

A. K. CAPITAL SERVICES LIMITED

BUILDING BONDS

ANNUAL REPORT 2020–2021

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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)

Mr. Ashish Agarwal
Whole-time Director
(DIN: 08064196)

Mr. Vikas Jain
Whole-time Director
(DIN: 07887754)

Ms. Aditi Mittal
Non-Executive Woman Director
(DIN: 00698397)

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

Mr. Khimji Shamji Pandav
Independent Director
(DIN: 01070944)

CHIEF FINANCIAL OFFICER
Mr. Mahesh Bhootra

COMPANY SECRETARY
Mr. Tejas Davda

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

BANKERS
Bank of India
Bank of Maharashtra
HDFC Bank Limited
IndusInd Bank
Punjab National Bank
The Federal Bank
Union Bank of India

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 AND CORPORATE OFFICE
30-38, 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 | E-mail: compliance@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 28th Annual Report of the Company, together with the Annual Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2021.

1) FINANCIAL HIGHLIGHTS

A summary of the financial performance of the Company, both on standalone and consolidated basis, for the Financial Year 2020-21 as compared to the previous Financial Year is given below:

Standalone Financial Statements:

(INR in Lakhs except earnings per share)

Particulars	2020-21	2019-20
Total revenue	7,334.37	6,334.25
Total expenses	4,087.05	4,114.03
Profit before tax	**3,247.32**	**2,220.22**
Tax expenses:		
Current tax	731.00	500.00
Prior period tax adjustments	-	(54.99)
Deferred tax expense/(credit)	(25.25)	(91.92)
Profit after tax (A)	**2,541.57**	**1,867.13**
Other comprehensive Income, net of tax		
Item that will not to be reclassified to the statement of profit and loss	6.01	(9.50)
Less: Income tax expense on above	(1.52)	8.75
Other comprehensive Income for the year (B)	**4.49**	**(0.75)**
Total comprehensive Income for the year [A+B]	**2,546.06**	**1,866.38**
Earnings per equity share (face value INR 10/- per share) Basic and Diluted	38.51	28.29
Opening balance of other comprehensive income	**(619.81)**	**(619.06)**
Add: Other comprehensive income for the year	4.49	(0.75)
Closing balance of other comprehensive income	**(615.32)**	**(619.81)**
Opening balance of retained earnings brought forward from previous year	**30,604.38**	**29,510.64**
Add: Profit for the year	2,541.57	1,867.13
Profit available for appropriation	**33,145.95**	**31,377.77**
Less: Appropriations		
Dividend paid	(396.00)	(726.00)
Dividend distribution tax on dividend	(0.86)	(47.39)
Closing balance of retained earnings	**32,749.09**	**30,604.38**

Note: Previous year figures have been regrouped / rearranged wherever necessary.

2) FINANCIAL PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

A. K. Capital Services Limited is a Flagship Company of the A. K. Group, and is registered with Securities and Exchange Board of India ("SEBI") as a Category I Merchant Banker and Investment Advisor.

On a standalone basis, your Company earned total revenue of INR 7,334.37 Lakhs during the Financial Year under review as against INR 6,334.25 Lakhs reported in the previous Financial Year. The profit before tax is INR 3,247.32 Lakhs for the current Financial Year as against INR 2,220.22 Lakhs during the previous Financial Year. After making provision for tax, the net profit of your Company is INR 2,541.57 Lakhs for the current Financial Year as against the net profit of INR 1,867.13 Lakhs in the previous Financial Year.

Consolidated Financial Statements: (INR in Lakhs except earnings per share)

Particulars	2020-21	2019-20
Total revenue	28,914.63	31,420.68
Total expenses	19,079.24	24,885.97
Profit before tax	**9,835.39**	**6,534.71**
Tax expenses:		
Current tax	2,371.82	1,642.71
Prior period tax adjustments	1.34	112.32
Deferred tax expense/(credit)	(42.36)	(367.91)
Profit after tax (A)	**7,504.59**	**5,147.59**
Other comprehensive income, net of tax		
Item that will not to be reclassified to the statement of profit and loss	(11.96)	(42.43)
Less: Income tax expense on above	3.73	14.44
Other comprehensive Income for the year (B)	**(8.23)**	**(27.99)**
Total comprehensive income for the year [A+B]	**7,496.36**	**5,119.60**
Profit for the year attributable to:	**7,504.59**	**5,147.59**
Owners of the Company	7,440.08	5,100.59
Non-controlling interest	64.51	47.00
Other comprehensive income attributable to:	**(8.23)**	**(27.99)**
Owners of the Company	(7.99)	(27.84)
Non-controlling interest	(0.24)	(0.15)
Earnings per equity share (face value INR 10/- per equity share)		
Basic and Diluted	112.73	77.28
Opening balance of Other comprehensive income	**(2,363.27)**	**(2,335.43)**
Add: Other comprehensive income for the year	(7.99)	(27.84)
Add: Other adjustments	-	-
Closing balance of other comprehensive income	**(2,371.26)**	**(2,363.27)**
Opening balance of retained earnings brought forward from previous year:	**49,230.61**	**46,999.47**
Add: Profit for the year	7,440.08	5,100.59
Profit available for appropriation	**56,670.69**	**52,100.06**
Less: Appropriations		
Dividend paid**	(396.00)	(726.00)
Dividend on CCPS	(115.63)	(629.24)
Dividend distribution tax on dividend**	(4.98)	(273.60)
Transfer to special reserve	(1,017.00)	(740.61)
Purchase of CCPS from non-controlling interest	-	(500.00)
Closing balance of retained earnings	**55,137.08**	**49,230.61**

** During the year 2020-21, the Board of Directors of the Company had paid a final dividend of INR 1/- per equity share (previous year INR 6/- per equity share pertaining to financial year ended March 31, 2019) having face value of INR 10/- each for the year ended March 31, 2020. The same is approved by the shareholders of the Company in the annual general meeting held on September 19, 2020 (previous year's annual general meeting held on September 28, 2019). The total cash outflow of INR 66.86 Lakhs including INR 0.86 Lakhs pertaining to earlier year's dividend distribution tax (previous year INR 415.46 Lakhs including corporate dividend distribution tax).

During the year 2020-21, the Board of Directors of the Company had paid interim dividend of INR 5/- per equity share (previous year INR 5/- per equity share) having face value of INR 10/- each for the year ended March 31, 2021, on its board meeting held on January 27, 2021 (previous year's board meeting held on March 6, 2020). The total cash outflow of INR 330.00 Lakhs (previous year INR 357.93 Lakhs including corporate dividend distribution tax).

Note: Previous year figures have been regrouped / rearranged wherever necessary.

3) SUMMARY OF THE CONSOLIDATED FINANCIAL PERFORMANCE OF THE COMPANY & IT'S SUBSIDIARIES

The consolidated total revenue of your Company stood at INR 28,914.63 Lakhs for the Financial Year ended March 31, 2021, as against INR 31,420.68 Lakhs for the previous Financial Year. The consolidated profit before tax is INR 9,835.39 Lakhs for the current Financial Year as against INR 6,534.71 Lakhs in the previous Financial Year. After making provision for tax, the consolidated net profit of your Company is INR 7,504.59 Lakhs for the current Financial Year as against INR 5,147.59 Lakhs in the previous Financial Year.

Pursuant to Section 129(3) of the Companies Act, 2013 ("the Act") read with Rule 5 and Rule 8(1) of The Companies (Accounts) Rules, 2014, a statement containing salient features of Financial Statements of Subsidiaries highlighting the performance of subsidiaries, and their contribution to the overall performance of the Company in Form AOC-1 is attached to the Consolidated Financial Statements in the Annual Report.

There has been no material change in the nature of the business of subsidiaries. In accordance with provisions of Section 136 of the Act the separate audited financial statement of each subsidiary company is also available on the website of your Company at www.akgroup.co.in.

4) NOTES ON FINANCIAL STATEMENTS

Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The Financial Statements have been prepared in accordance with Ind AS under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and based on the accounting principle of a going concern in accordance with Generally Accepted Accounting Principles (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Financial Statements are presented in Lakhs or decimal thereof.

The Financial Statements have been presented in accordance with Schedule III-Division III General Instructions for Preparation of Financial Statements of a Non-Banking Financial Company (NBFC) that is required to comply with Ind AS.

5) CHANGE IN THE NATURE OF BUSINESS

During the Financial Year 2020-21, there has been no change in the nature of the business of the Company.

6) DIVIDEND

The Board of Directors approved the payment of Interim Dividend of INR 5/- (Indian Rupees Five) per equity share on each fully paid up 66,00,000 equity shares of INR 10/- (Indian Rupees Ten) each of the Company amounting to INR 330 Lakhs for the Financial Year ending March 31, 2021. The dividend was paid (subject to the deduction of tax at source) to those members of the Company whose names appeared on the Register of Members of the Company as on February 6, 2021.

The Board has recommended a Final Dividend of INR 1/- (Indian Rupee One) per equity share of INR 10/- (Indian Rupees Ten) each for Financial Year 2020-21.

The payment of the Final Dividend is subject to the approval of the members at the ensuing Annual General Meeting and shall be paid (subject to the deduction of tax at source) to those members whose names appear in the Register of Members as on Friday, August 6, 2021. The Register of Members and Share Transfer Books will remain closed from Saturday, August 7, 2021 to Saturday, August 14, 2021 (both days inclusive). The amount of Final Dividend on Equity Shares thereon aggregates to INR 66 lakhs.

The total dividend (Interim and Final) approved/ recommended by the Board for Financial Year 2020-21, is INR 6/- (Indian Rupees Six) per equity share of INR 10/- (Indian Rupees Ten) each fully paid up.

7) TRANSFER TO GENERAL RESERVES

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

8) PUBLIC DEPOSITS

No disclosure is required in respect of the details relating to the Deposits covered under Chapter V of the Act, as the Company has not accepted any Deposit during the year under review.

9) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

Particulars of Loans, Guarantees and Investments as required under the provisions of Section 186 of the Act, are given in "Note No. **5, 6** & **27** of the Notes to the Standalone Financial Statements".

10) DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c)and 134(5) of the Act, with respect to Directors' Responsibility Statement, your Directors confirm that they have:

a) Followed the applicable accounting standards in preparation of the Annual Financial Statements for the Financial Year 2020-21;

b) 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, 2021 and of the profit of the Company for the Financial Year 2020-21 ended on that date;

c) 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 & for preventing & detecting fraud and other irregularities, if any;

d) Prepared the annual accounts on a 'going concern basis';

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

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

11) INTERNAL FINANCIAL CONTROLS

Your Company has put in place adequate Internal Financial Controls with reference to the Financial Statements. Internal Financial Control has 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 (ICAI). Based on the results of such assessment carried out by management with the assistance of M/s A. Ratadiya & Associates, Practicing Chartered Accountant Firm, no reportable material weakness or significant deficiency in the design or operation of Internal Financial Controls was observed.

The statutory auditors of the Company, viz. M/s. PYS & Associates, LLP, Chartered Accountants have also verified the Internal Financial Controls systems over financial reporting and have opined that such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2021. The Audit Committee monitors the Internal Financial Control system and ensures adequacy of the same.

Annexure B to the Independent Auditors' Report provides a report on Internal Financial Controls over the financial reporting of A. K. Capital Services Limited as on March 31, 2021.

During the Financial Year under review, no material or serious observations have been highlighted for inefficiency or inadequacy of such controls.

12) 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. The Company has formulated comprehensive risk management policies and processes to identify, evaluate and manage risks that are encountered during conduct of business activities in an effective manner.

The pandemic risk was unprecedented and caused many disruptions and uncertainties globally. The Company swiftly activated the Business Continuity Plan (BCP) to face the challenges posed by the pandemic. The BCP is reviewed periodically.

13) 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 internal 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.

14) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the Financial Year 2020-21 with related parties were in compliance with the provisions of the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company had obtained prior approval of the Audit Committee for all the related party transactions entered during the Financial Year 2020-21, as envisaged in Regulation 23(2) of the Listing Regulations. Further, the Audit Committee had given prior omnibus approval under Section 177 of the Act, read with Rule 6(A) of The Companies (Meetings of Board and its Powers) Rules, 2014 read with Regulation 23(3) of the Listing Regulations, for related party transactions that are foreseen and of repetitive nature during the period under review and the required disclosures are made to the Audit Committee and Board on quarterly basis.

The Company also secures omnibus approval from the Audit Committee for transaction up to INR 1 Crore with related party where the need for related party transaction cannot be foreseen and adequate details are not available.

All related party transactions that were entered during the financial year ended March 31, 2021 were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Act, were not attracted.

The details of material related party transaction entered into by the Company during the Financial Year 2020-21 are enumerated in Form AOC-2 as annexed in **Annexure - 4** under Section 134(3)(h) of the Act, read with Rule 8(2) of The Companies (Accounts) Rules, 2014. In addition to above, the disclosure of transactions with related party for the year, as per Indian Accounting Standard-24 (Ind AS-24), Related Party Disclosures is given in "Note No.**34** of the Notes to the Standalone Financial Statements" section of the Annual Report.

Further, disclosure required under Schedule V Part A of Listing Regulations pertaining to related party transactions is furnished in "Note No.**34** of the Notes to the Standalone Financial Statements" section of the Annual Report.

The Company has in place, a Board approved Policy on Materiality and Dealing with Related Party Transactions, which is available on the website of the Company at:

https://www.akgroup.co.in/docs/Policy%20on%20Materiality%20and%20Dealing%20with%20Related%20Party%20Transactions_Final-202106182150116396437.pdf

15) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The COVID-19 pandemic has significantly impacted economic activities, businesses, individuals across the spectrum. The Company recognizes the need to make reasonable estimation of the impact of this pandemic on the repayment ability of its customers, and make additional provisions as considered appropriate, over-and-above the extant provisions, for expected credit losses. The Company has segmented its portfolio on the basis of various parameters to ascertain the impact of COVID-19 and basis its estimates, assumptions and judgements arrived at the additional impairment which is provided for in its financial statements. Given the uncertainty over the potential macro-economic condition, the impact of the COVID-19 may be different from that expected as at the date of approval of this Report. As per the Company's assessment, this by itself has not resulted into any significant increase in the credit risk. The Company will continue to closely monitor any material changes to future economic conditions and suitable effect will be given in the respective future period.

16) STATUTORY AUDITORS AND AUDITOR'S REPORT

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 the year 2022. The requirement to place the matter relating to appointment of auditors for ratification by the members at every annual general meeting has been done away by the Companies (Amendment) Act, 2017. Accordingly, no resolution has been proposed for ratification of appointment of statutory auditors at the ensuing Annual General Meeting.

The Auditors have confirmed their eligibility and independence under the provisions of the Act, and the Chartered Accountants Act, 1949 and rules or regulations made thereunder.

There is no qualification, reservation or adverse remark made by the Statutory Auditors, in their Audit Report.

17) REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors of the Company have not reported any fraud to the Audit Committee or to the Board of Directors under Section 143(12) of the Act, including rules made thereunder.

18) REQUIREMENT FOR MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act.

19) SUBSIDIARIES

As on March 31, 2021, your Company has following subsidiaries (including step-down subsidiary):

Sr. No.	Name of the subsidiaries
i.	A. K. Stockmart Private Limited
ii.	A. K. Capital Corporation Private Limited
iii.	A. K. Wealth Management Private Limited
iv.	A. K. Capital (Singapore) Pte. Ltd.
v.	A. K. Capital Finance Limited
vi.	Family Home Finance Private Limited (Step-down subsidiary).

There was no entity which became or ceased to be subsidiary, joint venture or associate company of the Company during the financial year ended March 31, 2021.

20) MATERIAL SUBSIDIARIES

Pursuant to the provisions of Regulation 16 of the Listing Regulations, including amendments thereto, the Company has two Material Subsidiaries namely, A. K. Capital Finance Limited and 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:

https://www.akgroup.co.in/docs/Policy%20for%20Determining%20Material%20Subsidiaries_Final-20210618214430031 1577.pdf

21) SECRETARIAL AUDIT OF MATERIAL SUBSIDIARIES

All the material subsidiaries of the Company had undertaken Secretarial Audit for Financial Year 2020-21 pursuant to Section 204 of the Act and the said report thereon forms part of such subsidiaries' respective annual reports. The Secretarial Audit Report of Material Subsidiary Company, viz. A. K. Capital Finance Limited and A. K. Stockmart Private Limited is attached as **Annexure - 3** to this report pursuant to Regulation 24A of the Listing Regulations.

22) BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

COMPOSITION OF THE BOARD

As on March 31, 2021, the Board of Directors of your Company comprised of seven Directors of which three are Executive Directors, one Woman Non-Executive Non-Independent Director and three are Non-Executive Independent Directors. The Chairman of the Board is Non-Executive Independent Director. The composition of the Board is in consonance with Listing Regulations & in accordance with the applicable provisions of the Act, as amended from time to time.

The details of board composition are provided in 'Report on Corporate Governance' forming part of the Annual Report.

RETIREMENT BY ROTATION

In accordance with the Articles of Association of the Company and the provisions of the Section 152 (6) of the Act, Mr. Vikas Jain (DIN: 07887754), Whole-time Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The requisite agenda for re-appointment of Mr. Vikas Jain (DIN:07887754) & his profile is incorporated in the Notice of Annual General Meeting.

KEY MANAGERIAL PERSONNEL

The following persons are the Key Managerial Personnel's (KMP's) of the Company as per the provisions of Section 203 of the Act as on March 31, 2021:-

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 Davda	-	Company Secretary

23) DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they fulfill the criteria of Independence prescribed both under Section 149(6) of the Act and Regulation 16(b) of Listing Regulations and that they have complied with the Code of Conduct as specified in Schedule IV to the Act. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs (IICA) for recording their names and other requisite details in the databank maintained with IICA.

In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, all the Independent Directors are exempted from appearing in online proficiency self-assessment test conducted by the IICA.

24) DECLARATION FROM DIRECTORS AND PRACTISING PROFESSIONAL

Based on the written representations received from the Directors of the Company as on March 31, 2021, none of the Directors of the Company is disqualified to act as a Director as on March 31, 2021.

M/s. Ragini Chokshi & Co, Practicing Company Secretaries, Secretarial Auditor have also certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI or Ministry of Corporate Affairs or any such other statutory authority. The certificate received from the Secretarial Auditor is attached as **Annexure - 6** to this Board's Report.

25) PERFORMANCE EVALUATION

Pursuant to the provisions of the Act, and the Listing Regulations, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees for the Financial Year 2020-21.

The Evaluation was carried on 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 Nomination and Remuneration Policy of the Company.

The Independent Directors also held a separate meeting to review the performance of the Non-Independent Directors, the Chairman of the Company, the overall performance of the Board along with its Committees. The Independent Directors expressed satisfaction over the performance and effectiveness of the Board, individual Non-Independent Directors and the Chairman. The details of performance evaluation conducted during the Financial Year 2020-21 is provided in 'Report on Corporate Governance' forming part of the Annual Report.

26) MEETINGS OF THE 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 'Report on Corporate Governance', which forms part of this Annual Report.

27) BOARD COMMITTEES:

MANDATORY COMMITTEES

The Board of Directors has constituted four Mandatory Committees, viz.

i. Audit Committee

ii. Nomination and Remuneration Committee

iii. Stakeholders' Relationship Committee

iv. Corporate Social Responsibility Committee

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.

In the Financial Year 2020-21 the Board has accepted all the recommendations of its Committees.

NON-MANDATORY COMMITTEES

In addition to the above referred Mandatory Committees, the Board has also formed the following Non-Mandatory 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 Non-Mandatory Committees as mentioned above along with their composition and terms of reference are provided in 'Report on Corporate Governance' forming part of the Annual Report.

