,557)
Dividend income on non current investments	-	(1,470,275)
Bad debts written-off	611,500	6,941,834
Balances written back	(109,030)	(1,852)
Operating profit before working capital adjustments	**171,421,890**	**269,572,342**
Adjustments for		
(Increase)/decrease in trade and other receivables	(6,523,847,503)	(168,982,503)
(Purchase)/ sale of stock of securities	1,987,483,187	(4,955,590,841)
Increase/(decrease) in trade and other payables	27,964,632	(181,560,723)
Cash generated from operations	**(4,336,977,794)**	**(5,036,561,725)**
Direct taxes paid	(304,213,501)	(362,939,115)
Net cash generated from operating activities	**(4,641,191,295)**	**(5,399,500,840)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(230,019,819)	(71,181,940)
Sale of fixed assets	19,129,835	386,346
(Purchase) / sale of investments (net)	4,561,755,072	(918,164,384)
Deposits with bank with more than 3 months maturity	(3,511,977)	(21,536,283)
Dividend income on current investments	1,054,751	3,463,557
Dividend income on non current investments	-	1,470,275
Interest income on investments	2,194,623,783	1,277,849,565
Interest income - others	8,355,540	10,094,695
Net cash generated from/(used in) investing activities	**6,551,387,185**	**282,381,831**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of non cumulative compulsorily convertible preference shares	650,000,000	-
Proceeds from long term borrowings	2,676,650,000	3,100,000,000
Repayment of long-term borrowings	(1,305,746,481)	(298,864,410)
Proceeds/(repayment) of short term borrowings (net)	(2,531,545,496)	3,364,827,700
Interest paid	(1,231,557,770)	(1,033,275,778)
Dividend paid on equity shares including dividend distribution tax	(47,661,628)	(47,661,628)
Dividend paid on convertible preference shares including dividend distribution tax	(43,467,246)	-
Net cash generated from/(used in) financing activities	**(1,833,328,621)**	**5,085,025,884**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	76,867,269	(32,093,125)
Cash and cash equivalents at the beginning of the year	74,704,487	106,797,612
Cash and cash equivalents at the end of the year	**151,571,756**	**74,704,487**
Cash and cash equivalents at the end of the year comprise of:	3,683,200	2,994,830
Cash on hand	147,888,556	71,709,657
Balances with banks accounts	**151,571,756**	**74,704,487**

Notes:
1) The above cash flow statement has been prepared under 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statement' notified by Central Government of India.
2) Cash and Cash equivalents for the purpose of cash flow statement comprises cash on hand and cash at bank excluding fixed deposit with original maturity period of more than three months.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For PYS & Co LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

On behalf of the Board of Directors

G. D. Joglekar	A. K. Mittal	Ashish Agarwal	Mahesh Bhootra	Tejas Dawda
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
Membership No. 39407	(DIN: 00698377)	(DIN: 08064196)		(ACS: A27660)

Place: Mumbai
Date: May 26, 2018

Place: Mumbai
Date: May 26, 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 1
SIGNIFICANT ACCOUNTING POLICIES:

1) Basis of preparation of consolidated financial statements:

The consolidated financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles ('GAAP') in compliance with the provisions of the Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India are also considered, wherever applicable.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of the Accounting Standard (AS) 3 Cash Flow Statements. The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

The consolidated financial statements comply with the Accounting Standard (AS)-21 'Consolidated Financial Statements' notified under the Companies (Accounting Standards) Rules 2014. The consolidated financial statements are presented in Indian rupees.

2) Principles of consolidation:

a) The consolidated financial statements include the financial statements of A.K. Capital Services Limited, the parent company (hereinafter referred to as the 'Holding Company') and its subsidiaries (collectively referred to as the 'Group').

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

i) The financial statements of the parent company and the subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post acquisition increase in the relevant reserves of the subsidiaries.

ii) Transactions relating to statement of profit and loss of the acquired subsidiaries have been included in the consolidated statement of profit and loss from the effective date of acquisition.

b) The excess of the cost of acquisition of investments in the subsidiaries over the acquired portion of equity in the subsidiaries is recognised in the financial statements as 'goodwill'. The excess of acquired portion of equity in subsidiaries over the cost of acquisition of investments in the subsidiaries is recognised in the financial statements as 'capital reserve'.

c) Minority interest in the net assets of consolidated subsidiaries consists of:

- the amount of equity attributable to minorities at the date on which investment in subsidiary is made; and
- the minorities' share of movements in equity since the date the parent and subsidiary relationship came into existence.

d) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

e) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible.

3) Fixed assets and depreciation / amortization:

Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

Depreciation on Property, Plant and Equipment of Companies incorporated in India (other than A. K. Stockmart Private Limited, A. K. Wealth Management Private Limited and A. K. Capital Corporation Private Limited) is provided on straight line basis as per the useful life of fixed assets specified by Schedule II to the Companies Act, 2013

In case of a foreign subsidiary i.e. A. K. Capital (Singapore) Pte. Ltd., depreciation on Property, Plant and Equipment has been provided on a straight-line method based on their estimated useful lives, after taking into account their estimated residual values.

In case of A. K. Stockmart Private Limited, A. K. Wealth Management Private Limited and A. K. Capital Corporation Private Limited, depreciation on Property, Plant and Equipment has been provided on written down value basis of useful life of fixed assets specified by Schedule II to the Companies Act, 2013.

Leasehold improvements are amortised over the lease period.

Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The capitalised cost includes license fees and cost of implementation / system integration services.

Software is amortised on a straight line basis over its estimated useful life or 5 years, whichever is lower.

4) Investments :

i) Non-current investments are valued at cost. Provision is made for diminution in the values where the decline is other than temporary.

ii) Current investments are valued at lower of cost or market value determined on an individual investment basis.

5) Stock of securities :

Stocks of securities are valued at lower of cost or net realisable value. Bonds are valued at cost as their market value is not available. The costs of securities are inclusive of transaction charges, brokerage, service tax and good and service tax.

6) Revenue recognition:

i. Revenue from service charges, fees and commission is recognised when the contract has been completed.

ii. Brokerage income is recognised based on contracts notes.

iii. Trading income is recognised on the date of sale of securities.

iv. Investment income is recognised on the date of sale of shares and securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

v. Advisory fees is recognised upon the completion of the service rendered.

vi. Interest income is recognised on accrual basis.

vii. Rent income is recognised on accrual basis.

viii. Dividend income from investments is recognised when the shareholders' rights to receive have been established.

7) Transaction in foreign currencies:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.

The translation of functional currency of overseas subsidiary into Indian Rupees is performed for assets and liabilities (excluding share capital and opening reserves & surplus) using the exchange rate as at the balance sheet date and for revenues, costs and expenses (except depreciation) using average of exchange rates during the reporting year. Share capital, opening reserves and surplus are carried at historical cost. Depreciation is translated at the rates used for the translation of the values of the assets on which depreciation is calculated. Resultant currency translation exchange gain / loss is disclosed as "Translation Reserve" in reserves and surplus. Contingent liabilities are translated at the closing rate.

8) Retirement benefits:

i. Defined contribution plans

The Group contributes to Employee's Provident Fund (a defined contribution plan) towards post employment benefits, which is administered by the respective Government authorities and the Company has no further obligation beyond making its contribution.

ii. Defined benefit plans

The Group has a defined benefit plan namely gratuity for all its employees. The liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

iii. Employee leave entitlement

The employees of the Group are entitled to leave as per the leave policy of the Group. The liability in respect of unutilized leave balances is provided as at the year end and charged to the statement of profit and loss.

9) Accounting for taxes on income:

i) Provision for income tax is made on the basis of the estimated taxable income for the accounting year in accordance with statutory provisions as applicable for respective companies.

ii) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a virtual certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

10) Lease:

i) As a Lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on straight-line basis over the lease term.

ii) As a Lessor:

Assets subject to operating lease are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

11) Borrowing costs:

Borrowing costs attributable to the acquisition and construction of qualifying assets upto the date of such acquisition or construction are capitalised as part of the cost of respective assets. Other borrowing costs are charged to statement of profit and loss in the period in which they are incurred.

12) Impairment of assets:

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

13) Provisions and contingent liabilities:

The Group creates a provision when there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

In case of a subsidiary company, i.e. A. K. Capital Finance Private Limited, the General Provision @ 0.40% (previous year 0.35%) on Standard Assets is made as per RBI notification issued as on 1st September 2016 as updated 23rd February 2018.

14) Earnings per share:

The basic earnings per share ("EPS") is computed by dividing the net profit/ (loss) after tax for the year available for the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year available for equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

15) Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short term highly liquid investments with an original maturity of three months or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 2		
SHARE CAPITAL		
Authorised		
33,000,000 (Previous year 33,000,000) Equity shares of ₹ 10 each	330,000,000	330,000,000
10,200,000 (Previous year 200,000) Redeemable cumulative preference shares of ₹ 100 each	1,020,000,000	1,020,000,000
	1,350,000,000	**1,350,000,000**
Issued, subscribed and paid up		
6,600,000 (Previous year 6,600,000) Equity shares of ₹ 10 each fully paid up	66,000,000	66,000,000
	66,000,000	**66,000,000**

a. Reconciliation of the shares outstanding at the beginning and at the year end

Equity shares	As at 31.03.2018		As at 31.03.2017	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Shares outstanding at the beginning of the year	6,600,000	66,000,000	6,600,000	66,000,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**6,600,000**	**66,000,000**	**6,600,000**	**66,000,000**

b. Terms / rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees.

In the event of the liquidation of the Holding Company, the holder of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31.03.2018		As at 31.03.2017	
	No. of shares held	% of holding	No. of shares held	% of holding
Family Home Consultancy Services Private Limited (Formerly known as Second Leasing Private Limited)	2,953,454	44.75%	2,920,825	44.25%
A. K. Mittal	689,965	10.45%	558,665	8.46%
A. M. Credit Analysis and Research Limited	371,000	5.62%	371,000	5.62%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 3		
RESERVES AND SURPLUS		
Special reserve*		
Opening balance	218,872,136	156,800,230
Add: Additions / Adjustments during the year	79,971,300	62,071,906
Closing balance	**298,843,436**	**218,872,136**
Capital reserve		
Opening balance	67,500,000	67,500,000
Add: Additions during the year	-	-
Closing balance	**67,500,000**	**67,500,000**
Securities premium account		
Opening balance	365,735,134	365,199,790
Add: Additions / Adjustments during the year	-	535,344
Closing balance	**365,735,134**	**365,735,134**
General reserve		
Opening balance	496,088,960	496,088,960
Add: Additions during the year	-	-
Closing balance	**496,088,960**	**496,088,960**
Translation Reserve	(1,084,091)	(2,162,013)
Surplus		
Opening balance	3,566,647,558	3,055,339,119
Add: Profit for the year	613,350,789	574,256,904
Less: Transfer of Pre-acquisition profit	-	748,564
Amount available for appropriation	**4,179,998,347**	**3,628,847,459**
Appropriations		
Dividend paid during the year	39,600,000	-
Dividend distribution tax on dividend paid during the year	8,061,628	-
Transfer to special reserves*	79,971,300	62,199,901
Closing balance	4,052,365,419	3,566,647,558
	5,279,448,858	**4,712,681,775**

*Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-banking Finance Company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purpose specified by the RBI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 4		
LONG TERM BORROWINGS		
Secured		
Term loans		
From banks*	985,138,146	1,325,000,000
From non-banking financial company (NBFC)**	58,866,475	313,236,766
Vehicle loans		
From banks***	10,578,705	10,362,739
Redeemable Non-Convertible Debentures **** (Refer Note 42)	4,555,000,000	2,126,000,000
	5,609,583,326	**3,774,599,505**

* Term loan from bank is secured against mortgage of the Company's immovable property together with all structures and appurtenances thereon held by the Company situated at 8th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021.The loan amount is repayable in 20 quarterly installments commencing from the end of third month from the date of disbursement.

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

** (a) Term loan from NBFC is secured against mortgage of the Holding Company's immovable property together with all structures and appurtenances thereon held by the Holding Company situated at 8th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021.The loan amount is repayable in 12 quarterly installments commencing from the end of third month after the moratorium period of 24 months from the date of first disbursement, with a put and call option at the end of moratorium period and every 6 months thereon with 30 days notice.