28) NOMINATION AND REMUNERATION POLICY

The Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act is mentioned and elaborated in the Nomination and Remuneration Policy.

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

29) CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee (the "Committee") is established by the Board in accordance with Section 135 of the Act. The Committee has approved and adopted the Corporate Social Responsibility ("CSR") policy which lists out the activities that can be undertaken or supported by the Company within the applicable provisions of the Act. Apart from the composition requirements of the Committee, the CSR Policy, inter alia, lays out the criteria for selection of projects and areas, annual allocation, modalities of execution/ implementation of activities and the monitoring mechanism of CSR activities/ projects.

The CSR Policy of the Company was amended by the Board at their Meeting held on May 29, 2021 in light of the recent amendments introduced by Ministry of Corporate Affairs ("MCA") vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated January 22, 2021. The CSR Policy of the Company may be accessed at the link given below:

https://www.akgroup.co.in/docs/CSR%20Policy%20-%20AKCSL_20.05.2021-20210728134016603035 8.pdf

The details of CSR activities undertaken by the Company during the Financial Year 2020-21 is attached as **Annexure - 2** and forms an integral part of this Report.

30) WHISTLEBLOWER POLICY AND VIGIL MECHANISM

Pursuant to Section 177(9) of the Act and rules made thereunder and as per Regulation 22 of Listing 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 and employees. The Policy may be accessed on the Company's website at the link given below:

https://www.akgroup.co.in/docs/Whistle%20Blower%20Policy%20and%20Establishment%20of%20Vigil%20Mechanism_organized-20200624165749389667 9.pdf

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

31) 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 ("POSH Act") and the rules made thereunder, the Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace at a group level and has duly constituted an Internal Complaints Committee (ICC) in line with the provisions of the POSH Act and the rules made thereunder. The Policy has been widely communicated internally and is placed on the Company's website.

ICC has been set up to redress complaints received regarding sexual harassment.

During the Financial Year 2020-21, no case in the nature of sexual harassment was reported at any workplace of the Company.

The Annual Report prepared by the ICC of the Company as per the provisions of Section 21 of the POSH Act read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 was duly submitted to the District Officer-Women and Child Development located at Worli, Mumbai.

32) MANAGEMENT DISCUSSION & ANALYSIS REPORT AND REPORT ON CORPORATE GOVERNANCE

The Report on Management Discussion and Analysis for the year under review as required under Regulation 34(2) of Listing Regulations, is set out separately and forms part of this Annual Report.

A Report on Corporate Governance as stipulated under Regulations 17 to 27 and Paras C, D and E of Schedule V of the Listing Regulations, as amended from time to time, is set out separately and forms part of this Annual Report. The Company has been in compliance with all the norms of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Paras C, D and E of Schedule V of the Listing Regulations, as amended from time to time.

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

33) SECRETARIAL AUDITOR, SECRETARIAL AUDIT REPORT AND SECRETARIAL COMPLIANCE REPORT

Pursuant to the provisions of Section 204 of the Act and the rules made thereunder, the Company has appointed M/s. Ragini Chokshi & Co., Practicing Company Secretaries, Mumbai, to conduct the Secretarial Audit of the Company for Financial Year 2020-21. 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 made by the Auditor in the Report.

In accordance with SEBI Circular no. CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Company has obtained, from the Secretarial Auditors of the Company an Annual Secretarial Compliance Report. The copy of Annual Secretarial Compliance Report is available on the website of the Company at the link given below:

https://www.akgroup.co.in/docs/Annual%20Secretarial%20Compliance%20Report-%20March%2031,%202021-20210601143106752 4920.pdf

There is no qualification, reservation or adverse remark made by the Auditor in the Annual Secretarial Compliance Report.

34) 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 2020-21.

35) 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 reasonable efforts towards conservation of energy, protection of environment and ensuring safety.

The Company recognizes the significance of robust IT infrastructure in the current era, where it is crucial to offer clients faster and more efficient services. Towards this end, the Company makes a sizeable investment each year to ensure adoption of best technologies that can streamline operations, brings in efficiency and enable to provide better customer service to make the Company more competitive in the market.

Your Company has no foreign exchange earnings and outgo during the Financial Year 2020-21.

36) ACHIEVEMENTS & AWARDS

i) The Company has been awarded the prestigious international title of "**India Bond House of the Year 2018**" by IFR Asia. With this achievement, AK Capital has marked its presence alongwith other Asian countries' bond houses like HSBC, Credit Suisse, CIMB, ANZ & Bank of China

ii) The Company acted as a Transaction Advisor and Merchant Banker for Municipal Bond Issue of INR 200 Crores by Lucknow Municipal Corporation. The Issue got listed on December 2, 2020 at Bombay Stock Exchange. This was the 1st Municipal Bond Issue from North India. The Issue received bumper response from Investors with total bids received worth INR 450 Crores, viz. 4.5 times against the basic issue of INR 100 Crores.

iii) The Company also acted as a merchant banker for Green Municipal Bond Issue of INR 150 Crores by Ghaziabad Nagar Nigam. The Issue was 1st Green Bond Issue by any municipal corporation in India. The Issue received bumper response from Investors with total bids received worth INR 401 Crores, viz. 4.01 times against the basic issue of INR 100 Crores.

iv) The Company has been awarded as "**Winner in Merchant Banker Category in Debt Segment**" by ASSOCHAM on December 22, 2017. The award was conferred by Sh. P. Radhakrishnan, Hon'ble Minister of State for Finance and Shipping, Government of India.

37) DEPOSITORY SYSTEM

The Equity Shares of the Company are compulsorily traded in electronic form. As on March 31, 2021, out of the Company's total paid-up Equity Share Capital comprising of 6,600,000 Equity Shares, only 21,120 Equity Shares (constituting 0.32% of the paid-up share capital) are in physical form and the remaining shares are held in dematerialized form. In view of the numerous advantages offered by the Depository System, the Members holding shares in physical form are advised to avail the facility of dematerialization.

38) INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the provisions of Section 124 and other applicable provisions of the Act read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF), after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority.

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 viz. www.akgroup.co.in.

In view of the same, the Company has transferred 7,534 Equity Shares on which dividend had remained unpaid or unclaimed for seven (7) consecutive years in favor of IEPF Authority.

Accordingly, the entire dividend remaining unpaid/ unclaimed for a period of seven (7) consecutive years amounting to INR 1,61,880 /- (Indian Rupees One Lakh Sixty-One Thousand Eight Hundred and Eighty) was transferred to IEPF account.

39) COMPLIANCE WITH SECRETARIAL STANDARD

The Company has complied with Secretarial Standards issued by Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) including relaxation provided therein.

40) WEBLINK OF ANNUAL RETURN

A weblink of Annual Return for the Financial Year ended March 31, 2021, in Form MGT – 7 as required under Section 92 (3) of the Act read with Rule 12 of The Companies (Management and Administration) Rules, 2014 is available on the website of the Company at the link: https://www.akgroup.co.in/docs/Form%20MGT-7-2020-21-20210729192736890 2783.pdf

41) PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, 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 – 4** and forms an integral part of this Report.

Information as required in terms of the provisions of Section 197(12) of the Act, 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 p.m. to 4 p.m. on any working day (Monday to Friday) up to the date of 28th 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.

42) CAUTIONARY STATEMENT

The statement in the Directors' Report 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. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

43) ACKNOWLEDGEMENT

Your Directors wish to place on record their deep and sincere gratitude for the valuable guidance and support received from the Depositories , Government Authorities, Regulators, Stock Exchanges, Bankers of the Company, Auditors of the Company, Consultants and Advisors, Other Statutory Bodies., Vendors and Service Providers 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.

The Company also pays homage to all who have lost their lives due to the COVID-19 pandemic and acknowledges the hard-work and the heroic efforts of the doctors, para-medics and other front-line workers who are risking their lives every day to combat the pandemic.

On behalf of the Board of Directors

A. K. Mittal	**Vikas Jain**
Managing Director	**Whole-time Director**
(DIN: 00698377)	**(DIN: 07887754)**

Place: Mumbai
Date: July 31, 2021

NOMINATION AND REMUNERATION POLICY

ANNEXURE -1

1. INTRODUCTION:

One of the vital values of an enterprise includes 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), Senior Management and employees of the Company and paying equitable remuneration to them. The Company recognizes its human resource as an invaluable asset.

In terms of the applicable provisions of the Companies Act, 2013 ("Act") 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.

2. OBJECTIVES OF THE POLICY:

The Key objectives of the Policy are:

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 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) To formulate criteria for evaluation of Chairman, Independent Directors, Board as a whole and the Committees of the Board.

e) To 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) To assist the Board in fulfilling responsibilities.

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

i) To implement and monitor policies and processes regarding principles of corporate governance.

3. DEFINITIONS:

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

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

c) '***Company***' means A. K. Capital Services Limited.

d) '***Director***' means a Director appointed to the Board of the Company. The term Director shall mean and include Whole-time Director & Non-Executive Directors (including Independent Directors) of the Company. However, the term shall not include the employees occupying the functional designation of Director within the organization.

e) '***Independent Director***' means an independent director referred to in sub-section (6) of Section 149 of Companies Act, 2013 and Regulation 16 (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f) '***Key Managerial Personnel***' means key managerial personnel as defined under the Companies Act, 2013 and includes:-

(i) Managing Director, or Chief Executive Officer or Manager;

(ii) Whole-time Director;

(iii) Company Secretary;

(iv) Chief Financial Officer;

(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed.

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

h) '***Senior Management***' shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the "Chief Executive Officer/Managing Director/Whole Time Director/Manager" (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

i) '***Whole-time Director***' means a director in the whole-time employment of the Company and includes Managing Director.

4. 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 Act/Regulation as may be in force and as and when it is amended from time to time.

5. APPLICABILITY OF THE POLICY:

This Policy is applicable to:

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

b) Key Managerial Personnel;

c) Senior Management.

6. **NOMINATION AND REMUNERATION COMMITTEE:**

a) 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 Committee shall comprise of atleast 3 Directors at all times.

b) The Chairperson of the Committee shall be an Independent Director. The Chairperson of the Company (whether Executive or Non-Executive) may be appointed as member of the Nomination and Remuneration Committee but shall not Chair such Committee.

c) The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

d) The Nomination and Remuneration Committee shall meet at least once in a year.

e) Role of Nomination & Remuneration Committee inter-alia, shall include the following:

(i) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(ii) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(iii) devising a policy on diversity of board of directors;

(iv) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

(v) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(vi) recommend to the board, all remuneration, in whatever form, payable to senior management;

(vii) to perform such other duties and responsibilities as enumerated in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and/or informed by the Board of Directors of the Company from time to time.

7. **APPOINTMENT OF DIRECTORS, KMP AND SENIOR MANAGEMENT:**

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) 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 Director is subject to compliance of provisions of Section 149 of the Act read with Schedule IV, rules made thereunder, other applicable regulations of SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015 and Circulars as issued by BSE from time to time.

d) In addition to the above, the appointment of directors including managing directors, whole time directors, non-executive directors and independent directors shall be in accordance with the provisions of the Act, including Schedules IV and V of the Act and the Rules made thereunder and the other applicable regulations of the SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015.

e) 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.

f) The Company shall not appoint or continue employment of any person as Non-Executive Director who has attained the age of seventy five years. Provided that the term of the person holding this position may be extended beyond the age of seventy five years with the prior 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 five years.

8. TERM/ TENURE:

a) Managing Director/Whole-time Director:

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

b) Independent Director:

(i) 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.

(ii) 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.

(iii) 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/ Managing Director of a listed company or such other number as may be prescribed under the Act.

c) Senior Management personnel/ KMP: Further the term/ tenure of Senior Management personnel & Key Managerial Personnel of the Company shall be governed by the prevailing HR Policy of the Company.

9. EVALUATION :

The Committee shall carry out evaluation of performance of every Director, members of committees of the Board, KMP, Board Committees, Board as a whole and Senior Management, 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.

10. 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.

11. 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. Subject to applicable provisions of laws, 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.

12. FAMILIARISATION OF THE NON-EXECUTIVE DIRECTORS (NED'S) INCLUDING INDEPENDENT DIRECTORS WITH THE COMPANY:

Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, requires a Company to provide suitable training to its Independent Directors to familiarize them inter alia with the company, their roles, rights, responsibilities in the company, nature of industry in which the company operates and the business model of the company.

Accordingly, in order to familiarize the Company's Non-Executive Directors (NEDs) including Independent Directors with the Company's functioning and their roles, responsibilities, etc. the Company may undertake the following:

a) The newly appointed NEDs including Independent Directors shall be provided with a copy of the Memorandum and Articles of Association, all the applicable codes, policies, etc. formulated and adopted from time to time.

b) The newly appointed NEDs including Independent Directors may also be introduced to certain key members of the Senior Management of the Company.

c) A detailed briefing on the roles and responsibilities of Independent Directors shall also be provided to the Independent Directors as part of their appointment letters.

d) To provide details of any changes/ amendments in the laws impacting the working of the Company.

13. DUTIES OF INDEPENDENT DIRECTORS:

Duties of the Independent Directors shall be as specified in Schedule IV of the Companies Act, 2013 and other applicable provisions of Law.

14. CRITERIA FOR REMUNERATION:

a) Whole-time Directors:

Amongst other, key evaluation criteria/Performance Benchmark shall be the guiding force or key indicators while determining the remuneration of Whole-time Directors.

b) Non-Executive Directors including Independent Directors:

The Nomination and Remuneration Committee shall decide the basis for determining the compensation, both Fixed and variable, payable to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. It shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other factors as may deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution, if applicable.

c) Key Managerial Personnel/ Senior Management

Remuneration to KMPs of the Company, who is in whole time employment, designated by the Board as KMP shall be determined by the Nomination and Remuneration Committee from time to time. The remuneration shall be consistent with the competitive position of the salary for similar positions in the industry and their qualifications, experience, roles and responsibilities. Pursuant to the provisions of Section 203 of the Act, the Board shall approve the remuneration at the time of their appointment.

15. REMUNERATION TO DIRECTORS, SENIOR MANAGEMENT & KMP:

a) The Remuneration/ Compensation/ Commission etc. to be paid to Director/ Whole-time Directors/ KMP/ Senior Management etc. shall be governed as per the provisions of Section 149, 197 read with Schedule V and such other applicable provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force, and pursuant to Regulation 17 & 19 and other such applicable regulations of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Director/ Whole-time Directors/ KMP/ Senior Management.

c) 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 Act, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 & Companies Act, 2013 and rules made thereunder. The remuneration may be decided as fixed and/or variable or combination of both.

d) In case of inadequacy of profits, the remuneration may be recommended/ paid to the Whole-time Directors as well as Non-Executive Directors including Independent Directors on the Board in line with the provisions of Section 149, 197 read with Schedule V of the Act and rules made thereunder subject to the passing of special resolution by the members of the Company as and when applicable. The amount of sitting fees to Independent Directors shall be subject to ceiling/ limits as provided under Act and rules made there under or any other enactment for the time being in force.

e) The fees or compensation payable to Executive directors who are Promoters or members of the Promoter group, shall be subject to the approval of the Shareholders by special resolution in general meeting, if-

(i) the annual remuneration payable to such executive director exceeds INR 5 crores or 2.5 per cent of the net profits of the listed entity, whichever is higher; or

(ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders shall be valid only till the expiry of the term of such director.

f) Approval of shareholders by way of special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive Director exceeds 50% of total remuneration payable to all non-executive Directors, giving details of remuneration thereof. 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.

g) 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.

h) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Act 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, if any 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.

16. NOMINATION DUTIES:

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

a) Shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

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

c) 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. The letter of appointment / re-appointment to be issued to the Independent Director shall inter alia also set out the matters as stated in Schedule IV of the Companies Act, 2013 and shall be placed on the website of the Company;

d) Identifying and recommending Directors who are to be put forward for retirement by rotation;

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

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

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

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

i) 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. Whether to extend or continue the term of appointment of the Independent Director, on the basis of report of performance evaluation of Independent Directors;

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

k) Recommend any necessary changes to the Board;

l) Considering any other matters, as may be requested by the Board; and

m) NRC shall be authorized to undertake any action / step required to be taken to comply with the requirements prescribed under the Applicable Laws.

17. 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) Subject to the provisions of the law, to delegate any of its powers to one or more of its members or the Secretary of the Committee.

d) To consider taking up Professional Indemnity and Liability Insurance for Directors and Senior Management, if required.

e) To consider any other matters as may be requested by the Board.

18. 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 alterations/ amendments to the Policy from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013 and rules made there under, the Listing Agreements, the Securities and Exchange Board of India Act, 1992 and rules/ regulations/ guidelines made there under, the Memorandum and Articles of Association of the Company or as may be otherwise prescribed by the Board from time to time.

In case of any amendments in the provisions of the Act, which makes any of the provisions/ clauses in the Policy inconsistent with the Act, then the provisions of the Act would prevail over the Policy and the Policy shall stand amended effective from date of such amendments, as notified from time to time.

19. DESSIMINATION:

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

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020 - 21
(BOARD'S REPORT FOR FINANCIAL YEAR COMMENCED ON OR AFTER 1st DAY OF APRIL, 2020)

1. **A BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:** A detailed CSR Policy was framed by the Company with approvals of the CSR Committee and Board of Directors. The Policy, inter alia, covers the following:

   i. Objective
   ii. Role of CSR Committee
   iii. List of CSR activities
   iv. CSR Expenditure
   v. Implementation of CSR policy
   vi. Reporting Mechanism

   The CSR Policy is in compliance with the provisions of the Companies Act, 2013 ("Act"), including amendments thereto.

   The Company's participation focuses on those funds which shall supplement and complement Government's efforts to scale up the capacity of the public health system and ability to deal with crisis.

   The Company undertakes/ supports/ finances the projects/ funds keeping in view the applicable provisions of Section 135 read with Schedule VII of the Act and CSR Policy of the Company.

2. **COMPOSITION OF CSR COMMITTEE**:

Sr. No.	Name of Director	Designation / Nature of Directorship & Role in the Committee	Number of meeting of CSR Committee held during the year	Number of meeting of CSR Committee attended during the year
1.	Mr. Subhash Chander Madan	Independent Director, Chairman	1	1
2.	Mr. A. K. Mittal	Managing Director, Member	1	1
3.	Mr. Vikas Jain	Whole-Time Director, Member	1	1

3. **WEB-LINK OF THE DISCLOSURES:**

Composition of CSR committee	https://www.akgroup.co.in/docs/DETAILS%20OF%20BOARD%20COMMITTEES-20210617181231353868O.pdf
Company's CSR policy	https://www.akgroup.co.in/docs/CSR%20Policy%20-%20AKCSL_20.05.2021-20210728134016603O358.pdf
CSR projects:	https://www.akgroup.co.in/docs/CSR%20Policy%20-%20AKCSL_20.05.2021-20210728134016603O358.pdf

4. **PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014: NOT APPLICABLE**

5. **DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY:**

Sr. No.	Financial Year	Excess amount spent, if any	Amount available for setoff for the financial year, if any
1.	2018-19	No	Not Applicable
2.	2019-20	No	Not Applicable
3.	2020-21	Yes	INR 45,780/-
Against the total CSR Obligation of INR 76,05,220/- for Financial Year 2020-21, the Company contributed INR 76,51,000/- for CSR Purposes. The surplus amount of INR 45,780/- is proposed to be carried forward and set-off in succeeding three financial years.			