** (b) Housing loan from NBFC is repayable in 180 equated monthly installments along with interest from the date of loan. The loans are secured by mortgage of premises at Delhi, purchased there against.

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

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

NOTE - 5		
DEFERRED TAX (ASSEST)/ LIABILITIES (NET)		
Deferred tax liabilities:		
Timing difference arising on account of:	65,169,859	59,727,175
Depreciation	**65,169,859**	**59,727,175**
Less; Deferred tax assets:		
Timing difference arising on account of:		
Expenses allowable on payment basis (gratuity)	10,630,371	8,002,420
Contingent Provisions against standard assets	11,449,762	-
Expenses disallowed under section 35D	3,698,906	2,630,208
Expenses under section 40(a)(ia)	616,830	-
	26,395,869	10,632,628
	38,773,990	**49,094,547**
Deferred tax assets of A. K. Capital Finance Private Limited has not created on long term capital loss because there is no virtual / reasonable certainty.		
NOTE 6		
LONG TERM PROVISIONS		
For employee benefits		
Gratuity (unfunded)	24,648,809	22,025,182
Others		
Contingent provision against standard assets	20,654,603	3,186,103
	45,303,412	**25,211,285**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 7		
OTHER NON CURRENT LIABILITIES		
Security deposits on leased assets	1,240,508	-
	1,240,508	-
NOTE - 8		
SHORT TERM BORROWINGS		
Secured		
Loans repayable on demand		
Working capital demand loan from banks*	9,247,213,901	8,279,436,800
Working capital demand loan from a related party**	-	225,000,000
Working capital demand loan from Clearing Corporation of India Limited***	1,130,000,000	4,195,000,000
Working capital loan from NBFC****	1,750,000,000	-
Repo Account*****	-	1,828,600,600
Unsecured		
Commercial Paper	688,987,736	978,709,733
	12,816,201,637	**15,506,747,133**

* (a) Working capital demand loan is secured against pledge/ lien on government securities and other debt securities, corporate guarantee of the Holding Company and demand promissory note. The above loan is repayable on demand.

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

* (c) Secured against pledge of debt securities / Central & State Government securities/ subservient charge on standard moveable assets of the Company. The loan is repayable on demand.

**Loan from related party is secured against subservient charge by way of hypothecation / pledge / mortgage over all the Fixed Assets of the Company (excluding the charges already created in favour of existing lenders)

*** Loan from Clearing Corporation of India Limited is secured against lien on government securities and Cash Deposit.

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

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

NOTE - 9		
TRADE PAYABLES		
Total outstanding dues of micro, small and medium enterprises	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	32,975,058	37,156,902
	32,975,058	**37,156,902**
NOTE - 10		
OTHER CURRENT LIABILITIES		
Current maturities of long-term debt - from banks (Refer note 4)	428,809,071	683,935,132
Current maturities of long-term debt - from NBFC (Refer note 4)	4,747,776	54,702,017
Interest accrued and due on borrowings	7,721,969	8,932,003
Interest accrued but not due on borrowings	139,109,089	12,258,399
Creditors for capital goods	95,900	48,445
Unpaid dividends*	1,063,176	1,111,476
Statutory dues	28,346,858	12,123,743
Security deposits on leased assets	29,268,624	27,918,000
Employees dues	23,337,403	19,969,496
Payable to exchange / clearing house (net)	139,879	381,520
Other payables	55,691	1,810
	662,695,436	**821,382,041**

* During the current year, ₹ 1,72,866 (previous year ₹ 98,602) has been credited into Investor Education and Protection Fund under Section 205C of the Companies Act, 1956. Further, there are no dues as at 31 March 2018 which needs to be credited into Investor Education and Protection Fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 11		
SHORT TERM PROVISIONS		
Provision for employee benefits		
Gratuity (unfunded)	8,370,065	1,466,818
Leave encashment	3,371,476	2,854,453
	11,741,541	4,321,271
Others		
Provision for taxation (Net of Advance Tax ₹ 316,070,119 previous year ₹1,611,858)	7,456,354	2,122,044
Contingent provision against standard assets	18,664,633	8,722,245
	26,120,987	**10,844,289**
	37,862,528	**15,165,560**

NOTE - 12
FIXED ASSETS

(Amount in ₹)

Particulars	Property, plant and equipment									Intangible assets	
	Plant and machinery	Computers	Furniture and fixtures	Office equipment	Office premises *	Office premises given on lease	Leasehold Improvements	Vehicles **	Total	Software	Total
Gross block (at cost)											
As at 1 April 2016	369,060	23,152,655	25,719,230	17,007,086	106,660,605	343,500,152	24,046,303	66,298,898	606,753,989	14,277,143	14,277,143
Additions	-	926,474	3,355,317	940,553	29,597,500	-	-	35,046,153	69,865,997	615,943	615,943
Deductions/adjustments	-	12,969	175,010	19,408	-	-	-	2,020,399	2,227,786	-	-
As at 31 March 2017	**369,060**	**24,066,160**	**28,899,537**	**17,928,231**	**136,258,105**	**343,500,152**	**24,046,303**	**99,324,652**	**674,392,200**	**14,893,086**	**14,893,086**
As at 1 April 2017	369,060	24,066,160	28,899,537	17,928,231	136,258,105	343,500,152	24,046,303	99,324,652	674,392,200	14,893,086	14,893,086
Additions	-	4,606,947	812,872	1,128,719	97,308,000	107,000,000	-	16,851,936	227,708,474	1,892,385	1,892,385
Deductions/adjustments	-	186,492	-	-	-	-	-	31,818,360	32,004,852	-	-
As at 31 March 2018	**369,060**	**28,486,615**	**29,712,409**	**19,056,950**	**233,566,105**	**450,500,152**	**24,046,303**	**84,358,228**	**870,095,822**	**16,785,471**	**16,785,471**
Depreciation/amortisation											
As at 1 April 2016	340,290	21,229,236	16,790,895	14,305,567	7,092,743	43,798,290	23,072,842	21,351,469	148,079,618	12,974,480	12,974,480
For the year	5,760	1,005,756	3,445,425	1,069,018	1,780,980	5,738,403	973,461	11,481,898	25,500,701	967,980	967,980
Deductions/adjustments	-	7,883	95,785	10,787	-	-	-	1,317,897	1,432,352	-	-
As at 31 March 2017	**346,050**	**22,227,109**	**20,140,535**	**15,363,798**	**8,873,723**	**49,536,693**	**24,046,303**	**31,515,470**	**172,147,967**	**13,942,460**	**13,942,460**
As at 1 April 2017	346,050	22,227,109	20,140,535	15,363,798	8,873,723	49,536,693	24,046,303	31,515,470	172,147,967	13,942,460	13,942,460
For the year	5,760	1,488,035	2,263,288	1,108,686	3,521,512	6,383,334	-	10,262,359	25,032,975	911,082	911,082
Transitional Reserve	-	-	-	-	-	-	-	-	-	-	-
Deductions/adjustments	-	122,279	-	-	-	-	-	12,146,814	12,269,093	-	-
As at 31 March 2018	**351,810**	**23,592,865**	**22,403,823**	**16,472,484**	**12,395,235**	**55,920,027**	**24,046,303**	**29,631,016**	**184,911,849**	**14,853,542**	**14,853,542**
Net block											
At 31 March 2017	**23,010**	**1,839,051**	**8,759,002**	**2,564,433**	**127,384,382**	**293,963,459**	**-**	**67,809,182**	**502,244,233**	**950,626**	**950,626**
At 31 March 2018	**17,250**	**4,893,750**	**7,308,586**	**2,584,466**	**221,170,870**	**394,580,125**	**-**	**54,727,212**	**685,183,973**	**1,931,929**	**1,931,929**

* Office premises include building hypothecated against loan taken having gross block of ₹ 77,040,100 (as at 31.3.2017 ₹ 77,040,100), accumulated deprecation of ₹ 5,153,074 (as at 31.3.2017 ₹ 3,869,126) net block of ₹ 71,887,026 (as at 31.3.2017 ₹ 73,170,974)

*Office premises include premises mortgaged against non convertible debenture taken having gross block of ₹19,947,500 (as at 31.3.2017 ₹ Nil), accumulated deprecation of ₹ 336,917 (as at 31.3.2017 ₹ Nil) net block of ₹19,610,583 (as at 31.3.2017 ₹ Nil)

** Vehicles include vehicles hypothecated against loan taken having gross block of ₹ 24,481,545 (as at 31.3.2017 ₹ 24,995,301), accumulated depreciation of ₹ 3,531,967 (as at 31.3.2017 ₹ 3,318,671) and net block of ₹ 20,949,578 (as at 31.3.2017 ₹ 21,676,630)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 13
NON - CURRENT INVESTMENT

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
Equity shares		
- Quoted	143,904,226	11,397,132
- Unquoted	124,681,604	132,094,004
Units of Funds	3,460,100	7,100,100
Bonds*	4,073,948,695	1,499,637,250
	4,345,994,625	**1,650,228,486**

*Non convertible debentures pledged with banks is ₹ 2,253,231,330. (previous year ₹ 500,000,000)
Also refer note no. 34

NOTE - 14
LONG-TERM LOANS AND ADVANCES

Secured, considered good		
Loans and advances to related parties	-	100,000,000
Loans and advances to others *	5,077,142,870	810,315,075
Unsecured, considered good		
Capital advance	418,960	700,000
Advance income tax (Net of Provision ₹ 495,768,410 previous year ₹ 504,480,329)	26,295,684	36,140,843
Loans and advances to others *	86,507,923	-
Loan to an employee	5,001,697	5,008,097
Security deposits	37,760,614	37,651,037
Prepaid expenses	4,045,730	530,839
	5,237,173,478	**990,345,891**

*Pledge with bank is ₹ Nil (previous year ₹ 211,130,400)

NOTE - 15
OTHER NON-CURRENT ASSETS

Other bank balances		
Bank deposits with more than 12 months maturity *	22,400,000	22,400,000
	22,400,000	**22,400,000**

* Pledged against margin money, guarantees or security deposit with stock exchanges and security against borrowings ₹ 22,400,000 (previous year ₹ 22,400,000).

NOTE - 16
CURRENT INVESTMENT

Equity shares	9,010	9,010
Mutual funds	3,012,496	513,523
Government securities*	1,297,836,400	5,903,868,113
Bonds*	2,322,160,213	3,628,269,595
Pass Through Certificate	303,708,955	-
	3,926,727,074	**9,532,660,241**

*Non convertible debentures / government securities pledged with banks ₹ 2,320,160,213 (previous year ₹ 5,248,809,744) & ₹ 1,297,836,400 (previous year ₹ 4,444,737,946) with The Clearing Corporation of India Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 17		
STOCK OF SECURITIES		
Commercial Paper	-	244,513,500
Bonds*	5,389,419,593	9,003,779,060
	5,389,419,593	**9,248,292,560**
*Bonds pledged with the bank, debenture trustee / lent with repo transactions / is ₹ 3,589,638,204 (previous year ₹ 6,594,648,478). Also refer note no. 34		
NOTE - 18		
TRADE RECEIVABLES		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	306,812	269,114
Others	158,893,926	220,554,559
	159,200,738	**220,823,673**
NOTE - 19		
CASH AND BANK BALANCES		
Cash and cash equivalents:	3,683,200	2,994,830
Cash on hand	992,169	1,534,175
Cheques on hand		
Balances with banks in	36,819,055	69,836,431
- current accounts	5,077,332	339,051
- debit balance of Bank overdraft facility		
In other deposit accounts	105,000,000	-
- original maturity Less than 12 months		
	151,571,756	74,704,487
Other bank balances:		
- Earmarked balances (unpaid dividend accounts)	1,063,276	1,111,476
- Bank deposits with original maturity more than 12 months*	25,048,260	21,536,283
	26,111,536	**22,647,759**
	177,683,292	**97,352,246**
NOTE - 20		
SHORT TERM LOANS AND ADVANCES		
Secured, considered good		
Loans and advances to others	1,949,457,500	1,596,695,762
Loans and advances to related parties	150,000,000	50,000,000
Unsecured, considered good		
Loans and advances to others	-	50,000,000
Unsecured, considered good		
Deposits with directors and relatives	35,662,000	35,662,000
Loans and advances to others	13,117,455	11,122,367
Deposits	25,990,292	22,388,404
Prepaid expenses	27,778,997	9,573,509
Balances with government authorities	10,333,884	19,537,094
	2,212,340,128	**1,794,979,136**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
NOTE - 21		
OTHER CURRENT ASSETS		
Secured, considered good		
Current maturities of long term loans and advances to other parties (Refer Note 14)	2,286,854,139	712,051,026
Current maturities of long term loans and advances to related parties	103,000,000	-
Interest accrued but not due on loans to others	8,942,412	74,177,746
Interest accrued and due on loans to related party	-	2,689,348
Interest accrued but not due on loans to related party	5,546,761	-
Interest accrued and due on loans to others	-	6,456,107
Unsecured, considered good		
Current maturities of long term loans and advances to other parties	161,904,772	-
Current maturities of long term loans and advances to employees	6,400	5,707
Advances recoverable in cash or kind or for value to be received	77,203,730	3,164,553
Interest accrued but not due on loans to others	452,597	-
Interest accrued but not due on fixed deposits	396,941	286,478
Interest accrued but not due on investments	177,623,411	179,145,587
Other receivable	74,376	3,078,768
	2,822,005,539	**981,055,320**