6	Average net profit of the Company as per Section 135(5)	INR 29,60,59,050/-
7 (a)	Two percent of average net profit of the Company as per Section 135(5)	INR 59,21,181/-
7(b)	Surplus arising out of the CSR projects or program or activities of the previous financial years	NA
	Unspent amount carried forward for the previous financial year	INR 16,84,039/-
7(c)	Amount required to be set off for the financial year, if any	Nil
7 (d)	Total CSR obligation for the financial year (7a+7b-7c)	**INR 76,05,220/-**

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in INR)	**Amount Unspent (in INR)- Nil**				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		**Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)**		
	Amount	**Date of transfer**	**Name of the Fund**	**Amount (in INR)**	**Date of transfer**
INR 76,51,000/-	Nil	Not Applicable	Not Applicable	Not Applicable	Not Applicable

8 (b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

8 (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area**	**Location of the project**	**Amount spent for the project (in INR)**	**Mode of implementation – Direct (Yes/No)**	**Mode of implementation – Through implementing Agency**
1.	The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	76,51,000/-	Not Applicable	Not Applicable

8 (d)	Administrative Overheads	Not Applicable
8 (e)	Amount spent on Impact Assessment, if applicable	Not Applicable
8 (f)	Total amount spent for the financial year	INR 76,51,000/-

8 (g) Excess amount for set off, if any:

Sl. No.	**Particular**	**Amount (in INR)**
(i)	Two percent of average net profit of the company as per section 135(5)	59,21,181
(ii)	Unspent CSR Carried Forward of previous years	16,84,039
(iii)	**Total CSR Obligation**	**76,05,000**
(iv)	Total amount spent for the Financial Year	76,51,000
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	45,780

9 **(a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in INR)	Amount spent in the reporting Financial Year (in INR)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in INR)
				Name of the Fund	Amount (in INR)	Date of transfer	
1.	2017-18	-	52,00,000	-	-	-	60,15,932
2.	2018-19	-	26,50,000	-	-	-	97,40,779
3.	2019-20	-	-	Prime Minister's National Relief Fund	40,00,000	13/03/2020 19/03/2020	-
				Clean Ganga Fund	23,75,000	13/03/2020 19/03/2020	-
				Swachh Bharat Kosh	35,00,000	12/03/2020 19/03/2020	-
				PM Cares Fund	50,00,000	31/03/2020	16,84,039
	TOTAL	-	**78,50,000**		**1,48,75,000**		

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

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

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

S. C. Madan
(DIN: 00785025)
Chairman CSR Committee

Place: Mumbai
Date: July 31, 2021

ANNEXURE -3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

To,

The Members,

A. K. Capital Services Limited

CIN - L74899MH1993PLC274881

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** ("AK Capital"/ "Company") having its registered office at 30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai- 400 021. 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.

Due to COVID-19 pandemic impact and situation of partial lockdown, the verification and examination of documents as facilitated by the Company were conducted through electronic mode and based on such verification of the 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 March 31,2021 has 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 AK Capital for the financial year ended on March 31, 2021 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, 2018; ***(Not applicable during the audit period)***

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014; ***(Not applicable during the audit period)***

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

(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 (Buy-Back of Securities) Regulations, 2018; ***(Not applicable during the audit period)***

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

(vi) We have relied on the representation made by the Company and its officer and compliance mechanism prevailing in the Company and on examination of documents on test check basis for compliance of the following specific applicable laws and rules made thereunder, being laws that are applicable to the Company based on their sector/industry.

1) The Securities and Exchange Board of India (Merchant Bankers) Regulations,1992 including Guidelines, Circulars & Notifications issued by SEBI & Stock Exchanges thereinafter.

2) The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, including Guidelines, Circulars & Notifications issued by SEBI & Stock Exchanges thereinafter

3) The Prevention of Money Laundering Act, 2002

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreement(s) entered into by the Company with BSE Limited pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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. Further there was no change in the composition of the Board of Directors that took place during the period under review.

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.

All the decisions at Board and Committee meetings were taken with unanimous approval.

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 and guidelines.

We further report that during the audit period there were following specific event /action reported having major bearing on company's operations;

Declared an Interim Dividend of INR 5/- per equity share (face value of INR 10/- per share) for the Financial Year 2020-21

FOR RAGINI CHOKSHI & CO

Date: May 21, 2021
Place: Mumbai

UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 # CP No- 11161
UDIN: A022133C000352419

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members,

A. K. Capital Services Limited

CIN- L74899MH1993PLC274881

Our report of even date is to be 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 provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books 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, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR RAGINI CHOKSHI & CO

UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 # CP No- 11161
UDIN: A022133C000352419

Date: May 21, 2021
Place: Mumbai

ANNEXURE -3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

To,

The Members,

A. K. Capital Finance Limited

CIN- U51900MH2006PLC214277

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **A. K. Capital Finance Limited** ("AK Capital Fin"/ "Company") having its registered office at 30-39, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai- 400 021. 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.

Due to COVID-19 pandemic impact and situation of partial lockdown, the verification and examination of documents as facilitated by the Company were conducted through electronic mode and based on such verification of the 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 March 31,2021 has generally 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 AK Capital Fin for the financial year ended on March 31, 2021 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; ***(Not applicable during the audit period)***

(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, 2018; ***(Not applicable during the audit period)***

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014; ***(Not applicable during the audit period)***

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(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; ***(Not applicable during the audit period)***

(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 (Buy-Back of Securities) Regulations, 2018; ***(Not applicable during the audit period)*** and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Non-Convertible Debentures of the Company listed at BSE Limited.

(vi) We have relied on the representation made by the Company and its officer and compliance mechanism prevailing in the Company and on examination of documents on test check basis for compliance of the following specific applicable laws and rules made thereunder, being laws that are applicable to the Company based on their sector/industry

1) Credit Information Companies (Regulation) Act, 2005 and The Reserve Bank of India Act, 1934 and the directions, regulations, master circulars, circulars issued by Reserve Bank of India thereunder and as applicable to Systemically Important Non Deposit Accepting Non-Banking Financial Companies (NBFC), sector/industry.

2) The Prevention of Money Laundering Act, 2002

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreement(s) entered into by the Company with BSE Limited pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (applicable to debt listed entity).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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. Further there was no change in the composition of the Board of Directors that took place during the period under review.

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 and guidelines.

We further report that during the audit period there were following specific events /action reported having major bearing on company's operations;

1) Issue and allotment of 22,500 Non Convertible Debentures and the listing of said debentures on Wholesale Debt Market Segment of BSE Limited.

FOR RAGINI CHOKSHI & CO

Date: May 15, 2021
Place: Mumbai

UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 # CP No- 11161
UDIN:A022133C000334148

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members,

A K Capital Finance Limited

CIN- U51900MH2006PLC214277

Our report of even date is to be 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 provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books 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, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

FOR RAGINI CHOKSHI & CO

UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 # CP No- 11161
UDIN: A022133C000352419

Date: May 15, 2021
Place: Mumbai

SECRETARIAL AUDIT REPORT

ANNEXURE -3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

To,

The Members,

A.K. Stockmart Private Limited

CIN- U67120MH2006PTC158932

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **A. K. Stockmart Private Limited** ("AK Stockmart"/ "Company") having its registered office at 30-39, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400 021. 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.

Due to COVID-19 pandemic impact and situation of partial lockdown, the verification and examination of documents as facilitated by the Company were conducted through electronic mode and based on such verification of the 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 March 31,2021 has generally 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 AK Stockmart for the financial year ended on March 31, 2021 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; ***(Not applicable during the audit period)***

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; ***(to the extent applicable to the intermediary)***

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; ***(Not applicable during the audit period)***

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014; ***(Not applicable during the audit period)***

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

(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 (Buy-Back of Securities) Regulations, 2018; ***(Not applicable during the audit period)*** *and*

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ***(to the extent applicable to a Material Subsidiary)***

(vi) We have relied on the representation made by the Company and its officer and compliance mechanism prevailing in the Company and on examination of documents on test check basis for compliance of the following specific applicable laws and rules made thereunder, being laws that are applicable to the Company based on their sector/industry;

1) Bye-laws, Rules, Regulations, Guidelines, Circulars & Notifications issued by SEBI, Stock Exchanges & Depositories and applicable to Depository Participant , Registered Broker and In house RTA.

2) The Prevention of Money Laundering Act, 2002

I have also examined compliance with the applicable clauses of the following:

(i) 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, Guidelines, Standards, etc. mentioned above.

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. Further the change in the composition of the Board of Directors took place during the period under review in accordance with provisions of the Act and rules made thereunder.

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 and guidelines.

We further report that during the audit period there were following specific events /action reported having major bearing on company's operations;

1) Revision in remuneration payable to Ms. Aditi Mittal, Managing Director.
2) Re-appointment of Ms. Aditi Mittal as Managing Director for period of 3 years w.e.f. November 29,2020
3) Re-appointment of Mr. Subhash Chander Madan as Independent Director for period of 4 years w.e.f March 31, 2020.
4) Resignation of Mr. Ankit Gupta as a Whole-Time Director w.e.f. December 23, 2020 & Compliance Officer w.e.f. December 5, 2020
5) Appointment of Mr. Ashit Raja as a Compliance Officer w.e.f. December 5, 2020 pursuant to provisions of Regulation 18A of Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and Regulation 81 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

FOR RAGINI CHOKSHI & CO

Date: June 01, 2021
Place: Mumbai

UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 # CP No- 11161
UDIN: A022133C000407562

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members,

A.K. Stockmart Private Limited

CIN- U67120MH2006PTC158932

Our report of even date is to be 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 provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books 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, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

FOR RAGINI CHOKSHI & CO

UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 # CP No- 11161
UDIN: A022133C000407562

Date: June 01, 2021
Place: Mumbai

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, 2021, were at arm's length basis.

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

1) Name and Relationship with Related Party: A. K. Capital Finance Limited, Subsidiary

SN	Nature of Transaction	Value (INR in Lakhs)	Duration	Salient Terms	Date of Approval by the Board	Amount paid in advance
1	Purchase of Investments (excluding accrued interest)	74,505.82	FY 2020-21	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arm's length basis.	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, the said transactions were part of omnibus list approved by the Audit Committee of the Company.	Nil
2	Sale of Investments (excluding accrued interest)	88,499.55				
3	Corporate Guarantee given	27,500.00				
4	Dividend Received	271.35				
5	Loan Taken (Revolving Credit Sanction Limit amounting upto a maximum amount of INR 5,000 Lakhs w.e.f. April 30, 2020)	1,14,450				
6	Loan Repaid (Revolving Credit Sanction Limit amounting upto a maximum amount of INR 5,000 Lakhs w.e.f. April 30, 2020)	1,14,450				
7	Interest Expenses	233.27				

2) Name and Relationship with Related Party: A. K. Stockmart Private Limited, Wholly-owned Subsidiary

SN	Nature of Transaction	Value (INR in Lakhs)	Duration	Salient Terms	Date of Approval by the Board	Amount paid in advance
1	Purchase of Investments (excluding accrued interest)	3,572.96	FY 2020-21	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arm's length basis.	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, the said transactions were part of omnibus list approved by the Audit Committee of the Company.	Nil
2	Sale of Investments (excluding accrued interest)	2,511.53				
3	Brokerage Charges	11.57				
4	Demat Charges	0.02				

3) Name and Relationship with Related Party: A. K. Capital Corporation Private Limited, Wholly-owned Subsidiary

SN	Nature of Transaction	Value (INR in Lakhs)	Duration	Salient Terms	Date of Approval by the Board	Amount paid in advance
1	Dividend received	210.00	FY 2020-21	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arm's length basis.	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, the said transactions were part of omnibus list approved by the Audit Committee of the Company.	Nil

4) Name and Relationship with Related Party: Family Home Finance Private Limited, Step down subsidiary

SN	Nature of Transaction	Value (INR in Lakhs)	Duration	Salient Terms	Date of Approval by the Board	Amount paid in advance
1	Purchase of Investments (excluding accrued interest)	162.72	FY 2020-21	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arm's length basis.	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, the said transactions were part of omnibus list approved by the Audit Committee of the Company.	Nil

5) Name and Relationship with Related Party: A. K. Mittal, Managing Director & Promoter

SN	Nature of Transaction	Value (INR in Lakhs)	Duration	Salient Terms	Date of Approval by the Board	Amount paid in advance
1	Rent expenses	28.80	FY 2020-21	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arm's length basis.	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, the said transactions were part of omnibus list approved by the Audit Committee of the Company.	Nil

6) Name and Relationship with Related Party: A. K. Services Private Limited, Enterprise controlled by Key Management Personnel

SN	Nature of Transaction	Value (INR in Lakhs)	Duration	Salient Terms	Date of Approval by the Board	Amount paid in advance
1	Purchase of Investments (excluding accrued interest)	6,173.23	FY 2020-21	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arm's length basis.	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, the said transactions were part of omnibus list approved by the Audit Committee of the Company.	Nil
2	Sale of Investments (excluding accrued interest)	3,786.39				

7) Name and Relationship with Related Party: India Bond Private Limited, Enterprise controlled by Key Management Personnel

SN	Nature of Transaction	Value (INR in Lakhs)	Duration	Salient Terms	Date of Approval by the Board	Amount paid in advance
1	Software expenses	60.00	FY 2020-21	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arm's length basis.	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, the said transactions were part of omnibus list approved by the Audit Committee of the Company.	Nil

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

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

Vikas Jain
Whole-time Director
(DIN:07887754)

Place: Mumbai
Date: July 31, 2021

ANNEXURE - 5

DISCLOSURE 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 Directors**	**Ratio**
		Mr. A. K. Mittal	NA
		Mr. Ashish Agarwal	12.28%
		Mr. Vikas Jain	13.91%
2	The percentage increase in remuneration of each Director, Chief Financial Officer and the Company Secretary in the Financial Year	**Name of the Directors**	
		Mr. A. K. Mittal	NA
		Mr. Ashish Agarwal	6.82%
		Mr. Vikas Jain	6.82%
		Percentage mentioned above for Mr. Ashish Agarwal and Mr. Vikas Jain is calculated on the basis of fixed remuneration.	
		Key Managerial Personnel	
		Mr. Mahesh Bhootra - Chief Financial Officer	5.82%
		Mr. Tejas Davda - Company Secretary	8.73%
		Percentage mentioned above for Mr. Mahesh Bhootra and Mr. Tejas Davda is calculated on the basis of fixed remuneration.	
3	The percentage increase in the median remuneration of employees in the Financial Year	During the Financial Year 2020-2021, the percentage increase in the median remuneration of employees as compared to previous year was approximately 10.19%.	
4	The number of permanent employees on the rolls of Company	There were 89 employees as on March 31, 2021	
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 8.96% approximately. Remuneration paid to Mr. Mahesh Bhootra, Chief Financial Officer was increased by 5.82% based on the responsibilities entrusted on him. Remuneration paid to Mr. Tejas Davda, Company Secretary was increased by 8.73% based on the responsibilities entrusted on him. No other Key Managerial Personnel 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 Senior Management of the Company.	

For A. K. Capital Services Limited

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

Vikas Jain
Whole-time Director
(DIN: 07887754)

Place: Mumbai
Date: July 31, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMY

The Indian economy, after subdued growth in 2019, had begun to regain momentum January 2020 onwards, only to be stalled by the once-in-a-century black swan Covid-19 pandemic. The year 2020 threw the world, including India, into a pandemic-driven lockdown threatening both lives as well as livelihoods. During the initial months of the nation-wide lockdown, policies focused on ensuring that all essentials were taken care of, including direct benefit transfers to the vulnerable sections of the society. Multiple economic reforms and liquidity measures worth more than INR 20 Lakhs Crores (over 10% of GDP) were announced through the Government's 'Atma Nirbhar Bharat Abhiyan' initiative. Emergency Credit Line Guarantee Scheme was also launched to provide much needed relief to stressed sectors to help sustain employment and meet liabilities. As FY 2020-21 was drawing to a close, the Indian economy was back on the verge of a strong recovery, having regained positive growth, but more importantly, having flattened the infections curve. Fiscal spending was ramped up in the Union Budget FY 2021-22 in order to sustain the recovery. However, in a few weeks since then, the situation altered drastically as a second wave of Covid-19 infections and mortalities swept across the nation. The second wave has caused severe strains on healthcare and medical facilities, vaccine supplies and frontline health personnel. India has attempted a strong defence, to ramp up vaccines and medical support, and save lives. Going forward, an effective vaccination campaign, restoration of consumer and business confidence as well as continued monetary and fiscal support are imperative for re-igniting hopes of a robust recovery in the economy.

FY2020-21 witnessed contraction in both quarters in the first half before registering growth in the second half. GDP growth registered 23.9 percent and 7.3 percent (revised) contraction in the first two quarters on account of a nation-wide lockdown leading to weak consumer demand and a tepid investment scenario. GDP registered mild positive growth of 0.5% (revised) and 1.6% in Q3 and Q4 FY2020-21 respectively, as investment activity picked up and trade deficit declined as lockdown restrictions were gradually lifted. The Indian Rupee strengthened throughout the fiscal as investor sentiments were boosted by optimism over vaccines, government stimulus and RBI measures, via monetary policy and forex market interventions. Despite lockdowns, the Indian economy is expected to register the highest growth among emerging and advanced economies. The broad estimates from RBI, Rating agencies and research houses for FY2021-22 is expected to be in the range of 8-10.5 percent.

On the external front, India's current account recorded a surplus of 1.7% of GDP in Apr-Dec 2020 from deficits of 1.2% in the year-ago period and 0.9% in FY2019-20. Trade deficit (USD 12.74 billion) narrowed further compared to FY2019-20 primarily driven by a decrease in merchandise trade deficit on account of reduced global trade. Fiscal deficit target of 3.5% of GDP was revised upwards to 9.5% of GDP in the Union Budget on 1st February 2021 by using the Fiscal Responsibility and Budget Management (FRBM) Act in order to provide adequate space for countercyclical fiscal measures taken for boosting investments. On the financing side, net FDI inflows (USD 43.36 billion) hit a fresh high. Foreign portfolio investors turned net buyers in the domestic capital markets in FY2020-21. India's foreign exchange reserves were at USD 579.28 billion on March 26, 2021.

THE GROWTH ENVIRONMENT

The year 2020 witnessed unrivalled turmoil with the novel COVID-19 virus and the resultant pandemic emerging as the biggest threat to global economic growth in a century. Since 2018, the growth momentum in global output was on a weakened footing owing to various factors like trade tensions, political instability, slowed demand and reduction in industrial activity. COVID-19 pandemic accentuated the deceleration by causing severe demand and supply disruptions. However, the year 2021 dawned with the approval of long-awaited Covid-19 vaccines and initiation of vaccination drives in various countries. The global economy has since showed initial signs of recovery as countries renew their tryst with growth, supported by monetary and fiscal stimulus. In April 2021, the International Monetary Fund (IMF) revised up its global growth projection for 2021 to 6.0 per cent (from 5.5 per cent projected in January 2021).

In India, rural demand remains buoyant and record agriculture production for 2020-21 bodes well for its resilience. Urban demand has been gaining strength on the back of normalisation of economic activity and should get a fillip with the ongoing vaccination drive. The fiscal stimulus from increased allocation for capital expenditure under the Union Budget 2021-22, expanded production-linked incentives (PLI) scheme and rising capacity utilisation (from 63.3 per cent in Q2 to 66.6 per cent in Q3:2020-21) should provide strong support to manufacturing, services, infrastructure, investment demand and exports.

INDUSTRY STRUCTURE AND BOND MARKET DEVELOPMENTS:

As India battles the ferocious waves of Covid-19 infections, a strong policy response is building. India's fiscal and monetary response to Covid-19 has prevented severe contraction and enabled to keep the economy afloat.

Measures taken by RBI and government since the start of pandemic such as reducing policy rates, liquidity support, regulatory relaxations, asset purchases, forex swaps, and government guarantees, among others played a crucial role in preventing heavy sell-offs and protecting balance sheets.