	Current Year ₹	Previous Year ₹
NOTE - 22		
REVENUE FROM OPERATIONS		
Sale of services (Refer note no. 33)	651,621,599	791,943,005
Profit from stock of securities (Refer note no. 34)	180,642,519	61,380,066
Brokerage	285,992,851	789,247,416
Interest income	1,707,946,549	1,273,662,820
Income from investments (net)	449,456,061	430,728,135
Dividend income on current investments	1,054,751	3,463,557
Dividend income on non- current investments	-	1,470,275
	3,276,714,330	**3,351,895,274**
NOTE - 23		
OTHER INCOME		
Rent income	31,905,032	29,313,900
Interest income	8,466,003	7,899,117
Other non-operating income	512,121	331,890
	40,883,156	**37,544,907**
NOTE - 24		
EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	449,014,007	402,197,690
Contribution to provident and other funds	4,921,567	3,466,736
Staff welfare expenses	2,993,081	3,544,560
	456,928,655	**409,208,986**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	Current Year ₹	Previous Year ₹
NOTE - 25		
FINANCE COSTS		
Interest expenses	1,357,198,426	1,046,586,366
Other borrowing costs	21,399,138	7,891,995
Interest on income tax	888,911	10,520,947
	1,379,486,475	**1,064,999,308**
NOTE - 26		
OTHER EXPENSES		
Brokerage expenses	156,653,785	658,543,407
IPO Marketing fees	2,149,215	13,250,375
Electricity expenses	4,872,485	4,862,238
Rent expenses	50,692,317	62,452,389
Repairs and maintenance		
- building	3,883,660	4,172,212
- others	5,683,591	3,745,523
Rates and taxes	8,556,058	11,443,374
Travelling expenses	30,486,786	21,679,302
Auditor's remuneration:		
as auditor	903,232	927,970
for other services	283,130	311,346
Professional fees	37,075,000	15,482,505
Printing and stationary expenses	2,796,036	5,829,262
Bad debts	611,500	6,941,834
Advertisement expenses	178,515	2,215,618
Business promotion expenses	11,480,592	9,977,660
Selling Expenses	128,969,909	106,592,640
Loss on sale of fixed assets (net)	605,924	409,088
CSR expenditure (Refer Note 37)	5,200,000	18,000,000
Miscellaneous expenses	50,062,187	46,055,281
	501,143,922	**992,892,024**

NOTE - 27

The audited financial statements of foreign subsidiary (i.e. A. K. Capital (Singapore) PTE. Limited) has been prepared in accordance with Generally Accepted Accounting Principles of Singapore. The difference in accounting policies of the Holding company and it's subsidiary, if any, are not material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 28
THE SUBSIDIARY COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Sr. No.	Name of the Subsidiaries	Country of incorporation	Extent of holding (%)	Reporting currency	Effective date of becoming subsidiary
1	A. K. Stockmart Private Limited	India	100.00 (100.00)	Indian Rupees	20-Feb-06
2	A. K. Capital Corporation Private Limited	India	100.00 (100.00)	Indian Rupees	29-Jan-07
3	A. K. Wealth Management Private Limited	India	100.00 (100.00)	Indian Rupees	12-May-10
4	A. K. Capital (Singapore) PTE. Limited	Singapore	100.00 (100.00)	Singapore Dollar	29-Jul-13
5	A. K. Capital Finance Private Limited	India	98.73 (98.73)	Indian Rupees	4-Sep-08
6	Family Home Finance Private Limited*	India	98.73 (-)	Indian Rupees	29-Jun-17

** Effective shareholding*

NOTE - 29
LEASES

A. Where the Group is lessee:

The Group has taken various residential and office premises under operating lease that are renewable on a periodic basis at the option of both the lessor and lessee.

The future minimum lease payments, in respect of non cancelable operating lease are as follows:

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
Not later than one year	12,320,175	14,580,871
Later than one year but less than five year	-	660,000

The amount of lease payments with respect to the lease recognised in the statement of profit and loss for the year is ₹ 48,866,253 (previous year ₹ 50,190,934).

The above disclosure is for leases entered after 1 April 2001, as per Accounting Standard (AS) - 19 'Leases' as notified by the Central Government of India.

B. Where the Holding Company is lessor:

The future minimum lease payments receivable are as follows:

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
Not later than one year;	29,830,326	-
Later than one year but less than five year	29,854,224	-

The amount of minimum lease income with respect to the lease recognised in the statement of profit and loss for the period is ₹ 31,905,032 (previous year ₹ 29,313,900).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 30
RELATED PARTIES AND THEIR RELATIONSHIPS:

A. Related parties and their relationships:

Key Management Personnel

Mr. A. K. Mittal
Mr. Deepak Mittal
Ms. Aditi Mittal (Appointed w.e.f. 3rd February 2018 as Non-executive women Director)
Mr. Abhinav Kumar Mittal
Mrs. Sneh Lata Mittal
Mr. Ashish Agarwal (Appointed w.e.f. 3rd February, 2018)
Mr. Vikas Jain (Appointed w.e.f. 3rd February, 2018)
Mr. Ankit Gupta
Ms. Annu Garg

Relative of Key Management Personnel

Mrs. Anshu
A.K.Mittal HUF
Mrs. Purvi Jain

Enterprise in which key management personnel is having significant influence

A. K. Services Private Limited
M Square Automobile Private Limited
Family Home Consultancy Services Private Limited (Formerly known as Second Leasing Private Limited)

Enterprise in which relative of key management personnel is having significant influence

Goodwill Capital Services Private Ltd
M. Square Advisors Private Limited
A.K.Capital Markets Limited

Note:

a) The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS)-18 'Related Party Disclosures' and the same have been relied upon by the auditors.

b) The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year except where control exists.

	Current Year ₹	Previous Year ₹
B. Transactions with related parties		
Remuneration to Key Management Personnel (including perquisites)		
A. K. Mittal	33,107,647	23,163,267
Deepak Mittal	6,505,600	9,420,174
Abhinav Kumar Mittal	7,200,000	7,200,000
Aditi Mittal	3,600,000	3,000,000
Ashish Agarwal	1,037,615	-
Vikas Jain	942,923	-
Ankit Gupta	2,956,810	2,922,743
Sneh Lata Mittal	600,000	600,000
Annu Garg	116,400	-
Remuneration to Relative of Key Management Personnel		
Anshu	8,423,765	8,073,432
Directors Sitting fees		
Anshu	-	20,000
Brokerage Received		
A. K. Mittal	66,000	-
Aditi Mittal	4,950	-
Abhinav Kumar Mittal	77,917	-
Purvi Jain	68,309	99,693
A. K. Services Private Limited	231,010	100,092
Family Home Consultancy Services Private Limited	15,830	12,661

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 30 (Contd.)

	Current Year ₹	Previous Year ₹
Demat Charges Received		
A. K. Capital Markets Limited	3,017	1,867
A. K. Mittal	2,040	500
Aditi Mittal	1,163	500
Anshu	-	500
Abhinav Kumar Mittal	1,128	7,000
Purvi Jain	2,339	1,598
A. K. Services Private Limited	20,063	20,430
Family Home Consultancy Services Private Limited	3,278	1,517
M Square Automobile Private Limited	800	800
M. Square Advisors Private Limited	1,300	467
Purchase of Securities		
A.K.Services Private Limited	650,817,122	308,075,490
A. K. Capital Markets Limited	1,000,100	-
A. K. Mittal	5,058,971	-
Family Home Consultancy Services Private Limited	1,005,000	-
Goodwill Capital Services Private Limited	253,050,000	82,078,800
Sale of Securities		
A.K.Services Private Limited	257,754,138	43,956,400
A. K. Mittal	19,780,000	-
Abhinav Kumar Mittal	980,000	-
Aditi Mittal	4,000,000	-
A. K. Capital Markets Limited	6,940,000	-
Family Home Consultancy Services Private Limited	7,940,000	-
Issue of Non Cumulative Compulsory Convertible Preference Shares		
A. K. Mittal	300,000,000	-
Aditi Mittal	250,000,000	-
A. K. Capital Markets Limited	100,000,000	-
Brokerage Paid		
A.K.Services Private Limited	-	17,234,709
M Square Automobile Private Limited	5,398,055	9,282,067
Interest Income on Loan given		
A.K.Services Private Limited	813,699	548,219
Family Home Consultancy Services Private Limited	-	3,057,534
M Square Automobile Private Limited	7,814,797	8,919,452
Goodwill Capital Services Private Limited	12,334,352	16,028,710
Loan Given during the year		
A.K.Services Private Limited	100,000,000	-
Family Home Consultancy Services Private Limited	-	100,000,000
M Square Automobile Private Limited	223,500,000	230,000,000
Goodwill Capital Services Private Limited	3,000,000	300,000,000
Repayment of Loan given during the year		
A.K.Services Private Limited	100,000,000	227,500,000
Family Home Consultancy Services Private Limited	-	100,000,000
M Square Automobile Private Limited	123,500,000	180,000,000
Goodwill Capital Services Private Limited	-	505,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 30 (Contd.)

	Current Year ₹	Previous Year ₹
Deposit given during the year		
Aditi Mittal	-	10,000,000
Deposit repaid during the year		
Abhinav Kumar Mittal	-	10,000,000
Non Convertible Debentures issued to		
A.K.Services Private Limited	-	100,000,000
Loan taken during the year		
A.K.Services Private Limited	545,000,000	225,000,000
Repayment of loan taken during the year		
A.K.Services Private Limited	770,000,000	225,000,000
Interest Expenses		
A.K.Services Private Limited	26,505,558	7,912,583
Rent paid		
A. K. Mittal	7,008,000	7,208,000
Anshu	3,528,000	3,528,000
Abhinav Kumar Mittal	2,169,600	2,369,600
Aditi Mittal	2,400,000	2,000,000
Repairs and Maintenance charges paid for car		
M Square Automobile Private Limited	558,625	491,182
Purchase of Car		
M Square Automobile Private Limited	16,946,936	15,892,500
Sale of Car		
M Square Automobile Private Limited	3,500,000	-
Outstanding Balance of loan given		
M Square Automobile Private Limited	150,000,000	50,000,000
Goodwill Capital Services Private Limited	103,000,000	100,000,000
Non-Convertible Debentures held at the end of the year		
A.K.Services Private Limited	-	5,300,000
Outstanding Balance of Loan taken		
A.K.Services Private Limited	-	225,000,000
Interest Accrued but not due on Non-Convertible Debentures		
A.K.Services Private Limited	-	34,849
Interest Accrued but not due on Loan Given (net of TDS)		
Goodwill Capital Services Private Limited	5,546,761	2,689,348
Rent deposit given outstanding as at year end		
A. K. Mittal	16,250,000	16,250,000
Anshu	7,450,000	7,450,000
Abhinav Kumar Mittal	1,962,000	1,962,000
Aditi Mittal	10,000,000	10,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 30 (Contd.)