The Union Budget for FY 2021-22 focused on ensuring a thriving rather than just surviving economy while giving a long rope to fiscal consolidation. The Union Budget 2021-22 sets up a roadmap for spending more in the next few years without worrying about fiscal deficit and higher public debt. The government has also set a five-year long fiscal consolidation path to 4.5% fiscal deficit by 2025-26. This means the government expansionary fiscal stance to support the growth will continue.

This collective endeavor resulted in stabilization of the financial sector and provided necessary liquidity support to maintain the flow of credit in the economy. As part of the INR 20.97 Lakhs Crores 'Atma-Nirbhar Bharat Abhiyan' package, the government has been taking several measures to improve liquidity among the stressed NBFCs and HFCs. It cleared 15 proposals worth INR 6,399 Crores allowing primary and secondary market purchases of debt to address the short term liquidity issues of non-banking financial companies (NBFCs) and housing finance companies (HFCs).

The RBI has also been taking steps to provide all round support to improve the resilience of NBFC sectors. Apart from liquidity support through targeted long-term repos (TLTRO) and special liquidity support windows, other measures included priority sector classification benefit to banks' lending to NBFCs for on-lending to priority sector, promoting co lending model, harmonization of exposure limits for banks' exposure to NBFCs under the large exposure framework, synchronization of risk weights for exposures of banks to rated NBFCs with those of corporate, and relaxations for minimum holding period for securitization and assignment.

NBFCs need to enhance their skill set to identify risks early, measure them, mitigate the risk proactively and build up adequate provisioning buffers to absorb potential losses. NBFCs should augment their internal stress testing framework with severe but plausible stress scenarios.

The corporate bond market's role in financing India's growth aspirations, especially the infrastructure build-out, has become even more critical after the sharp economic contraction. This heaps a huge responsibility on the private sector in general and the corporate bond market in particular to do some heavy lifting, and take up a fair share of the investment load. The recent budget also proposed creation of a market making entity for investment grade corporate bonds. This is expected to impart much needed liquidity to bonds and propel confidence in various investor segments in going down the credit curve.

Based on RBI's commentary and our own assessment of the high-frequency data, the pain from the current lockdowns is benign for now. RBI has not made an explicit revision to its already conservative 10.5% growth target for the year. The focus remains on watching the high-frequency data, vaccination drive, caseload, and possibility of opening up. Increased uncertainty on economic recovery will also push the potential monetary policy normalization further into the future. A delayed policy normalization path will be favorable for bonds in the near future.

The Covid-19 pandemic has set forth the wheels of transformation for everything around us, from our work life to our policy priorities. We work towards addressing the challenges raised by pandemic with the aim to emerge as a transformed and financially strong industry.

OUR BUSINESS

A. K. Capital Services Limited ("**AK Capital/ Company**"), incorporated on October 5, 1993, is Flagship Company of the A. K. Group, and is registered with SEBI as a Category I Merchant Banker since April 1, 1998 which 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, structured hybrid instruments, pass through certificates, direct assignments etc. for over 250 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".

The Company has also acquired certificate of registration to act as an Investment Advisor. The registration is valid up to May 15, 2022. The Company provides advisory services in fixed income securities to many of the renowned retirement trusts, PF and PT Trust.

AK Capital has 5 subsidiaries and one step down subsidiary which conduct their operations through a network of branches spread over 8 cities of India and 1 at Singapore. The group has interests in diversified business fields and the subsidiaries have been incorporated to specialize and operate in each business area.

A. K. Capital Finance Limited ("**AK Capital Finance**"), a subsidiary of AK Capital, is registered with the Reserve Bank of India as a Systemically Important Non Deposit Accepting Non-Banking Financial Company ("**NBFC-ND-SI**"). AK Capital Finance is engaged in the business of investment and lending activities. The Company primarily operates a hybrid business model, under which the revenue streams comprises of a regular and stable interest income from its loan book, fees income and treasury income from its investment book. AK 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 company 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, 2021.

A. K. Stockmart Private Limited ("**AK Stockmart**"), a wholly owned subsidiary of AK Capital incorporated in 2006 is full service brokerage house with membership of India's two key stock exchanges viz., National Stock Exchange of India Limited and BSE Limited. AK Stockmart's services span across equity and debt markets. Further, AK Stockmart is also Depository Participants with the Central Depository Services (India) Limited ("CDSL") and National Securities Depository Limited ("NSDL") for seamless settlement and clearing of securities.

In FY 2019-20 and FY 2020-21, AK Stockmart has distributed debt products of private sector companies as well as public sector company such as Tata Capital Housing Finance Limited, Shriram Transport Finance Company Limited, JM Financial Products Limited, L&T Finance Limited, Muthoot Finance Limited, Shriram City Union Finance Limited, Indiabulls Consumer Finance Limited, Tata Capital Financial Services Limited, Magma Fincorp Limited and Power Finance Corporation Limited.

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. AK Wealth is in the business of 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. As on March 31, 2021, AK Wealth had 47 clients with Asset Under Management of INR 34.67 Crores.

A. K. Capital Corporation Private Limited ("**AK Capital Corporation**"), incorporated in November 2006 is 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 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 company's 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 ("**Family Home Finance**"), incorporated in June 2017 and a step-down subsidiary of AK Capital through AK Capital Finance is registered with National Housing Bank as a non-deposit taking housing finance company.

Execution and other services

AK Capital has marked a glorious journey of over 27 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, pass through certificates, 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.

Recognition, Awards & Accolades

1. AK Capital has been awarded the prestigious international title of "**India Bond House of the Year 2018**" by IFR Asia. With this achievement, AK Capital has marked its presence along with other Asian countries' bond houses like HSBC, Credit Suisse, CIMB, ANZ & Bank of China.
2. The Company acted as a Transaction Advisor and Merchant Banker for Municipal Bond Issue of INR 200 Crores by Lucknow Municipal Corporation. The Issue got listed on December 2, 2020 at Bombay Stock Exchange. This was the 1st Municipal Bond Issue from North India. The Issue received bumper response from Investors with total bids received worth INR 450 Crores, viz. 4.5 times against the basic issue of INR 100 Crores.
3. The Company also acted as a Merchant Banker for Green Municipal Bond Issue of INR 150 Crores by Ghaziabad Nagar Nigam. The Issue was 1st Green Bond Issue by any municipal corporation in India. The Issue received bumper response from Investors with total bids received worth INR 401 Crores, viz. 4.01 times against the basic issue of INR 100 Crores.
4. AK Capital has been awarded as "**Winner in Merchant Banker Category in Debt Segment**" by ASSOCHAM on December 22, 2017. The award was conferred by Sh. P. Radhakrishnan, Hon'ble Minister of State for Finance and Shipping, Government of India.
5. The Company is one of the few merchant banking groups to have CBLO - CCIL membership.
6. 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:
   a. Loan syndication, project financing, syndication of short term debt (CPs etc.);
   b. Syndication for Venture Capital Funds, Syndication for Infrastructure Development Funds, structured hybrid financial products;
   c. 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.;
   d. Direct assignment of pool of receivables and securitization of receivables;
   e. Trading/investment in Government Securities and Corporate Bonds;
   f. Stock broking, WDM broking and Depository services;
   g. Providing portfolio management services, private wealth management, asset management and investment advisory;
   h. Retirement fund advisory; and
   I Global financial advisory, cross border funding solutions, foreign currency bonds.

Outlook and Strategy

Globally, debt market witnessed lower interest rates as central banks injected more liquidity to fight Covid-19 crisis. India's external debt to GDP ratio increased to ***21.40% at the end of December, 2020 from 20.10% a year ago. India offered moderate-risk, high-yielding debt investment opportunities to offshore investors.*** India's corporate debt outstanding stood at INR 35,108 billion (*Source: SEBI*)

Meanwhile, we have witnessed lot of developments pertaining to the debt market during the year. Regulatory authorities such as RBI and SEBI have initiated major structural reforms towards building a robust, transparent and vibrant corporate bond markets and lending infrastructure in India while supporting debt market during pandemic period.

The Special measures to support debt market include:

a) Providing special Refinancing facilities to support and extend credits to various sectors;

b) Providing a one-time moratorium period to corporate and retail borrowers;

c) Relaxation in NPA recognition norms to banks and financial intermediaries;

d) Reverse Repo reduction to encourage banks to deploy funds in productive sectors of economy;

e) Temporary relaxation in provisions for issuance of public securities;

f) Introduction of TLTRO operations to support financial intermediaries' liquidity demand ;

g) Eligibility limit for NBFCs for debt recovery under SARFAESI Act has been proposed to be reduced to an asset size of INR 100 Crores from INR 500 Crores earlier or loan size of INR 50 Lakhs from INR 1 Crore previously; and

h) RBI introduced Government Securities Acquisition Programme (G-SAP).

The measures towards building a vibrant debt market are:

a) Further development of credit default swaps;

b) Introduction of Unified Payments Interface (UPI) mechanism and Application through Online interface and Streamlining the process of Public issues of securities under – SEBI;

c) Guidelines for rights issue of units by an unlisted Infrastructure Investment Trust (InvIT);

d) Listing and trading of units of Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) on recognized stock exchanges in International Financial Services Centres (IFSC);

e) Operational framework for transactions in defaulted debt securities post maturity date/ redemption date;

f) Guidelines for Issue and Listing of Structured Products/ Market Linked Debentures-Amendments;

g) Standardization of timeline for listing of securities issued on a private placement basis; and

h) Issuance, listing and trading of Perpetual Non-Cumulative Preference Shares (PNCPS) and Innovative Perpetual Debt Instruments (IPDIs)/ Perpetual Debt Instruments (PDIs) (commonly referred to as Additional Tier 1 (AT 1) instruments) guidelines.

OPPORTUNITIES AND CHALLENGES:

Opportunities

A. 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)

2020-21		2010-11	
Total No. of issues	**Amount (INR in Crores)**	**Total No. of issues**	**Amount (INR in Crores)**
177	2,55,228.00	107	53,466.15

Table-2: Public Issue of Debt (Non-Convertible Debentures/ Bonds)

2020-21		2010-11	
Total No. of issues	**Amount (INR in Crores)**	**Total No. of issues**	**Amount (INR in Crores)**
3	6,721.97	1	90.96

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.

Segment wise performance

Company's whole business is being considered as one segment, viz. proving merchant banking services within India. The Company has only one segment of activity in accordance with the definition of "Segment" covered under Indian Accounting Standard (Ind AS) 108 on Operating Segments.

The performance of the Company is discussed in this Report.

FINANCIAL AND OPERATIONAL PERFORMANCE OF THE COMPANY

On standalone basis, your Company earned total revenue of INR 7,334.37 Lakhs during the financial year under review. The profit before tax is INR 3,247.32 Lakhs. After making provision for tax, the net profit of your Company is INR 2,541.57 Lakhs.

The consolidated total revenue of your Company stood at INR 28,914.63 Lakhs for the financial year ended March 31, 2021. The consolidated profit before tax is INR 9,835.39 Lakhs for the current financial year. After making provision for tax, the consolidated net profit of your Company is INR 7,504.59 Lakhs.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS ALONG WITH EXPLANATION

In compliance with the requirement of the Listing Regulations, the key financial ratios of the Company along with explanation for significant changes (i.e., for change of 25% or more as compared to the immediately previous financial year will be termed as 'significant changes'), has been provided hereunder

Sr. No.	Particulars	Financial Year 2020-21	Financial Year 2019-20
1.	Debtors Turnover Ratio	29.17	21.09
2.	Interest Coverage Ratio	4.33	3.22
3.	Debt Equity Ratio*	0.26	0.09
4.	Operating profit margin %	45.08%	34.95%
5.	Net profit margin %	34.65%	29.48%
6.	Return on net worth#	6.08%	4.70%
7.	Inventory Turnover Ratio	Not Applicable	
8.	Current Ratio	Not Applicable	

* Debt Equity Ratio: On a standalone basis, the debt equity ratio as on March 31, 2021 stood at 0.26 as against 0.09 as on March 31, 2020. The increase is primarily on account of increase in outstanding borrowings.

\# Return on Net-worth is a measure of profitability of a Company expressed in percentage. It is calculated by dividing total comprehensive income for the year by average capital employed during the year. Increase in revenue, operating margin, change in EPS has resulted in marginal rise in return on net-worth.

HUMAN RESOURCE

Our employees continue to be our core asset. 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. We remain committed to make AK Group a place, wherein the determination and dedication of our employees helps to serve our large clientele & generate long-term value for our shareholders.

Wellbeing and Safety For us, the health and safety of all our employees is of utmost concern and priority. During the Covid-19 situation, measures are taken to ensure that employees and their families are safe.

As on March 31, 2021, the Company had 89 employees on its payroll.

Diversity & Inclusion:

At AK Group; diversity is our strength. We hire from different cultural and social backgrounds and have a non-discriminatory approach to acquiring talent. Openness and inclusion makes AK Group a place where one would like to work. Our focus is on developing skills, encouraging talent and helping people do the best they can each day. We work with our employees as partners and provide opportunities for high quality learning, get coaching from industry's best and offer a challenging yet 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.

Teamwork & Leadership:

We believe a lot in teamwork, as all our employees work in different teams and also across multiple offices. These teams have their own areas of expertise but they all have shared responsibility and to achieve this, our employees have to work flexibly and collaboratively.

In AK Group, we expect everyone at the firm to be a leader wherein one is not only just an employee. The Company identifies and recruits people who share their commitment towards business in addition to their intellect and experience.

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 shareholders. Our goals are to reinforce the firm's culture, maximize individual potential and expand our employees' professional opportunities and abilities. We hold varied employee engagement activities, offer development workshops and create an environment of openness where learning is always a possibility and asking questions is the norm rather than the exception.

Work from Home Policy :

This policy was particularly devised at the onset of pandemic of Covid-19. The primary objectives of this policy is to ensure the safety and wellbeing of our employees & deliver on our commitments to clients in the true spirit of partnership and to secure the financial and operational resilience of the Company. While devising this Policy we strongly focus on having a well-defined Business Continuity Management System (BCMS) which addresses all aspects of business continuity including governance, situation monitoring, risk assessment, mitigation planning and tracking, stakeholder communications, liaison with external entities, scenario planning and secondary risk assessment. This Policy is applicable to all employees of A. K. Group.

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 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:

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

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

c. prevention and detection of frauds and errors;

d. accuracy and completeness of accounting records;

e. timely preparation of reliable financial information; and

f. 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 on 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.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors presents the Company's Report on Corporate Governance for the Financial Year ended March 31, 2021, in terms of Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") as amended from time to time.

BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Corporate Governance represents values, culture and behavior of the organization. Further, the term Corporate Governance is wide to encompass processes, accountability and level of transparency deployed by the organization in its functioning. In all the term Corporate Governance covers the conduct of the organization in different situations over a period.

Since, every company/body-corporate is an artificial person created by law, it cannot act on its own. Ultimately, it is the Board of Directors, KMP and Senior Management who generally governs the behavior of organization/company, and they are responsible for setting the right culture and values at all levels. Accordingly, presence of human element plays pivotal role in success of corporate governance standards at all levels for any organization. In view of the same, the Company believes that it is the collective responsibility of Board Members, KMPs' and the members of Senior Management to foster a culture in which high standards of ethical behavior, individual accountability and transparent disclosures are ingrained in all its dealings.

A. K. Capital Services Limited, completed the journey of more than 27 Years of its existence and over the years, efforts have been put to enhance the level of compliance standards, processes and practices to ensure transparency in all its dealings. As a Company, we believe in implementing Corporate Governance practices that goes beyond meeting the letter of law and we are committed in achieving the same.

The Report on Corporate Governance, as per the applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and the Listing Regulations and other applicable laws for the time being in force, is as under:

(1) BOARD OF DIRECTORS:

An effective Board of Directors is a pre-requisite for strong and effective Corporate Governance. With the belief that an active, well informed, truly diverse and independent Board of Directors is necessary to ensure the highest standards of Corporate Governance, the Company has a fundamentally strong Board comprises an optimal combination of executive, non-executive and independent directors so as to preserve and maintain the independence of the Board.

The Board of Directors consists of eminent individuals with considerable professional expertise and experience in Finance, Infrastructure, fund raising, information technology, commercial, Strategy and Planning, Business Administration and other related fields, who not only bring a wide range of experience and expertise, but also impart the desired level of independence to the Board of Directors.

The profile of executive and non-executive, non-independent directors can be accessed on the Company's website at https://www.akgroup.co.in/

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other normal business, the maximum interval between any two meetings did not exceed one hundred twenty (120) days. The Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India.

(i) Category of the Board of Directors as on March 31, 2021

Sr. No.	Name of the Director, DIN Category, and No. of Shares held	Number of directorships (Company + other public Company)	Presence in Committees (Company + other public company)		No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM held on September 19, 2020
			As a member	As a chairperson			
1	Mr. A. K. Mittal (DIN: 00698377) Promoter & Managing Director No. of Shares held: 10,40,108	3	1	0	4	4	Yes
2	Mr. Subhash Chandra Bhargava (DIN: 00020021) Chairman & Independent Director No. of Shares held: Nil	7	4	0	4	4	No
3	Mr. Subhash Chander Madan (DIN: 00785025) Independent Director No. of Shares held: Nil	2	2	1	4	4	Yes

Sr. No.	Name of the Director, DIN Category, and No. of Shares held	Number of directorships (Company + other public Company)	Presence in Committees (Company + other public company)		No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM held on September 19, 2020
			As a member	As a chairperson			
4	Mr. Khimji Shamji Pandav (DIN: 01070944) Independent Director No. of Shares held: Nil	5	5	1	4	4	Yes
5	Ms. Aditi Mittal (DIN: 00698397) Non-Executive, Non-Independent, Woman Director No. of Shares held: 1,69,681	4	1	1	4	4	Yes
6	Mr. Ashish Agarwal (DIN: 08064196) Whole-time Director No. of Shares held: Nil	1	0	0	4	3	Yes
7	Mr. Vikas Jain (DIN: 07887754) Whole-time Director No. of Shares held: Nil	3	1	0	4	4	Yes

Notes:

1. Directorships /Memberships in committees of public companies are considered including the directorship/ committee membership held in the Company.
2. The committees considered for above purpose are those prescribed in the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee.
3. Ms. Aditi Mittal is daughter of Mr. A. K. Mittal.
4. During the Financial Year 2020-21, four Meetings of the Board were held on June 27, 2020, August 14, 2020, November 7, 2020 and January 27, 2021.
5. 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 and other applicable laws for the time being in force.

(ii) Composition of the Board of Directors:

The composition of the Company's Board, is in conformity with Regulation 17(1) of the Listing Regulations and other applicable requirements, and other requisite details as on March 31, 2021.

Total No. of Directors	7
Total No. of Executive Directors	3
Total No. of Non-Executive Directors	4
Out of Total No. of Non-Executive Directors, No. of Independent Directors	3
Woman Director	1

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

All the Independent Directors of the Company have provided the declarations to the Board confirming satisfaction of the conditions of their Independence as laid down under Section 149(6) of the Act read with Rule 5 and 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended and the Regulation 16(1)(b) and Regulation 25(8) of the Listing Regulations. Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in accordance with Listing Regulations and are independent of the management.

The members of the Company had passed special resolutions, at the 26th Annual General Meeting, approving the holding of office and continuing to hold office as Independent Directors of the Company, who had attained/were likely to attain the age of 75 years as required under Regulation 17(1A) of the Listing Regulations.