	Current Year ₹	Previous Year ₹
Balance Payable as at year end		
Purvi Jain	-	557,335
Family Home Consultancy Services Private Limited	-	923
M Square Automobile Private Limited	-	360,477
Receivable as at year end		
A. K. Capital Markets Limited	1,297	575
Anshu	-	575
Aditi Mittal	542	575
A. K. Mittal	-	575
Abhinav Kumar Mittal	26	575
Purvi Jain	19	-
A. K. Services Private Limited	120	2,579
M. Square Advisors Private Limited	590	-

Note - Transaction amount is excluding taxes wherever applicable.

NOTE - 31

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

Particulars	Net Assets		Share profit & loss	
	As % of Consolidated net assets	Amount ₹	As % of Consolidated profit & loss	Amount ₹
Parent Company :				
A. K. Capital Services Limited	69.65%	3,723,208,996	35.18%	215,765,408
Subsidiary Companies:				
a) Indian				
1. A.K. Stockmart Private. Limited.	4.16%	222,131,776	0.51%	3,137,532
2. A. K. Capital Corporation Private Limited	0.74%	39,390,083	0.40%	2,436,110
3..A. K. Wealth Management Private Limited	0.61%	32,576,171	0.15%	943,365
4. A. K. Capital Finance Private Limited	94.87%	5,071,435,054	65.88%	404,080,265
5. Family Home Finance Private Limited	2.09%	111,468,316	0.24%	1,368,316
b) Foreign				
1. A. K. Capital (Singapore) PTE. Limited	0.54%	28,812,334	-1.54%	(9,424,203)
TOTAL	**172.65%**	**9,229,022,730**	**100.82%**	**618,306,793**
Minority Interests in all subsidiaries	**-8.04%**	**(429,972,563)**	**0.84%**	**5,149,198**

Note: Amount of net assets and net profit or loss are before considering inter-company elimination.

NOTE 31

Form AOC - 1

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

Part "A" : Subsidiaries (Amount in ₹)

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit before taxation	Profit after taxation	Proposed dividend	% of Shareholding
1	A.K. Stockmart Private Limited	INR	120,000,000	102,131,776	500,145,930	278,014,154	11,397,132	307,217,479	3,717,081	3,137,532	-	100%
2	A. K. Capital Corporation Private Limited	INR	21,000,000	18,390,083	39,494,305	104,222	-	3,296,310	3,228,657	2,436,110	-	100%
3	A. K. Wealth Management Private Limited	INR	22,500,000	10,076,171	34,499,457	1,923,286	3,012,496	10,531,353	1,290,227	943,365	-	100%
4	A. K. Capital (Singapore) PTE. LTD	INR	34,619,322	(5,806,988)	29,836,720	1,024,386	-	5,802,389	(9,424,203)	(9,424,203)	-	100%
		SGD *	704,884	(101,778)	623,725	20,619	-	122,085	(197,173)	(197,173)	-	
5	A. K. Capital Finance Private Limited	INR	882,937,500	4,188,497,554	21,879,290,142	16,807,855,087	6,290,243,269	1,915,303,139	604,680,531	404,080,265	-	98.73%
6	Family Home Finance Private Limited	INR	110,100,000	1,368,316	111,898,748	145,554	-	4,601,298	1,853,438	485,122	-	**98.73%

*** As at 31 March 2018 : 1 SGD= ₹ 49.6817**

**Effective shareholding

1. Name of subsidiaries which are yet to commence operations : Family Home Finance Private Limited

2. Names of subsidiaries which have been liquidated or sold during the year: None

* The Company has been incorporated on 29 June 2017 as a non deposit taking housing finance company. The company has applied for the license from National Housing Bank during the year. However, as on 31 March 2018 the company has not received the license from National Housing Bank to carry out housing finance activities. Subsequent to balance sheet date, the company was granted certificate of registration from National Housing Bank on 09 April 2018.

Part "B": Associates and Joint Ventures

The Company doesn't have any Associates and Joint ventures

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 32

DISCLOSURE UNDER (AS)- 15 (REVISED 2005):

Consequent to the adoption of Accounting Standard 15 (AS 15 Revised 2005) on employee benefits, the following disclosures have been made as required by the standards:

Retirement benefits in the form of Provident fund are defined contribution scheme and the contributions are charged to the statement of profit and loss of the current year when the contribution to the respective fund is due. There are no other obligations other than contribution payable to the respective fund.

The following table sets out the unfunded status of the gratuity plan and the amount recognized in the financial statements as at year end:

		Gratuity (Unfuded)	
		Current Year ₹	Previous Year ₹
a.	**Change in present value of obligation**		
	Present value of obligation as at beginning of the year	23,492,000	15,100,119
	Interest cost	1,773,646	1,208,010
	Current service cost	5,895,069	4,195,196
	Past service cost	9,149,152	-
	Benefits paid	(2,261,815)	(1,878,345)
	Actuarial (gain)/loss on obligation	(5,029,178)	4,867,020
	Present value of obligation as at year end	33,018,874	23,492,000
b.	**Amount recognized in the Balance Sheet**		
	Present value of obligation, as at year end	33,018,874	23,492,000
	Fair value of plan assets as at year end	-	-
	Assets recognised in the balance sheet	-	-
	Net liabilities recognized in the Balance Sheet	33,018,874	23,492,000
C.	**Expense recognized during the year**		
	Current service cost	5,895,069	4,195,196
	Past service cost	9,149,152	-
	Interest cost	1,773,646	1,208,010
	Expected return on plan assets	-	-
	Net Actuarial (gain)/loss to be recognized	(5,029,178)	4,867,020
	Net gratuity cost (Included in salaries and wages)	11,788,689	10,270,226
D.	**Assumptions used in accounting for the gratuity plan**	% (p.a.)	% (p.a.)
	Mortality rate	IALM (2006-08)	LIC (2006-08)
	Discount rate	7.74	7.55
	Salary escalation rate	5.00	5.00
	Expected rate of return on plan assets	0.00	0.00

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTE - 33

DETAILS OF SALE OF SERVICES:

	Current Year ₹	Previous Year ₹
Merchant banking fees	578,462,407	572,964,723
Advisory fees	19,036,619	69,189,416
Service charges	205,583	362,159
Syndication and other fees	53,916,990	149,426,707
Total	**651,621,599**	**791,943,005**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 34
PROFIT FROM STOCK OF SECURITIES