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

(iii) Names of the other listed entities where the director is a director and the category of directorship as on March 31, 2021

Sr. No.	Name of the Director, DIN & Category	Names of the other listed companies where person holds directorship	Category of directorship
1	Mr. A. K. Mittal (DIN: 00698397) Promoter & Managing Director	A. K. Capital Finance Limited*	Managing Director
2	Mr. Subhash Chandra Bhargava (DIN: 00020021) Chairman & Independent Director	Aditya Birla Capital Limited	Non-Executive Independent Director
3	Mr. Khimji Shamji Pandav (DIN: 01070944) Independent Director	MEP Infrastructure Developers Limited	Non-Executive Independent Director
		A. K. Capital Finance Limited*	Non-Executive Independent Director

Note:
None of the other directors hold position of Directors in other listed entity.
*A. K. Capital Finance Limited is debt listed Company.

(iv) Retirement by rotation

The Members may note that pursuant to the provisions of Section 152 of the Companies Act, 2013 read with rules made thereunder, two-third of total number of directors of public company shall be persons whose office is liable to retire by rotation. In view of same, except independent directors, the office of all other directors is liable to retire by rotation.

In addition to above, Section 152(6)(c)of the Act also provides that out of the total number of directors whose office is liable to retire, one-third of such directors shall be liable to retire by rotation. Section 152(6)(d) of the Companies Act, 2013 also provides that, the directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

In view of the provisions of the law, Mr. Vikas Santosh Jain, Whole-time Director (DIN: 07887754) shall be liable to retire by rotation and being eligible offers himself for re-appointment. The brief profile of Mr. Vikas Santosh Jain, Whole-time Director is also enclosed along with the notice convening 28th Annual General Meeting of the Company.

(v) Details of familiarization program imparted to independent directors

The Company has designed Familiarization Programs for its Independent Directors which is imparted at the time of appointment of an Independent Director on Board as well as periodically. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatize them with the processes, business and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. The familiarization program also covers the training on the enactment of new laws, amendments/ modification in the existing regulation having impact on the Company and/or the role of Independent Directors of the Company. Apart from review of matters as required by the Charter, the Board also discusses various business strategies periodically. This deepens the Independent Directors' understanding and appreciation of Company's business and thrust areas.

Further details of familiarisation programs imparted to Independent Directors are also disclosed on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/Familiarization%20Programme%20for%20Independent%20Director-20200427180450433589 8-20210412184349647765 0.pdf

(vi) The table below summarizes qualifications, core skills/expertise/competencies with respect to each Directors:

In terms of the requirement of the Listing Regulations, the Board has identified the skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board and the names of directors who possess such skills/expertise/competence.

In the table below, specific areas of focus or expertise of individual Board members have been highlighted, however, the absence of a mark against a member's name does not necessarily mean that the member does not possess the corresponding qualification or skills:

Broad Parameters	Skill-set	A. K. Mittal	S. C. Bhargava	S. C. Madan	K. S. Pandav	Ashish Agarwal	Vikas Jain	Aditi Mittal
Industry Knowledge & Experiences	Knowledge of Financial Market & Products	✓	✓	✓	✓	✓	✓	✓
	Knowledge of applicable laws governing business	✓	✓	✓	✓	✓	✓	✓
	Risk Identification & Management	✓	✓	✓	✓	✓	✓	✓
	Knowledge of domestic & international Practice	✓	✓	✓		✓	✓	✓
Technical Skill-set	Marketing & Sales	✓	✓		✓	✓	✓	✓
	Business Operations, Accounts and Tax	✓	✓	✓	✓	✓	✓	✓
	Information Technology			✓		✓	✓	✓
Strategic Expertise	Vision and value creation	✓	✓		✓	✓	✓	✓
	Planning and Strategy	✓	✓	✓	✓	✓	✓	✓
	Strategy Implementation & Change	✓		✓	✓	✓	✓	✓
Behavioral competencies/ personal attributes	Communications & Negotiations	✓	✓	✓	✓	✓	✓	✓
	Leadership	✓	✓	✓	✓	✓	✓	✓
	Stakeholders Relationship	✓	✓	✓		✓	✓	✓
Others	Performance Oriented	✓	✓	✓	✓	✓	✓	✓
	Achieving Change	✓	✓	✓	✓	✓	✓	✓

(2) 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 Act, Listing Regulations and other applicable Laws.

(I) AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee which has been formed in pursuance of the Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements.

Brief description of terms of reference of the Audit Committee:

The Audit Committee shall perform its role as provided under the Listing Regulations, the Act, SEBI (Prohibition of Insider Trading) Regulations, 2015 and such other role as may be assigned by the Board from time to time.

The Audit Committee of the Board plays an important role in monitoring/ supervising the financial reporting process, ensuring highest levels of transparency, integrity and quality of reporting process. The Audit Committee is also responsible for selection, evaluation and deciding remuneration payable to Statutory Auditors and Internal Auditors of the Company. The Audit Committee, inter-alia scrutinizes the Investments, Borrowings and Related Party Transactions of the Company.

The Audit Committee is guided by its terms of reference. The Charter explaining exhaustive terms of reference is available on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/DETAILS%20OF%20BOARD%20COMMITTEES-20210617181231353868O.pdf

Composition of Audit Committee and Meetings held/ attended by members of the Audit Committee during Financial Year 2020-21:

Sr. No	Name of the Members	Category	No. of Audit Committee Meetings held	No. of Meetings attended
1	Mr. Subhash Chander Madan Chairman	Non-Executive Independent Director	4	4
2	Mr. A. K. Mittal Member	Managing Director	4	4
3	Mr. Khimji Shamji Pandav Member	Non-Executive Independent Director	4	4

Attendees:

The Internal Auditor, Chief Financial Officer and representatives of Statutory Auditors were invited to attend the Audit Committee Meetings as and when necessary, to brief the matters relating to the financial statements of the Company, Audit Findings, and other allied matters. The Audit Committee had reviewed the information stipulated in Part C of Schedule II of the Listing Regulations, (to the extent applicable and available,) during its above meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The Internal Auditor reports directly to the Audit Committee.

Mr. Subhash Chander Madan, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 19, 2020.

(II) NOMINATION AND REMUNERATION COMMITTEE

Purpose and Objective of Nomination and Remuneration Committee

The purpose of the Nomination and Remuneration Committee ("NRC")is to assist the Board in ensuring that the Board and Committee retain an appropriate structure, size and balance of skills to support the strategic objectives and values of the Company. The Committee assists the Board in meeting its responsibilities regarding the determination, implementation and oversight of remuneration arrangements to enable the recruitment, motivation and retention of senior management.

The Committee oversees arrangements for senior appointments (including election processes), remuneration, performance management and succession planning.

Brief description of terms of reference of Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall perform its role as provided under the Listing Regulations, the provisions of the Act and such other role as may be assigned by the Board from time to time.

The Committee reviews the matter pertaining to appointment of Directors, Senior Management and KMP's and evaluates their performance. The Committee also sets the benchmark for performance and recommends the remuneration payable to of Directors, Senior Management and KMP's. It also assesses the various performance linked incentives/ bonus for key employees of the Company.

The Nomination and Remuneration Committee is guided by its terms of reference. The Charter explaining exhaustive terms of reference is available on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/DETAILS%20OF%20BOARD%20COMMITTEES-20210617181231353868O.pdf

Composition of Nomination and Remuneration Committee and Meetings held/ attended by members of the Nomination and Remuneration Committee during Financial Year 2020-21:

Sr. No	Name of the Members	Category	No. of NRC Committee Meetings held	No. of Meetings attended
1	Mr. Khimji Shamji Pandav Chairman	Non-Executive Independent Director	4	4
2	Mr. Subhash Chander Madan Member	Non-Executive Independent Director	4	4
3	Ms. Aditi Mittal Member	Non-Executive Non-Independent Woman Director	4	4

Criteria for Performance Evaluation of Independent Directors

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.;

f) Management of conflicts in Board discussion;
g) Management of Conflict of Interest;
h) Maintains high level of confidentially;
i) Exercises independent judgement in the best interest of Company;
j) Assistance in implementing best governance practices and monitors the same;
k) Understanding governance, regulatory & oversight role of the Board;
l) Aware of significant risk in the industry and their implications;
m) Fulfills the independence criteria as specified in the Act and Listing Regulations and their independence from the management.

Remuneration of Directors

All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity:

Non-Executive Directors are entitled for the sitting fees for attending the meetings of the Board. The remuneration paid to non-executive directors is listed hereinbelow:

Name of the Directors	Sitting fees for the Board Meetings paid/payable for the Financial Year 2020-21 (Amount in INR)
Mr. Subhash Chandra Bhargava	1,00,000
Mr. Subhash Chander Madan	1,00,000
Mr. Khimji Shamji Pandav	1,00,000
Ms. Aditi Mittal	1,00,000

Executive Directors

Remuneration paid to Managing Director and Whole-time Director(s) is recommended 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 2020-21 are as under:

(Amount in INR)

Particulars	Mr. A. K. Mittal	Mr. Ashish Agarwal	Mr. Vikas Jain
Salary, bonus and allowances	-	94,30,005	1,06,80,005
Perquisites (other benefits)	-	-	-
Total (A)	**-**	**94,30,005**	**1,06,80,005**
Value of Stock Option	NA	NA	NA
Value of Sweat Equity	NA	NA	NA
Others (Retirals)	NA	NA	NA
Total (B)	-	-	-
Total (A+B)	**-**	**94,30,005**	**1,06,80,005**

Mr. Atul Kumar Mittal, Managing Director of the Company draws the remuneration to the tune of INR 1,92,00,000/- from A. K. Capital Finance Limited, subsidiary of the Company. The overall managerial remuneration is within the limits of the Act, Listing Regulations and other applicable provisions of the law for the time being in force.

Service Contracts, Notice Period, Severance Fees

The terms of appointment of Executive Directors are governed by the letter of appointment signed with the executive directors and HR Policy of the Company. All the executive directors are required to serve the Notice Period as mandated in the HR Policy of the Company. The terms related to severance fees are also captured in the HR Policy of the Company.

(III)STAKEHOLDERS' RELATIONSHIP COMMITTEE

Purpose and Objective of Stakeholders' Relationship Committee

In compliance with Regulation 20 of the Listing Regulations read with Section 178 of the Act and the Rules made thereunder, the Stakeholders' Relationship Committee ("SRC") has been constituted to assist the Board in understanding and addressing the needs of various stakeholders in a time bound manner. The SRC considers various aspect of interest of the shareholders and other stakeholders'.

Brief Description of Terms of Reference

The Stakeholders' Relationship Committee shall perform its role as provided under the Listing Regulations and the provisions of the Act and such other role as may be assigned by the Board from time to time.

The Role of Committee includes the following:

a) 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.

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

c) 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.

d) 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.

e) Resolving the shareholders grievances to the satisfaction of the shareholder.

The Stakeholders' Relationship Committee is guided by its terms of reference. The Charter explaining terms of reference is also available on the website of the Company. The link of the same is re-produced herein below:

https://www.akgroup.co.in/docs/DETAILS%20OF%20BOARD%20COMMITTEES-20210617181231353868O.pdf

Composition of Stakeholder Relationship Committee and Meetings held/ attended by members of the Stakeholders' Relationship Committee during Financial Year 2020-21:

Sr. No	Name of the Members	Category	No. of Stakeholders' Relationship Committee Meetings held	No. of Meetings attended
1	Ms. Aditi Mittal Chairperson	Non-Executive Non-Independent Woman Director	4	4
2	Mr. Vikas Jain Member	Whole-time Director	4	4
3	Mr. Subhash Chander Madan Member	Non-Executive Independent Director	4	4

Ms. Aditi Mittal, Non-Executive Director heads the Stakeholders' Relationship Committee and Mr. Tejas Davda, Company Secretary acts as a Compliance Officer for the Committee.

Details of investor complaint received and redressed during Financial Year 2020-21 is as follows:

Opening Balance	Received during the year	Resolved during the year	Number of complaints not solved to the satisfaction of shareholder	Closing Balance
0	1	1	0	0

(IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee is constituted in accordance with Section 135 of the Companies Act, 2013 and applicable rules thereto.

Terms of Reference

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

a) 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;

b) Making recommendation on the amount of expenditure to be incurred on CSR activities;

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

d) To prepare and approve annual action plan for the CSR Activities of the Company.

e) To ensure reporting mechanism relating to CSR activities of the Company.

f) Other activities/ functions as provided under the applicable provisions of the Act and rules made thereunder.

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

Composition of Corporate Social Responsibility Committee and Meeting held/ attended by members of the Corporate Social Responsibility Committee during Financial Year 2020-21:

Sr. No	Name of the Members	Category	No. of Corporate Social Responsibility Committee Meeting held	No. of Meeting attended
1	Mr. Subhash Chander Madan Chairman	Non-Executive Independent Director	1	1
2	Mr. A. K. Mittal Member	Managing Director	1	1
3	Mr. Vikas Jain Member	Whole-time Director	1	1

The Company formulated CSR Policy, which is uploaded on the website of the Company, www.akgroup.co.in. The CSR Committee met once during Financial Year 2020-21 on June 27, 2020.

The contribution made by the Company on CSR during the financial year are annexed as **Annexure - 2** to the Board's Report.

OTHER COMMITTEES OF THE BOARD

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:

(I) BANKING & INVESTMENT COMMITTEE

The Banking and Investment Committee of the Board comprises of the 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:

a) To consider the matters relating to opening/operating/closing of bank accounts and/or demat accounts including matters relating to authorizing officers to operate bank/demat account(s) and any change thereto;

b) To avail E-net, Credit Card and other facilities offered by Banks and/ Financial Institutions;

c) To open Demat & CSGL account for holding / keeping Government Securities;

d) To empanel with other market intermediaries, participants and regulators for making investment/ disinvestments;

e) 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;

f) Approve the matters related to giving/ making loans, guarantee and securities;

g) To avail credit/ loan or other services from the Bank within the limits approved by the Board;

h) To authorize officer(s) to exercise rights as an investor from time to time;

i) To consider such other matters as may be required to make an investments or operation of bank/ demat accounts from time to time.

(II) MANAGEMENT COMMITTEE

The Management Committee of the Board consists of the following Directors as its members:

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

Terms of Reference of the Committee:

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

b) 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;

c) 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;

d) To avail services/ purchase goods, execute the contracts/ agreements in ordinary course of business of the Company;

e) To authorize the officers of the Company for operational/ business purposes;

f) To consider the matter relating to participation in particular assignment, mandate, bids or offer(s) and evaluating the proposal placed before it;

(III) INFRASTRUCTURE COMMITTEE

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

a) Hiring/Letting, Residential/Commercial accommodation/s on lease for official use;

b) Acquisition/disposal of fixed assets and commercial property for official purposes;

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

d) 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;

e) To do all such acts, deeds and things as may be necessary for ensuring adequate availability of infrastructure for the benefit of the Company and making best use of the available facilities.

(3) GENERAL BODY MEETINGS

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

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

Financial Year	Date	Time	Venue	Whether any Special resolutions passed
2019-20	September 19, 2020	9.00 a.m.	*30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai- 400 021	Yes
2018-19	September 28, 2019	9.00 a.m.	The Retreat Hotel & Convention Centre, Erangal Beach, Madh Island, Marve Road, Malad (W), Mumbai, Maharashtra - 400061	Yes
2017-18	September 22, 2018	9.00 a.m.	The Retreat Hotel & Convention Centre, Erangal Beach, Madh Island, Marve Road, Malad (W), Mumbai, Maharashtra - 400061	Yes

*In view of the outbreak of the COVID-19 pandemic and pursuant to General Circulars Nos.14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the Listing Regulations, the 27th AGM of the Company was conducted through VC/OAVM Facility, which does not require physical presence of Shareholders at a common venue. The deemed venue for the 27th AGM was the Registered Office of the Company.

No postal ballot was conducted during the Financial Year 2020-21.

Currently, the Company do not have any plans with respect to passing of resolutions through Postal Ballot.

However, considering the business requirement(s) the Company may prefer to pass appropriate resolution through circulation(s)/ postal ballot. The procedure for Postal Ballot shall be communicated together with notice of passing resolution through Postal Ballot, if required.

(4) 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 Marathi newspapers (Pratahkal/Loksatta).

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.

(5) GENERAL SHAREHOLDER INFORMATION:

i. Details of the 28th Annual General Meeting of the Company

In view of the continuing COVID-19 pandemic and restrictions imposed on the movement of people, the Ministry of Corporate Affairs ("MCA") vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and in compliance with the provisions of the Act and the Listing Regulations, the 28th Annual General Meeting of the Company will be held on Saturday, September 18, 2021 at 9.00 am, through Video Conferencing/ Other Audio Visual Means, which does not require physical presence of members at a common venue.

ii. Financial year of the Company

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

iii. Dividend payment date

The payment of dividend, if any, shall be paid on or before, October 16, 2021.

iv. 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 2021-22 to BSE.

v. Stock Code and ISIN

BSE Scrip Code: 530499

International Securities Identification Number (ISIN): INE701G01012

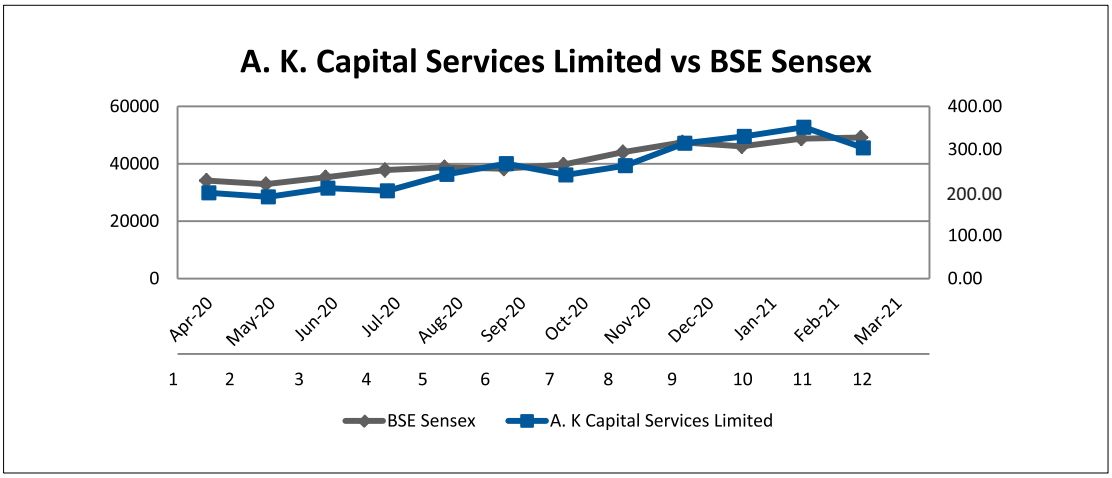
vi. Market Price data- high, low during each month in last financial year:

The table below gives the monthly high and low quotations of equity shares traded at BSE Limited (BSE) for the Financial Year 2020-21.

Month	High Price (INR)	Low Price (INR)	No. of shares traded
April 2020	224.00	165.55	17,823
May 2020	224.00	163.30	23,700
June 2020	240.00	176.10	29,906
July 2020	230.00	201.00	41,089
August 2020	275.00	192.10	38,114
September 2020	276.00	228.10	54,307
October 2020	285.00	233.05	6,288
November 2020	274.85	227.10	15,558
December 2020	356.95	252.05	1,17,497
January 2021	360.00	293.00	40,248
February 2021	398.00	325.45	62,130
March 2021	399.00	308.10	73,597

vii Performance in comparison to broad based indices: BSE Sensex

The table below shows the performance of the equity share vis a vis BSE Index, SENSEX:



viii. Confirmation/ Undertaking:

The Directors of the Company be and hereby confirm that in no event the Securities of the Company were suspended from trading during the Financial Year 2020-21.

ix. Registrar to an Issue and Share Transfer Agent

The Company has appointed Link Intime India Private Limited as its Registrar and Share Transfer Agent.

x. 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 lodged 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 exchange where the Company's shares are listed.

Pursuant to SEBI Guidelines, the transfer of ownership in Physical Mode is not permitted with effect from March 31, 2019.

xi. Distribution of Shareholding

Distribution schedule of Equity shareholding of the Company as at March 31, 2021 is as follows:

Category			Number of Shareholders	% of total Shareholders	Total number of shares held	% of total Shareholding
From		To				
1	-	500	1,973	86.16	1,74,517	2.64
501	-	1,000	143	6.24	1,10,643	1.68
1,001	-	2,000	73	3.19	1,08,762	1.65
2,001	-	3,000	22	0.96	53,467	0.81
3,001	-	4,000	15	0.66	52,361	0.79
4,001	-	5,000	8	0.35	36,370	0.55
5,001	-	10,000	23	1.00	1,65,868	2.51
10,001	-	Above	33	1.44	58,98,012	89.37
		Total	**2,290**	**100.00**	**66,00,000**	**100.00**

Note:

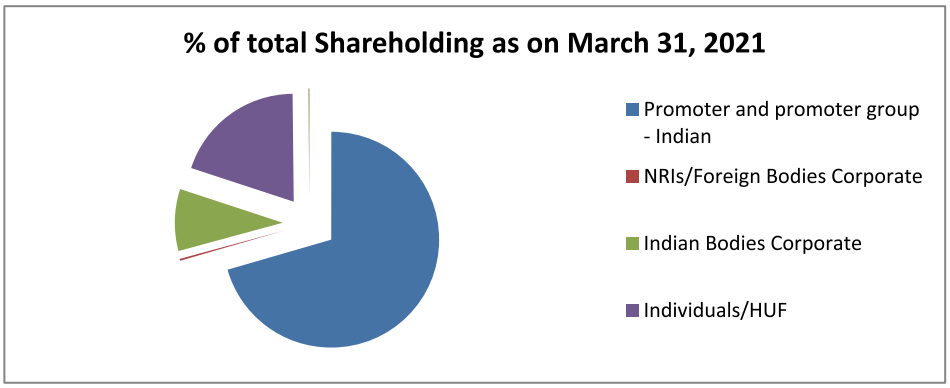
(i) The rounding off of percentages could result into arithmetical differences

(ii) Numbers of Shareholders are calculated on the basis of Folio Numbers

Equity Shareholding pattern of the Company as at March 31, 2021is as follows:

Category	Number of shares	% of total Shareholding
Promoter and promoter group		
Indian	46,53,449	70.51
Foreign (NRI)	0	0
Sub-total (A)	**46,53,449**	**70.51**
Public		
NRIs/Foreign Bodies Corporate	18,820	0.29
Indian Bodies Corporate	6,11,406	9.26
Individuals/HUF	13,04,627	19.77
Clearing Members	4,164	0.06
IEPF	7,534	0.11
Sub-total (B)	**19,46,551**	**29.49**
Total Shareholding (A) + (B)	**66,00,000**	**100.00**

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



xii. **Dematerialization of Shares and Liquidity:**

As on March 31, 2021, 99.68% 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 traded at the BSE Limited. The market lot is one share as the trading in equity shares of the Company is permitted in dematerialized form.

xiii. The Members of the Company are informed that only Equity Share Capital forms the part of the paid-up Capital Structure of the Company. The Company has not issued any other instrument(s) such as Preference Shares/ American Depository Receipts/ Global Depository Receipts or any other instruments whether convertible or not.

xiv. The Members of the Company may note that Company is not involved in the Commodities Market. Further the operations of the Company are not exposed to Foreign Exchange Risk and Hedging Activities.

xv. Since the Company is engaged in the business of providing Services as a Merchant Banker and Investment Adviser, the Company do not have any manufacturing units/ plants.

xvi. **Address for Correspondence:**

For any assistance, request or instruction regarding transmission/transposition 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
30-38, Free Press House, 3rd Floor, Free Press Journal Marg
215, Nariman Point, Mumbai – 400021
Tel: +91 22 6754 6500 | Fax: +91 22 6610 0594
E-mail: compliance@akgroup.co.in

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

Chief Financial Officer
A. K. Capital Services Limited
30-38, Free Press House, 3rd Floor, Free Press Journal Marg
215, Nariman Point, Mumbai – 400021
Tel: +91 22 67546500 | Fax: +91 22 66100594
E-mail: akmumbai@akgroup.co.in
Website: www.akgroup.co.in

xvii. List of all credit Rating obtained by the Company

Rating of the Bank Loan facilities of the Company is mentioned below:

Facility	Limits (INR in Crores)	Tenure	Rating
Fund Based	582.29	Long Term	BWR AA- (BWR Double A Minus) (Outlook: Stable)

(6) OTHER DISCLOSURES:

i. Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the Interest of Listed Entity at Large:

All the Related Party Transactions (RPTs) that were entered during the Financial Year 2020-21 were on arm's length basis and were in ordinary course of business. The Company presents a statement of related party transactions before the Audit Committee on a quarterly basis specifying inter alia the nature & value of the transactions. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and/or repetitive in nature.

However, the disclosure of transactions with related party for the year, as per Indian Accounting Standard-24 (IND AS-24), Related Party Disclosures is given in Notes to the Accounts section of the Annual Report.

Further, disclosure required under Schedule V Part A of Listing Regulations pertaining to related party transactions is furnished in Notes to the Accounts section of the Annual Report.

All Related Party Transactions as required under Indian Accounting Standards-24 are reported in **note no. 34** of Notes to the consolidated financial statements and **note no. 36** of Notes to the standalone financial statements of your Company.

ii. No material 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 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.

iv. 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:

a) The Board:

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

b) 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.

c) Modified opinion(s) in Audit Report:

For the Financial Year ended March 31, 2021, 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.

d) Reporting of the Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

v. Policy on determining Material Subsidiary

In accordance with Listing Regulations 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:

https://www.akgroup.co.in/docs/Policy%20for%20Determining%20Material%20Subsidiaries_Final-20210618214430031157 7.pdf

vi. Policy on dealing with Related Party Transactions

In accordance with the provisions of Listing Regulations, 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:

https://www.akgroup.co.in/docs/Policy%20on%20Materiality%20and%20Dealing%20with%20Related%20Party%20Transactions_Final-20210618215011639643 7.pdf

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

viii. During the Financial Year 2020-21, the Company has not raised any funds through Preferential Allotment or qualified institutional placement as specified under Regulation 32(7A) of Listing Regulations.

ix. Certificate from Practicing Company Secretary:

The Certificate from the Practicing Company Secretary, M/s. Ragini Chokshi & Co., Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed/ continuing as directors of the Company by SEBI and/or Ministry of Corporate Affairs and/or any such authority forms part of this Annual Report.

x. The Members of the Company are informed that the Board has accepted all the recommendation of its Committees.

xi. M/s. PYS & Co; Chartered Accountants, [Firm Registration No.: 012388S/S200048] is the Statutory Auditor of the Company. The remuneration paid to the Statutory Auditors for the Services rendered during Financial Year 2020-21 is disclosed in the Financial Statements of the Company. The Subsidiaries of the Company have not availed any Services from the statutory auditors of the Company.

Neither the Company nor its subsidiaries have availed the Services of any network firm/ network entity of which statutory auditor is part.

xii. **Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has constituted the Internal Complaint Committee consisting of such members and representatives as prescribed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial Year 2020-21, no case in the nature of sexual harassment was reported at any workplace of the Company.

xiii. The Members are informed that the Company has complied with all the conditions as specified in para (2) to (10) of the Schedule V of the Listing Regulations to the extent applicable to the Company.

xiv. The disclosures in relation to adoption of discretionary requirements as specified in Part E of Schedule II are provided in Clause 6(iv) of the Corporate Governance Report.

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

Sr. No.	Regulation and Particulars	Compliance observed during the Financial Year 2020-21	Compliance Status Yes/No/N.A.
i)	Regulation 17 Board of Directors	a. Board Composition b. Number of Board Meetings and gap between them c. Quorum of Board Meetings d. Review of compliance reports e. Plans for orderly succession for appointments f. Code of Conduct g. Fees / compensation to Non-Executive Directors h. Minimum information to be placed before the Board I Compliance Certificate j. Risk Assessment & Management k. Performance Evaluation of Independent Directors l. Other matters provided in Regulation 17 of the Listing Regulations, to the extent applicable to the Company.	Yes
ii)	Regulation 17A Maximum no. of directorships	a. Maximum number. of directorships in listed entities b. Maximum number of independent directorships in listed entities	Yes
iii)	Regulation 18 Audit Committee	a. Composition of Audit Committee b. Number of Audit Committee Meetings and gap between them c. Quorum of Audit Committee Meeting d. Presence of Chairperson of Audit Committee at the Annual General Meeting e. Powers of Audit Committee f. Role of Audit Committee and review of information by the Committee g. Other matters provided in Regulation 18 of the Listing Regulations, to the extent applicable to the Company.	Yes
iv)	Regulation 19 Nomination and Remuneration Committee	a. Composition of Nomination and Remuneration Committee b. Quorum of Nomination and Remuneration Committee Meeting c. Presence of Chairperson of Nomination and Remuneration Committee at the Annual General Meeting d. Number of Nomination and Remuneration Committee Meetings e. Role of the Committee and review of information by the Committee f. Other matters provided in Regulation 19 of the Listing Regulations, to the extent applicable to the Company	Yes
v)	Regulation 20 Stakeholders Relationship Committee	a. Composition of Stakeholders Relationship Committee b. Meetings of the Stakeholders Relationship Committee c. Presence of Chairperson of Stakeholders Relationship Committee at the Annual General Meeting d. Role of the Committee and review of information by the Committee e . Other matters provided in Regulation 20 of the Listing Regulations, to the extent applicable to the Company	Yes
vi)	Regulation 21 Risk Management Committee	The Company is not in the list of top 500 listed entities by market capitalization. Hence the provision of Regulation 21 of the Listing Regulations is not applicable to the Company.	N.A.
vii)	Regulation 22 Vigil Mechanism	a. Formulation of Vigil Mechanism b. Provision for safeguarding and protection of Employees against victimization who avails the mechanism c. Direct access to Chairperson of Audit Committee d. Other matters provided in Regulation 22 of the Listing Regulations, to the extent applicable to the Company	Yes

Sr. No.	Regulation and Particulars	Compliance observed during the Financial Year 2020-21	Compliance Status Yes/No/N.A.
viii)	Regulation 23 Related Party Transactions	a. Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions b. Approval of Shareholders for RPTs exceeding 10% of the annual consolidated turnover. c. Related Party Transactions of the Company are pursuant to contracts duly approved by the Audit Committee (Omnibus), Board of Directors and Shareholders of the Company. d. Review of Related Party Transactions e. Approval of Audit Committee of all the related party transactions. f. Disclosure of Related Party Transactions on consolidated basis every half yearly to the Stock Exchange. g. Other matters provided in Regulation 23 of the Listing Regulations, to the extent applicable to the Company.	Yes
ix)	Regulation 24 Corporate Governance requirements with respect to subsidiary of listed entity	a. One Independent Director from the Board of listed entity shall be a director on the Board of an unlisted material subsidiary. b. To review financial statement of unlisted subsidiary particularly investment by them. c. Minutes of Board of unlisted subsidiary placed at the meeting of Board of listed entity d. Significant transaction of subsidiaries placed before the Board e. Other matters provided in Regulation 24 of the Listing Regulations, to the extent applicable to the Company.	Yes
x)	Regulation 24A Secretarial Audit and Secretarial Compliance Report	a. Secretarial Audit Report of the listed entity and its material unlisted subsidiaries annexed with Annual Report. b. Submission of Annual Secretarial Compliance Report to stock exchange.	Yes
xi)	Regulation 25 Obligations with respect to Independent Directors	a. Maximum Directorship and Tenure b. Meeting of Independent Directors c. Review of performance of non-independent directors, the Board of Directors as a whole, Chairperson and assessing the quality, quantity and timeliness of flow of information between the management and the Board of Directors. d. Familiarization Program of Independent Directors e. Other matters provided in Regulation 25 of the Listing Regulations, to the extent applicable to the Company.	Yes
xii)	Regulation 26 Obligations with respect to Directors and Senior Management	a. Membership(s)/ Chairmanship(s) in the Committee(s) b. Affirmation with compliance to Code of Conduct from Directors and senior management c. Other matters provided in Regulation 26 of the Listing Regulations, to the extent applicable to the Company.	Yes
xiii)	Regulation 27 Other Corporate Governance requirements	a. Compliance with discretionary requirements b. Filing of quarterly compliance report on Corporate Governance c. Other matters provided in Regulation 27 of the Listing Regulations, to the extent applicable to the Company.	Yes
xiv)	Regulation 46 Website	Matters provided in Regulation 46 are available on the website of the Company to the extent applicable to the Company.	Yes

(8) Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account:

As per Listing Regulations, the Company reports that the Company has not transferred any equity shares in demat suspense account/unclaimed suspense account at any point of time.

(9) CEO/CFO Certification:

The CEO/CFO have certified to the Board, inter alia the accuracy of financial statements and adequacy of internal controls for the financial year ended March 31, 2021, as required under Regulation 33 (1) (e) read with Schedule IV of Listing Regulations. The said certificate is annexed to and forms part of this Report.

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 Code lays down, in detail, the standards of business conduct, ethics, and governance. The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct in respect of the Financial Year 2020-21.

For A. K. Capital Services Limited

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

Place: Mumbai
Date: July 31, 2021

CERTIFICATE FROM THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To,
The Board of Directors
A. K. Capital Services Limited

A. We have reviewed financial statements and the cash flow statement for the Financial Year 2020-21 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: July 31, 2021

ANNEXURE - 6

CERTIFICATE ON NON – DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

A. K. Capital Services Limited

30-38, 3rd Floor, Free Press House,

Free Press Journal Marg,

215, Nariman Point

Mumbai - 400021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **A. K. Capital Services Limited** having CIN: L74899MH1993PLC274881 and having registered office at 30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point Mumbai-400021 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	Designation	Date of Appointment	DIN
1	Mr. Subhash Chandra Bhargava	Non Executive Chairman & Independent Director	04.09.2007	00020021
2	Mr. Atul Kumar Mittal	Managing Director	05.10.1993	00698377
3	Ms. Aditi Mittal	Non Executive Director	03.02.2018	00698397
4	Mr. Subhash Chander Madan	Non Executive Independent Director	28.12.2005	00785025
5	Mr. Khimji Shamji Pandav	Non Executive Independent Director	11.08.2018	01070944
6	Mr. Vikas Santosh Jain	Whole time Director	03.02.2018	07887754
7	Mr. Ashish Agarwal	Whole time Director	03.02.2018	08064196

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 Ragini Chokshi & Co.
Company Secretaries

Umashankar K. Hegde
Partner
M.No- ACS 2213 # C.P. No-11161
UDIN: A022133C000352531

Place: Mumbai
Date: May 21, 2021

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
30-38, 3rd Floor, Free Press House
Free Press Journal Marg
215, Nariman Point
Mumbai – 400021

1. The Corporate Governance Report prepared by **A. K. Capital Services Limited** ("the Company"), contains the details as required by provisions of the regulations 17 to 27, 46 (2) (b) to (i) and paras 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 31 March 2021. This certificate is required by the Company for inclusion in the Annual Report of the Company, which shall be submitted to the Stock Exchange and 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.
3. The Management along with the Board of Directors are also 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

4. Pursuant to the requirements of the Listing Regulations, it is our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. 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.
6. 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.
7. 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 including composition of independent 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 2020 to 31 March 2021;
      a) Board of Directors
      b) Audit committee
      c) Annual General
      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 the 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

8. Based on the procedures performed by us as referred in paragraph 7 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 31 March 2021, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. 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.
10. 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

UDIN: 21039407AAAAKE5685

Certificate No.: 8020

Place: Mumbai

Date: July 16, 2021

INDEPENDENT AUDITORS' REPORT

To
The Members of
A. K. Capital Services Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of A. K. Capital Services Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 as amended ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Sr. No.	Key Audit Matter	How Our audit addressed the key audit matter
1(a)	**Measurement of investments in accordance with Ind AS 109 "Financial Instruments" (note 2, 6, 36, 37 and 39 to the Standalone Financial Statements)** On initial recognition, investments are recognized at fair value, in case of Investments which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the investments. The Company's investments are subsequently classified into following categories based on the objective of its business model to manage the cash flows and options available in the standard: • Debt instruments at amortised cost • Debt instruments and equity instruments at fair value through profit or loss (FVTPL) • Equity instruments measured at fair value through other comprehensive income (FVTOCI)	**Principal Audit Procedures** • Obtained an understanding of Company's business model assessed in accordance with Ind AS 109; • Evaluated the Company's assessment of business model; • Obtained an understanding of the determination of the measurement of the investments and tested the reasonableness of the significant judgments applied by the management; • Evaluated the design of internal controls relating to the measurement and also tested the operating effectiveness of the aforesaid controls; • Ensured that the Company has used valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs, including consideration of the current economic and market conditions due to COVID-19 pandemic;

Sr. No.	Key Audit Matter	How Our audit addressed the key audit matter
	The Company has assessed following two business model: - Held to collect contractual cash flows - Realising cash flows through the sale of investments. The Company makes decisions based on the assets' fair values and manages the assets to realise those fair values. Since valuation of investments at fair value involves critical assumptions, significant risk in valuation and complexity in assessment of business model, the valuation of investments as per Ind AS 109 is determined to be a key audit matter in our audit of the standalone financial statements.	• Obtained and assessed the valuation certificate of independent valuer in respect of fair value investments; and • Assessed the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.
1(b)	**Impairment loss on investments measured at amortized cost:** (note 2, 6, 36 and 37 to the Standalone Financial Statements) Recognition and measurement of impairment relating to the investments measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are: - Credit ratings of the investments; - Investment staging criteria; - Calculation of probability of default rate / Loss given default rate; - Consideration of probability weighted scenarios; and - Forward looking macro-economic factors. The Company considered current and anticipated future economic conditions relating to industries the Company deals. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its investments to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. There is a large increase in the data inputs required for the computation of ECL of investments. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model and therefore we identified allowance for credit losses of investments as a key audit matter.	**Principal audit procedures** • Analysed the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions arising from the COVID-19 pandemic; • For investments and allowance for the credit loss thereon, we tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. • Verified the data inputs used for probability of default rate and loss given defaults rate; • Verified the computation of the allowance for credit losses and tested the mathematical accuracy; and • Assessed the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.
2	**Related party transactions and disclosures** **(as described in note 34 of the Standalone Financial Statements)** The Company has undertaken transactions with its related parties in the normal course of business. We have identified the accuracy and completeness of related party transactions and its disclosure as set out in respective notes to the standalone financial statements as a key audit matter to verify whether the transactions are recorded at arm length basis, disclosure of such transactions in the financial statements and regulatory compliance thereon during the year ended 31 March 2021.	**Principal Audit Procedures** • Obtained, read and assessed the Company's policies, processes and procedures in respect of identifying related parties, evaluation of arm's length, obtaining necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with the regulations. • We have tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents for appropriate authorization and approval for such transactions. • We have read minutes of meeting of the Board and its relevant committee meetings and minutes of meetings of those charged with governance in connection with transactions with related parties affected during the year and Company's assessment of related party transactions being in the ordinary course of business at arm's length and in accordance with the regulations. • Assessed and tested the disclosures made in accordance with the requirements of Ind AS and the applicable regulations.