	Current Year ₹	Previous Year ₹
Sales of securities	126,379,706,330	100,204,361,282
Add: Closing stock of securities	5,389,419,593	9,248,292,560
Add: Transfer to Non Current Investment	1,871,389,780	950,010,000
Less: Opening stock of securities	9,248,292,560	5,062,318,055
Less: Transfer from Non Current Investment	-	180,393,664
Less: Purchases of securities	124,211,580,624	105,098,572,057
Total	**180,642,519**	**61,380,066**

NOTE - 35
SEGMENT INFORMATION:

The Group operates in a single business i.e. "Investment and Financing Activity". Accordingly, no separate disclosures for primary business segment are required. The Group is considered to be operating in one geographical segment i.e. within India, as the total revenue / assets / result of an overseas subsidiary is less than specified percentage as per Accounting Standard on Segment Reporting AS-17.

NOTE - 36

There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with Accounting Standard (AS) – 28 'Impairment of Assets'.

NOTE - 37

Non Current Investments (Note 13) include ₹ 124,587,600 being amount invested in unquoted equity shares of a company (other than group company) in earlier years. The investee company is under going through severe financial difficulties and accordingly, petition for winding up is admitted by the Hon'ble High Court. However, having regard to the fact that the outcome of the said matter is still pending before High Court, management feels that diminution in the value of such long term unquoted investments in shares is of temporary in nature in accordance with Accounting Standard - 13 "Accounting for Investments" and there is no need to provide for any impairment loss of such investment at this point of time.

NOTE - 38

In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

NOTE - 39

Income from investments (net) includes interest income ₹ 417,491,030 (previous year ₹ 232,290,797).

NOTE - 40
EARNINGS PER SHARE (EPS)

	Current Year ₹	Previous Year ₹
Net profit after tax after adjusting minority interest	613,350,789	574,256,904
Weighted average number of equity shares outstanding at the year end (No.)	6,600,000	6,600,000
Basic and diluted earnings per share (₹)	92.93	87.01
Nominal value of share (₹)	10	10

NOTE - 41
CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Group. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education, promoting gender equality, empowering women and ensuring environmental sustainability.

Particular			**Amount ₹**
Gross amount required to be spent by the group during the year (including previous years' shortfall of ₹ 4,816,569)			18,423,706
Amount spent during the year	**Yet to be Paid in Cash ₹**	**In Cash ₹**	**Total ₹**
(I Construction/acquisitionof any asset	-	-	-
(ii) Donation for promoting education	-	5,200,000	5,200,000
(iii) Donation for promoting preventive health care and sanitation	-	-	-
(iv) Donation for empowering woman and setting up homes	-	-	-
Total	-	-	5,200,000
Short fall in CSR Expenditure			**13,223,706**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE - 42

DETAILS OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES AS ON 31 MARCH 2018

Sr.	Name of Security	Number	Amount (₹)	Allotment Date	Redemption Date
1	9.50% Non Convertible Debentures-Series E-I	500	50,000,000	23-Jun-17	23-Jun-27
2	9.70% Non Convertible Debentures-Series B-II	500	50,000,000	07-Mar-17	07-Mar-27
3	9.40% Non Convertible Debentures-Series H	5,200	520,000,000	06-Dec-17	06-Dec-24
4	9.00% Non Convertible Debentures-Series E-II	5,850	585,000,000	10-Aug-17	10-Aug-24
5	9.70% Non Convertible Debentures-Series B-VII	1,500	150,000,000	21-Mar-17	21-Mar-24
6	9.60% Non Convertible Debentures-Series B-VI	500	50,000,000	20-Mar-17	20-Mar-24
7	9.60% Non Convertible Debentures-Series B-III	2,600	260,000,000	09-Mar-17	09-Mar-24
8	9.60% Non Convertible Debentures-Series B-I	2,500	250,000,000	07-Mar-17	07-Mar-24
9	8.80% Non Convertible Debentures-Series G	500	50,000,000	09-Nov-17	09-Nov-22
10	9.02% Non Convertible Debentures-Series F	10,000	1,000,000,000	07-Jul-17	07-Jul-22
11	9.55% Non Convertible Debentures-Series C	10,000	1,000,000,000	24-Mar-17	14-Apr-22
12	9.60% Non Convertible Debentures-Series A-III	300	30,000,000	20-Mar-17	20-Mar-22
13	9.50% Non Convertible Debentures-Series B-V	200	20,000,000	20-Mar-17	20-Mar-22
14	9.60% Non Convertible Debentures-Series A-II	400	40,000,000	09-Mar-17	09-Mar-22
15	9.60% Non Convertible Debentures-Series A-I	3,000	300,000,000	07-Mar-17	07-Mar-22
16	9.40% Non Convertible Debentures-Series B-IV	2,000	200,000,000	09-Mar-17	09-Sep-21

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

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

NOTE 43

The Board of Directors of the Holding Company in its meeting held on 26 May 2018, have proposed a final dividend of ₹ 6 per equity share having face value of ₹10 each for the year ended March 31, 2018. The same is subject to approval of the shareholders in the ensuing annual general meeting. The proposed dividend, if approved at the 25th Annual General Meeting will result in cash outflow of ₹ 47,739,896 including corporate dividend tax.

NOTE 44

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

Signatures to 1 to 44

As per our report of even date attached

For PYS & Co LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

G. D. Joglekar
Partner
Membership No. 39407

Place: Mumbai
Date: May 26, 2018

For and on behalf of the Board of Directors

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

Ashish Agarwal
Director
(DIN: 08061196)

Mahesh Bhootra
Chief Financial Officer

Tejas Dawda
Company Secretary
(ACS: A27660)

Place: Mumbai
Date: May 26, 2018

BUILDING BONDS

Corporate Office: 30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400 021
Tel: +91-22-67546500 | Fax: +91-22-66100594 | CIN: L74899MH1993PLC274881

Registered Office: 403, 4th Floor, East Wing, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai - 400 021
Tel: +91-22-66349300 | Email: info@akgroup.co.in | Website: www.akgroup.co.in