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in

(i) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as, it appears from our examination of those books;
   c) The balance sheet, the statement of profit and loss, changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
   e) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act;
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting;
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid or provided to its directors during the year is in accordance with the provision of Section 197 of the Act;
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its standalone financial position;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

G.D. Joglekar
Partner
Membership No.: 39407
UDIN: 21039407AAAAIV2347

Place: Mumbai
Date: May 29, 2021

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, which is reasonable having regard to size of the Company and nature of its fixed assets. During the year, the management of the Company has conducted physical verification of all of its fixed assets and no discrepancy was 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 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 partnerships 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 provided to us, the Company has complied with the provisions of Section 185 and 186 of the Act with respect to loans, guarantees, security and investments.

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

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

(vii) (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income tax, goods and service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the March 31, 2021 for a period of more than six months from the date they became payable. As informed, during the year, statutory dues in the nature of duty of excise, duty of customs, value added tax and sales 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, goods and service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.

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

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

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

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

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

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

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

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is 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
UDIN: 21039407AAAAIV2347
Place: Mumbai
Date: May 29, 2021

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 as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

G.D. Joglekar
Partner
Membership No.: 39407
UDIN: 21039407AAAAIV2347
Place: Mumbai
Date: May 29, 2021

BALANCE SHEET AS AT MARCH 31, 2021

₹ in Lakhs

	Note No.	As at 31-03-2021	As at 31-03-2020
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3 (a)	128.74	240.04
(b) Bank balances other than (a) above	3 (b)	20.05	189.44
(c) Trade receivables	4	220.91	29.97
(d) Loans	5	45.75	49.95
(e) Investments	6	50,032.36	40,817.34
(f) Other financial assets	7	231.10	336.97
Total financial assets		**50,678.91**	**41,663.71**
(2) Non-financial assets			
(a) Investment properties	8	2,709.95	2,767.33
(b) Property, plant and equipment	9	698.84	1,018.17
(c) Intangible assets	10	20.34	11.54
(d) Other non financial assets	11	62.00	41.99
Total non-financial assets		**3,491.13**	**3,839.03**
TOTAL ASSETS		**54,170.04**	**45,502.74**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Trade payables	12		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		257.01	391.25
(b) Borrowings (other than debt securities)	13	10,696.10	3,689.62
(c) Deposits	14	279.18	267.37
(d) Other financial liabilities	15	344.69	752.23
Total financial liabilities		**11,576.98**	**5,100.47**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)		127.85	77.56
(b) Provisions	16	190.82	166.26
(c) Deferred tax liabilities (net)	17	282.53	306.26
(d) Other non-financial liabilities	18	122.20	131.73
Total non-financial liabilities		**723.40**	**681.81**
TOTAL LIABILITIES		**12,300.38**	**5,782.28**
EQUITY			
(a) Equity share capital	19 (a)	660.00	660.00
(b) Other equity	19 (b)	41,209.66	39,060.46
TOTAL EQUITY		**41,869.66**	**39,720.46**
TOTAL LIABILITIES AND EQUITY		**54,170.04**	**45,502.74**

Significant accounting policies (Refer Note 2)

The accompanying notes are an integral part of financial statements
As per our report of even date attached

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

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

G. D. Joglekar
Partner
Membership No. 39407
Place: Mumbai
Date: May 29, 2021

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 29, 2021

Vikas Jain
Director
(DIN: 07887754)

Mahesh Bhootra
Chief Financial Officer

Tejas Davda
Company Secretary
(ACS: A27660)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

	Note No.	Current Year 2020-2021	Previous Year 2019-2020
Revenue from operations			
Sale of services	20	3,658.76	3,314.84
Net gain on fair value changes	21	2,034.23	1,346.15
Net gain on derecognition of financial instrument under amortised cost category		-	30.63
Interest income	22	814.15	870.63
Dividend income		481.35	491.26
Rental income		228.85	271.12
Total revenue from operations		**7,217.34**	**6,324.63**
Other income	23	117.03	9.62
Total income		**7,334.37**	**6,334.25**
EXPENSES			
Finance costs	24	975.02	998.68
Employee benefits expense	25	1,608.03	1,460.35
Impairment of financial instruments		136.47	15.00
Depreciation and amortization expense	8, 9, 10	334.55	352.19
Other expenses	26	1,032.98	1,287.81
Total expenses		**4,087.05**	**4,114.03**
Profit before exceptional items and tax		**3,247.32**	**2,220.22**
Exceptional Items		-	-
Profit before tax		**3,247.32**	**2,220.22**
Tax expense:			
Current tax		731.00	500.00
Prior period tax adjustments		-	(54.99)
Deferred tax expense/ (credit)		(25.25)	(91.92)
Profit for the year [A]		**2,541.57**	**1,867.13**
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit and loss		6.01	(9.50)
Less: Income tax expense on above	28	(1.52)	8.75
Other comprehensive income for the year [B]		**4.49**	**(0.75)**
Total comprehensive income for the year [A+B]		**2,546.06**	**1,866.38**
Earnings per equity share (₹)	33		
Basic		38.51	28.29
Diluted		38.51	28.29

Significant accounting policies (Refer Note 2)

The accompanying notes are an integral part of financial statements
As per our report of even date attached

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

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

G. D. Joglekar
Partner
Membership No. 39407
Place: Mumbai
Date: May 29, 2021

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 29, 2021

Vikas Jain
Director
(DIN: 07887754)

Mahesh Bhootra
Chief Financial Officer

Tejas Davda
Company Secretary
(ACS: A27660)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A. EQUITY SHARE CAPITAL

₹ in Lakhs

	Number of shares	Amount
At 31 March 2019	6,600,000	660.00
Issue of share capital	-	-
At 31 March 2020	6,600,000	660.00
Issue of share capital	-	-
At 31 March 2021	**6,600,000**	**660.00**

B. OTHER EQUITY

₹ in Lakhs

Particulars	Reserves and surplus				Items of other comprehensive income		Total
	Capital reserve	General reserve	Securities premium	Retained earnings	Actuarial gain/ (loss) on defined benefits obligations	Remeas-urement of equity Instruments	
Balance at 31 March 2019	**675.00**	**4,960.89**	**3,440.00**	**29,510.64**	**62.03**	**(681.09)**	**37,967.47**
Profit for the year	-	-	-	1,867.13	-	-	**1,867.13**
Other comprehensive income net of tax for the year	-	-	-	-	(0.69)	(0.06)	**(0.75)**
Dividend paid	-	-	-	(726.00)	-	-	**(726.00)**
Dividend distribution tax	-	-	-	(47.39)	-	-	**(47.39)**
Balance at 31 March 2020	**675.00**	**4,960.89**	**3,440.00**	**30,604.38**	**61.34**	**(681.15)**	**39,060.46**
Profit for the year	-	-	-	2,541.57	-	-	**2,541.57**
Other comprehensive income net of tax for the year	-	-	-	-	4.49	-	**4.49**
Dividend paid	-	-	-	(396.00)	-	-	**(396.00)**
Dividend distribution tax (prior year)	-	-	-	(0.86)	-	-	**(0.86)**
Balance at 31 March 2021	**675.00**	**4,960.89**	**3,440.00**	**32,749.09**	**65.83**	**(681.15)**	**41,209.66**

Significant accounting policies (Refer Note 2)

The accompanying notes are an integral part of financial statements
As per our report of even date attached

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

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

G. D. Joglekar
Partner
Membership No. 39407
Place: Mumbai
Date: May 29, 2021

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 29, 2021

Vikas Jain
Director
(DIN: 07887754)

Mahesh Bhootra
Chief Financial Officer

Tejas Davda
Company Secretary
(ACS: A27660)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

	Current Year 2020-2021	Previous Year 2019-2020
Cash flow from/(used in) operating activities		
Profit before tax	3,247.32	2,220.22
Adjustment for:		
Depreciation and amortisation	334.55	352.19
Loss / (Profit) on sale of property, plant and equipment	-	61.57
Bad debts/Deposits written off	5.86	3.01
Liabilities and provisions written back	(98.05)	-
Impairment on financial instruments	136.47	15.00
Gain on termination/modification/waiver of lease	(18.78)	-
Interest income on deposits	(0.27)	(0.49)
Interest income on loans and others	(17.74)	(20.80)
Interest income on investements	(796.14)	(849.34)
Rental income	(228.85)	(271.12)
Dividend income	(481.35)	(491.26)
Net gain on fair value changes	(2,034.23)	(1,346.21)
Net gain on derecognition of financial instrument under amortised cost category	-	(30.63)
Interest expenses	975.02	998.68
Movement in working capital:		
Increase/(decrease) in trade payable and other financial liabilities	(171.04)	376.90
(Increase)/decrease in trade receivables and other financial assets	138.96	248.40
(Increase)/decrease in loans and other financial assets	4.20	75.13
(Increase)/decrease in other assets	(27.58)	30.55
Increase/(decrease) in provisions	30.57	(2.15)
Increase/(decrease) in other liabilities	(9.53)	(27.51)
Cash generated from/(used in) operations	**989.39**	**1,342.14**
Income tax paid	(693.69)	(438.32)
Cash generated from/(used in) operations [A]	**295.70**	**903.82**
Cash flow from/(used in) investing activities		
Proceeds from sale/(payment for purchases) of investments (net)	(7,317.26)	3,246.17
Payment for acquisition of property, plant and equipment (including capital advance)	(5.27)	(257.90)
Payment for acquisition of intangibles	(8.03)	(7.60)
Proceeds from sale of property, plant and equipment	-	146.84
Proceeds/(Investments) in fixed deposits	(6.00)	12.77
Interest received on investements	744.30	902.62
Interest received on deposits	-	0.47
Interest received on loans and others	17.74	9.31
Dividend received	481.35	491.26
Rent received	218.00	249.48
Cash generated from investing activities [B]	**(5,875.17)**	**4,793.42**
Cash flow from/(used in) financing activities		
Proceeds/(Repayment) of short term borrowings	8,345.84	(3,678.14)
Repayment of long term borrowings	(1,331.79)	(1,150.83)
Proceeds from long term borrowings	-	1,200.00
Interest paid	(949.05)	(971.04)
Dividends paid (including dividend distribution tax)	(396.86)	(773.39)
Payment of lease liabilities	(199.97)	(197.14)
Cash generated from/(used in) financing activities [C]	**5,468.17**	**(5,570.54)**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**(111.30)**	126.70
Add: Cash and cash equivalents at the beginning of the year	240.04	113.34
Cash and cash equivalents at the end of the year	128.74	240.04

Reconciliation of liabilities arising from financing activities

₹ in Lakhs

Particulars	As at 31-03-2020	Cash Flows	Transaction cost	Interest accrual	As at 31-03-2021
Long-term borrowings	3,593.97	(1,331.79)	1.85	-	2,264.03
Short-term borrowings	95.65	8,345.84	(9.42)	-	8,432.07
Lease liabilities	448.51	(225.32)	(72.53)	25.35	176.01
Interest on above borrowings	-	(949.05)	13.54	936.69	1.18
Total liabilities from financing activities	**4,138.13**	**5,839.68**	**(66.56)**	**962.04**	**10,873.29**

Particulars	As at 31-03-2019	Cash Flows	Transaction cost	Interest accrual	As at 31-03-2020
Long-term borrowings	3,547.14	49.17	(2.34)	-	3,593.97
Short-term borrowings	3,737.14	(3,678.14)	36.65	-	95.65
Lease liabilities	-	(241.80)	645.65	44.66	448.51
Interest on above borrowings	-	(971.04)	22.59	948.45	-
Total liabilities from financing activities	**7,284.28**	**(4,841.81)**	**702.55**	**993.11**	**4,138.13**

Significant accounting policies (Refer Note 2)

The accompanying notes are an integral part of financial statements
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 29, 2021

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

A. K. Mittal
Managing Director
(DIN: 00698377)
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Vikas Jain
Director
(DIN: 07887754)

Mahesh Bhootra
Chief Financial Officer

Tejas Davda
Company Secretary
(ACS: A27660)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 1

CORPORATE INFORMATION

A. K. Capital Services Limited ("the Company") is a listed Company having its registered office at 30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400021 and incorporated on October 05,1993 under the provisions of the Companies Act, 1956. The Company is a SEBI Registered Category I Merchant Banker. The Financial statements are approved for issue by the Company's Board of Directors on May 29, 2021.

NOTE - 2

SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation and presentation of financial statements

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and on the basis of accounting principle of a going concern in accordance with generally accepted accounting principles (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Financial Statements are presented in Lakhs or decimal thereof unless otherwise specified.

The financial statements have been presented in accordance with schedule III-Division III General Instructions for Preparation of financial statements of a Non-Banking Financial Company (NBFC) that is required to comply with Ind AS.

2.02 Functional and presentation currency

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

2.03 Use of estimates

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the financial statements are:

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

2.04 Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

2.05 Revenue recognition

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

Ind AS 115 "Revenue from contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

A) Identify the contract(s) with a customer;

B) Identify the performance obligations;

C) Determine the transaction price;

D) Allocate the transaction price to the performance obligations;

E) Recognise revenue when or as an entity satisfies performance obligation.

Merchant banking fees

Revenue from merchant banking fees includes arranger fees, advisory fees, lead manager fees are recognized when the Company satisfies performance obligation. Lead manager fees are recognised over a point of time. The Company measures its progress towards satisfaction of performance obligation based on output method i.e. milestone basis. Revenue from arranger services and advisory services are recognised point in time.

Brokerage

Revenue from brokerage is recognised point in time.

Interest Income

Under Ind AS 109, Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through Profit and loss (FVTPL).

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instruments in estimating the cash flows.

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premium or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at Fair value through Other Comprehensive Income ("FVTOCI") is recognised in net gain\loss on fair value changes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

However, net gain / loss on derecognition of financial instruments classified as amortised is presented separately under the respective head in the Statement of Profit and Loss.

Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established.

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

Rental Income

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

2.06 Taxes

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

Current tax

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

Current income taxes are recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions, where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised , based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

2.07 Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

2.08 Investment property

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

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

2.09 Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and

impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

Derecognition of assets

An item of intangible asset and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognized.

Intangible assets comprising of Software are amortised on a straight line basis over its estimated useful life or maximum 5 years, whichever is shorter.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.11 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The contingent liability is not recognized in books of account but its existence is disclosed in financial statements.

A contingent assets, where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in Ind AS 37.

2.12 Impairment of assets

a) Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The Company applies a simplified approach in calculating Expected Credit Losses (ECLs) on trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

For all other financial assets, expected credit losses are measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of profit or loss.

b) Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset. unless the asset does not generate cash inflows that are largely independent of those from other assets.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

Amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

Fair value through profit and loss (FVTPL): A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, except interest income and dividend income if any, recognized as 'Net gain on fair value changes ' in the Statement of Profit and Loss.

Fair value through other comprehensive income (FVTOCI): Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period, the Company changes its business model for managing financial assets.

Trade Receivables and Loans:

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(a) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(b) Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(c) Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, except interest income and dividend income if any, recognized as 'Net gain on fair value changes ' in the Statement of Profit and Loss. Interest income /dividend income on financial assets measured at FVTPL is recognised separately from "net gain on fair value changes in the statement of profit and loss".

Equity Instruments:

All investments in equity instruments other than investments in subsidiary companies classified under financial assets are initially measured at fair value , the Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

Derecognition

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

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and in the case of borrowings trade payables and other financial liabilities, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade payables, deposits and other financial liabilities.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

(a) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(b) Trade and Other Payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

(c) Deposits:

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

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.14 Investments in equity instruments including deemed equity instruments of subsidiaries

Investments in equity instruments including deemed equity instruments of subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

2.15 Segment Reporting

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

Segment Policies:

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

Segment information

Companies whole business is being considered as one segment.

2.16 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

2.17 Retirement benefits

i) Defined contribution plans (Provident fund)

In accordance with Indian Law, eligible employees receive benefits from Provident Fund and Labour welfare fund which is defined contribution plan. In case of Provident fund, both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Company recognises all remeasurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

iii) Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

iv) Compensated absences

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

2.18 Lease

As a lessee:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

As a lessor:

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

2.19 Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.20 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Statement of profit and loss:
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

  The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

	As at 31-03-2021	As at 31-03-2020
NOTE - 3		
(a) CASH AND CASH EQUIVALENTS		
Cash on hand	13.48	13.86
Balances with banks	115.26	226.18
	128.74	**240.04**
(b) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Balance with banks in unpaid dividend account	11.60	186.99
Fixed deposits with banks*	8.45	2.45
	20.05	**189.44**
*Lien against guarantee		
NOTE - 4		
TRADE RECEIVABLES		
Trade receivables considered good - unsecured	220.91	29.97
	220.91	**29.97**
NOTE - 5		
LOANS (AT AMORTISED COST)		
(A) Loans		
(i) Loan to an employee	45.75	49.95
Total (A) - Gross	**45.75**	**49.95**
Less: Impairment loss allowance	-	-
Total (A) - Net	**45.75**	**49.95**
(B)		
(i) Secured	-	-
(ii) Unsecured	45.75	49.95
Total (B)-Gross	**45.75**	**49.95**
Less: Impairment loss allowance	-	-
Total (B) - Net	**45.75**	**49.95**
(C) Loans in India		
(i) Public sector	-	-
(ii) Others	45.75	49.95
Total (C) - Gross	**45.75**	**49.95**
Less: Impairment loss allowance	-	-
Total (C) - Net	**45.75**	**49.95**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 6
INVESTMENTS

₹ in Lakhs

Particulars	As at 31-03-2021					
		At fair value				
	Amortised cost	Through other comprehensive Income*	Through profit or loss	Subtotal	At cost	Total
(I) Debt securities	**1,025.50**	**-**	**12,709.70**	**12,709.70**	**-**	**13,735.20**
i) Quoted	524.92	-	12,709.70	12,709.70	-	13,234.62
ii) Unquoted	500.58	-	-	-	-	500.58
(II) Equity instruments	-	**0.46**	**-**	**0.46**	**31,391.63**	**31,392.09**
i) Unquoted						
- in subsidiaries	-	-	-	-	31,391.63	31,391.63
1,20,00,000 Equity shares of A. K. Stockmart Private Limited of ₹ 10 each	-	-	-	-	1,200.00	1,200.00
21,00,000 Equity shares of A. K. Capital Corporation Private Limited of ₹ 10 each	-	-	-	-	210.00	210.00
22,50,000 Equity shares of A. K. Wealth Management Private Limited of ₹ 10 each	-	-	-	-	225.00	225.00
8,65,000 Equity shares of A.K. Capital (Singapore) PTE. Limited of 1 SGD each	-	-	-	-	451.39	451.39
2,29,97,490 Equity shares of A. K. Capital Finance Limited of ₹ 10 each	-	-	-	-	29,305.24	29,305.24
- in other companies	**-**	**0.46**	**-**	**0.46**	**-**	**0.46**
Designated at Fair value through other comprehensive income						
4,15,000 Equity Shares of Neesa Leisure Limited of ₹ 10 each*	-	-	-	-	-	-
8,500 Equity shares of Shamken Spinners Limited of ₹ 10 each*	-	-	-	-	-	-
4,600 Equity shares of Intelligroup Advisors Private Limited of ₹ 10 each	-	0.46	-	0.46	-	0.46
(III) Preference instruments	**-**	**-**	**-**	**-**	**5,050.00**	**5,050.00**
i) Unquoted						
- in subsidiaries						
45,00,000 Compulsory Convertible Preference shares of A. K. Capital Finance Limited of ₹ 100 each	-	-	-	-	5,050.00	5,050.00
(IV) Units of Venture Capital Fund	**-**	**-**	**6.54**	**6.54**	**-**	**6.54**
Total – Gross (A)	**1,025.50**	**0.46**	**12,716.24**	**12,716.70**	**36,441.63**	**50,183.83**
(i) Investments outside India	-	-	-	-	451.39	451.39
(ii) Investments in India	1,025.50	0.46	12,716.24	12,716.70	35,990.24	49,732.44
Total (B)	**1,025.50**	**0.46**	**12,716.24**	**12,716.70**	**36,441.63**	**50,183.83**
Less: Allowance for Impairment loss (C)	**151.47**	**-**	**-**	**-**	**-**	**151.47**
Total – Net D= (A)-(C)	**874.03**	**0.46**	**12,716.24**	**12,716.70**	**36,441.63**	**50,032.36**

Particulars	As at 31-03-2020					
		At fair value				
	Amortised cost	Through other comprehensive Income*	Through profit or loss	Subtotal	At cost	Total
(I) Debt securities	**500.58**	**-**	**3,881.16**	**3,881.16**	**-**	**4,381.74**
i) Quoted	-	-	3,881.16	3,881.16	-	3,881.16
ii) Unquoted	500.58	-	-	-	-	500.58
(II) Equity instruments	**-**	**0.46**	**-**	**0.46**	**31,391.63**	**31,392.09**
i) Unquoted						
- in subsidiaries	-	-	-	-	31,391.63	31,391.63
1,20,00,000 Equity shares of A. K. Stockmart Private Limited of ₹10 each	-	-	-	-	1,200.00	1,200.00
21,00,000 Equity shares of A. K. Capital Corporation Private Limited of ₹ 10 each	-	-	-	-	210.00	210.00
22,50,000 Equity shares of A. K. Wealth Management Private Limited of ₹ 10 each	-	-	-	-	225.00	225.00
8,65,000 Equity shares of A.K. Capital (Singapore) PTE. Limited of 1 SGD each	-	-	-	-	451.39	451.39
2,29,97,490 Equity shares of A. K. Capital Finance Limited of ₹ 10 each	-	-	-	-	29,305.24	29,305.24
- in other companies	**-**	**0.46**	**-**	**0.46**	**-**	**0.46**
Designated at Fair value through other comprehensive income						
4,15,000 Equity Shares of Neesa Leisure Limited of ₹ 10 each*	-	-	-	-	-	-
8,500 Equity shares of Shamken Spinners Limited of ₹ 10 each*	-	-	-	-	-	-
4,600 Equity shares of Intelligroup Advisors Private Limited of ₹ 10 each	-	0.46	-	0.46	-	0.46
(III) Preference instruments	**-**	**-**	**-**	**-**	**5,050.00**	**5,050.00**
i) Unquoted						
- in subsidiaries						
25,00,000 Compulsory Convertible Preference shares of A. K. Capital Finance Limited of ₹ 100 each	-	-	-	-	5,050.00	5,050.00
(IV) Units of Venture Capital Fund	-	-	8.51	8.51	-	8.51
Total – Gross (A)	**500.58**	**0.46**	**3,889.67**	**3,890.13**	**36,441.63**	**40,832.34**
(i) Investments outside India	-	-	-	-	451.39	451.39
(ii) Investments in India	500.58	0.46	3,889.67	3,890.13	35,990.24	40,380.95
Total (B)	**500.58**	**0.46**	**3,889.67**	**3,890.13**	**36,441.63**	**40,832.34**
Less: Allowance for Impairment loss (C)	**15.00**	**-**	**-**	**-**	**-**	**15.00**
Total – Net D= (A)-(C)	**485.58**	**0.46**	**3,889.67**	**3,890.13**	**36,441.63**	**40,817.34**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

NOTE - 7 OTHER FINANCIAL ASSETS (AT AMORTISED COST)	As at 31-03-2021	As at 31-03-2020
(i) Deposits		
- Earnest money deposits	11.45	16.55
- Rental deposits		
i) with relatives and directors	43.56	40.60
ii) with others	97.78	88.85
- Security deposits for utilities	4.62	4.61
(ii) Interest accrued but not due on investments / deposits	73.69	21.57
(iii) Other receivables	-	164.79
	231.10	**336.97**

₹ in Lakhs

NOTE - 8 INVESTMENT PROPERTY	Building	Total
Gross block		
As at 31 March 2019	2,939.63	2,939.63
Additions	-	-
Disposals	-	-
As at 31 March 2020	**2,939.63**	**2,939.63**
Additions	-	-
Disposals	-	-
As at 31 March 2021	**2,939.63**	**2,939.63**
Accumulated depreciation		
As at 31 March 2019	114.76	114.76
Additions	57.54	57.54
Disposals	-	-
As at 31 March 2020	**172.30**	**172.30**
Additions	57.38	57.38
Disposals	-	-
As at 31 March 2021	**229.68**	**229.68**
Net block		
As at 31 March 2020	**2,767.33**	**2,767.33**
As at 31 March 2021	**2,709.95**	**2,709.95**

8.a RECONCILIATION OF CHANGES IN THE FAIR VALUE OF INVESTMENT PROPERTY:

The fair value of the Company's investment properties as at March 31, 2021 has been arrived on the basis of valuation carried out by an external independent valuer registered with the authority which governs the valuer in India. However, for the year ended March 31, 2020, the management has considered the input based on prevailing average market rate of the nearby similar properties. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. Considering the type of the asset, market approach (sales comparable method) to estimate the fair value of the subject property is adopted.

₹ in Lakhs

Particulars	Building	Total
As at 31 March 2019	4,472.53	4,472.53
Changes in the fair value	388.93	388.93
As at 31 March 2020	**4,861.46**	**4,861.46**
Changes in the fair value	(363.93)	(363.93)
As at 31 March 2021	**4,497.53**	**4,497.53**

8.b INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Rental income derived from investment property	228.85	271.12
Direct operating expenses (including repairs & maintenance) generating rental income	23.97	102.84
Direct operating expenses (including repairs & maintenance) that did not generate rental income	-	-
Profit arising from investment property before depreciation and indirect expenses	204.88	168.28
Less: Depreciation	57.38	57.54
Profit arising from investment property before indirect expenses	**147.50**	**110.74**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 9
PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Plant and machinery	Computers	Furniture and fixtures	Office equipments	Office building	Vehicles	Building Right-of-use (Refer note 35)	Total
Gross block								
As at 31 March 2019	0.23	26.58	37.85	13.93	460.71	130.23	-	669.53
Additions	-	84.29	2.34	2.79	168.48	-	682.85	940.75
Disposals	-	-	-	-	(214.46)	(35.19)	-	(249.65)
As at 31 March 2020	**0.23**	**110.87**	**40.19**	**16.72**	**414.73**	**95.04**	**682.85**	**1,360.63**
Additions	-	4.66	-	0.61	-	-	-	5.27
Disposals	-	-	-	-	-	-	(92.60)	(92.60)
As at 31 March 2021	**0.23**	**115.53**	**40.19**	**17.33**	**414.73**	**95.04**	**590.25**	**1,273.30**
Accumulated depreciation								
As at 31 March 2019	0.23	13.77	26.26	6.44	16.46	33.16	-	96.32
Additions	-	19.72	4.26	2.37	9.88	25.38	225.77	287.38
Disposals	-	-	-	-	(9.34)	(31.90)	-	(41.24)
As at 31 March 2020	**0.23**	**33.49**	**30.52**	**8.81**	**17.00**	**26.64**	**225.77**	**342.46**
Additions	-	19.78	2.94	2.19	7.69	11.89	223.97	268.46
Disposals	-	-	-	-	-	-	(36.46)	(36.46)
As at 31 March 2021	**0.23**	**53.27**	**33.46**	**11.00**	**24.69**	**38.53**	**413.28**	**574.46**
Net block								
As at 31 March 2020	**-**	**77.38**	**9.67**	**7.91**	**397.73**	**68.40**	**457.08**	**1,018.17**
As at 31 March 2021	**-**	**62.26**	**6.73**	**6.33**	**390.04**	**56.51**	**176.97**	**698.84**

Vehicles include vehicles hypothecated against loan taken having net block of ₹ 56.51 Lakhs (as at March 31, 2020 ₹ 68.40 Lakhs).

NOTE - 10
INTANGIBLE ASSETS

₹ in Lakhs

	Software	Total
Gross block		
As at 31 March 2019	17.51	17.51
Additions	7.60	7.60
Disposals	-	-
As at 31 March 2020	**25.11**	**25.11**
Additions	17.51	17.51
Disposals	-	-
As at 31 March 2021	**42.62**	**42.62**
Accumulated amortisation		
As at 31 March 2019	6.30	6.30
Additions	7.27	7.27
Disposals	-	-
As at 31 March 2020	**13.57**	**13.57**
Additions	8.71	8.71
Disposals	-	-
As at 31 March 2021	**22.28**	**22.28**
Net block		
As at 31 March 2020	**11.54**	**11.54**
As at 31 March 2021	**20.34**	**20.34**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

NOTE - 11
OTHER NON-FINANCIAL ASSETS

	As at 31-03-2021	As at 31-03-2020
Other advances	24.53	4.32
Prepaid expenses	33.55	20.46
Balance with government authorities	3.92	17.21
	62.00	**41.99**

NOTE - 12
TRADE PAYABLES

(i) Total outstanding dues of micro enterprises and small enterprises*	-	-
(ii) Total outstanding dues of creditors other than micro enterprises & small enterprises	257.01	391.25
	257.01	**391.25**

Following disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 has been made to the extent information available with the Company.

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

NOTE - 13
BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

₹ in Lakhs

	As at 31-03-2021	As at 31-03-2020
(a)Term loans		
(i) from banks*	2,237.69	3,553.99
(b) Loans repayable on demand		
(i) from banks**	8,432.07	95.65
(c) Other loans		
(i) vehicle loans***	26.34	39.98
Total (A)	**10,696.10**	**3,689.62**
Borrowings in India	10,696.10	3,689.62
Borrowings outside India	-	-
Total (B)	**10,696.10**	**3,689.62**
Secured	10,696.10	3,689.62
Unsecured	-	-
Total (C)	**10,696.10**	**3,689.62**

* 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 loans amount are repayable in the range of 20-48 monthly / quarterly installments.

** Loan repayable on demand from bank is secured against pledge/lien on debt securities.

*** Vehicle loans from banks are repayable in 60 equated monthly instalments 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, 2021

₹ in Lakhs

NOTE - 14 DEPOSITS (AT AMORTISED COST)	As at 31-03-2021	As at 31-03-2020
Rental deposits from others (Unsecured)	279.18	267.37
Total	**279.18**	**267.37**

NOTE - 15 OTHER FINANCIAL LIABILITIES		
Employee dues	144.07	114.39
Lease liabilities (Refer Note - 35)	176.01	448.51
Unpaid dividends*	11.60	186.99
Interest accrued but not due	1.18	-
Other payables	2.35	2.34
Creditors for capital goods	9.48	-
	344.69	**752.23**

* During the year ended March 31, 2021, ₹ 1.62 Lakhs (Previous year ₹ 1.52 Lakhs) has been credited into Investor Education and Protection Fund under Section 124 of the Companies Act, 2013.

NOTE - 16 PROVISIONS		
Provision for employee benefits		
Gratuity (refer note 32)	190.82	166.26
	190.82	**166.26**

NOTE - 17 DEFERRED TAX LIABILITIES/ (ASSETS) (NET)		
Deferred tax liabilities		
On the account of		
Depreciation	372.72	375.25
Less: Deferred tax assets:		
Expenses allowable on payment basis (gratuity)	(48.02)	(41.84)
Disallowance of share issue expenses	-	(4.78)
Right-of-use and lease liabilities	0.23	(2.16)
Fair value gain / (loss) on investments	(4.28)	(16.43)
Impairment on financial instruments	(38.12)	(3.78)
Deferred tax liabilities / (assets) (net)	**282.53**	**306.26**

NOTE - 18 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues	122.20	120.88
Deferred lease income	-	10.85
	122.20	**131.73**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 19
(a) SHARE CAPITAL
Equity share capital

₹ in Lakhs

Particulars	As at 31-03-2021		As at 31-03-2020	
	Numbers of shares	Amount	Numbers of shares	Amount
Authorized:				
Equity shares of ₹ 10 each	33,000,000	3,300.00	33,000,000	3,300.00
Preference shares of ₹ 100 each	10,200,000	10,200.00	10,200,000	10,200.00
Total	**43,200,000**	**13,500.00**	**43,200,000**	**13,500.00**
Issued, subscribed and paid-up:				
Equity shares of ₹ 10 each fully paid up	6,600,000	660.00	6,600,000	660.00
Total	**6,600,000**	**660.00**	**6,600,000**	**660.00**

Rights, preferences and restrictions attached to equity shares

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

In the event of liquidation of the Company, the holders 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.

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

Name of the shareholder	As at 31-03-2021		As at 31-03-2020	
	Numbers of shares	Percentage of shareholding	Numbers of shares	Percentage of shareholding
Family Home Consultancy Services Private Limited	3,233,813	49.00%	3,210,873	48.65%
A. K. Mittal	1,040,108	15.76%	1,036,108	15.70%
A. M. Credit Analysis and Research LLP*			371,000	5.62%

*As on 31 March 2021 share holding is below 5%

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

Particulars	As at 31-03-2021	As at 31-03-2020
Shares at the beginning of the year	6,600,000	6,600,000
Add :Shares issued during the year	-	-
Shares at the end of the year	**6,600,000**	**6,600,000**

₹ in Lakhs

(b) OTHER EQUITY

	As at 31-03-2021	As at 31-03-2020
Capital reserve		
At the beginning of the year	675.00	675.00
Add: Additions during the year	-	-
At the close of the year	**675.00**	**675.00**
Securities premium		
Opening balance	3,440.00	3,440.00
Add: Additions during the year	-	-
At the close of the year	**3,440.00**	**3,440.00**
General reserve		
Opening balance	4,960.89	4,960.89
Add: Additions during the year	-	-
At the close of the year	**4,960.89**	**4,960.89**
Retained earnings		
Opening balance	30,604.38	29,510.64
Add: Profit for the year	2,541.57	1,867.13
Profit available for appropriation	**33,145.95**	**31,377.77**
Less: Dividend paid*	396.00	726.00
Less: Dividend distribution tax*	0.86	47.39
Closing balance of retained earnings	**32,749.09**	**30,604.38**
Other comprehensive income		
Opening balance	(619.81)	(619.06)
Add: Other comprehensive income for the year	4.49	(0.75)
Closing balance of other comprehensive income	**(615.32)**	**(619.81)**
	41,209.66	**39,060.46**

* During the year 2020-21, the Board of Directors of the Company had paid a final dividend of ₹ 1 per equity share (previous year ₹ 6 per equity share pertaining to financial year ended March 31, 2019) having face value of ₹10 each for the year ended March 31, 2020. The same is approved by the shareholders of the Company in the annual general meeting held on September 19, 2020 (previous year's annual general meeting held on September 28, 2019). The total cash outflow of ₹ 66.86 Lakhs including ₹ 0.86 Lakhs pertaining to earlier year's dividend distribution tax (previous year 415.46 Lakhs including corporate dividend distribution tax).

* During the year 2020-21, the Board of Directors of the Company had paid interim dividend of ₹ 5 per equity share (previous year ₹ 5 per equity share) having face value of ₹10 each for the year ended March 31, 2021, on its board meeting held on January 27, 2021 (previous year's board meeting held on March 06, 2020). The total cash outflow of ₹ 330.00 Lakhs (previous year ₹ 357.93 Lakhs including corporate dividend distribution tax.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

NOTE - 20 SALE OF SERVICES	Current Year 2020-2021	Previous Year 2019-2020
Merchant banking fees	3,625.78	3,274.31
Brokerage income	32.98	40.53
	3,658.76	**3,314.84**

NOTE - 21 NET GAIN ON FAIR VALUE CHANGES		
Net gain/(loss) on investments at fair value through profit and loss		
- Realised	2,040.19	1,399.52
- Unrealised	(5.96)	(53.37)
	2,034.23	**1,346.15**
Additional Information :		
Profit on sale of investments (actual) (A)	1,986.02	1,403.03
Net gain/(loss) on investments due to fair value change (B)		
- Realised	54.17	(3.51)
- Unrealised	(5.96)	(53.37)
	48.21	**(56.88)**
Total (A+B)	**2,034.23**	**1,346.15**

NOTE - 22
INTEREST INCOME

₹ in Lakhs

Particulars	Current Year 2020-2021		Previous Year 2019-2020	
	On financial assets measured at amortised cost	Interest income on securities classified at fair value through profit or loss	On financial assets measured at amortised cost	Interest income on securities classified at fair value through profit or loss
Interest income from investments	104.52	691.62	70.00	779.34
Interest on deposits with banks	0.27	-	0.49	-
Interest income on loans	5.62	-	8.35	-
Other interest incomes	12.12	-	12.45	-
	122.53	**691.62**	**91.29**	**779.34**

₹ in Lakhs

NOTE - 23 OTHER INCOME	Current Year 2020-2021	Previous Year 2019-2020
Liabilities and provisions written back	98.05	-
Interest on income tax refund	-	8.92
Gain on termination/modification/waiver of lease	18.78	-
Miscellaneous incomes	0.20	0.70
	117.03	**9.62**

NOTE - 24 FINANCE COSTS (AT AMORTISED COST)		
Interest on borrowings	923.79	926.37
Interest on income tax	12.98	5.57
Unwinding interest cost	38.25	66.74
	975.02	**998.68**

NOTE - 25 EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	1,562.02	1,406.75
Gratuity	30.58	26.33
Contribution to provident and other funds	12.76	9.87
Staff welfare expenses	2.67	17.40
	1,608.03	**1,460.35**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 26
OTHER EXPENSES

₹ in Lakhs

	Current Year 2020-2021	Previous Year 2019-2020
Rent, taxes and energy costs	43.38	120.89
Repairs and maintenance	25.79	37.67
Software expenses	88.60	62.25
Printing and stationery	1.59	7.61
Selling expenses	523.41	473.15
Advertisement and business promotion	15.28	13.98
Auditor's remuneration		
- for audit fees	3.00	3.00
- for tax audit fees	0.60	0.60
- for other services	2.40	2.97
Legal and professional charges	67.25	91.94
Travelling expense	24.65	103.25
Bad debts	5.86	3.01
Loss on sale of property, plant and equipment	-	61.57
Corporate social responsibilities (Refer note no.31)	76.51	148.75
Directors' sitting fees	4.00	4.50
Communication cost	26.81	27.83
Insurance expenses	12.97	11.02
Miscellaneous expenses	110.88	113.82
	1,032.98	**1,287.81**

NOTE - 27
CONTINGENT LIABILITIES

	As at 31-03-2021	As at 31-03-2020
Corporate guarantee given to a bank in respect of working capital facility and cash credit facility taken by a subsidiary company	27,500.00	27,500.00
Total	**27,500.00**	**27,500.00**

NOTE - 28
OTHER COMPREHENSIVE INCOME

Items that will not be reclassified to profit or loss		
a. Remeasurement of defined benefit obligation	6.01	(9.44)
b. Equity instruments through other comprehensive income	-	(0.06)
Total	**6.01**	**(9.50)**

NOTE - 29
SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108, the Company operates in a single operating segment i.e. "Providing Merchant Banking Services" within India. Accordingly, no separate disclosure is required. The Board of Directors of the Company are collectively the Chief Operating Decision Makers (CODMs) of the Company.

NOTE - 30
DISAGGREGATED REVENUE INFORMATION

The table below represents disaggregation of Company's revenue from contracts with the customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

₹ in Lakhs

	Current Year 2020-2021	Previous Year 2019-2020
Sale of services (Merchant banking fees)		
Arranger and advisory fees	3,605.78	3,102.47
Lead manager fees	20.00	171.84
Brokerage income	32.98	40.53
Total revenue from contracts with the customers	**3,658.76**	**3,314.84**
Geographical markets		
-India	3,658.76	3,314.84
-Outside India	-	-
Total revenue from contracts with the customers	**3,658.76**	**3,314.84**
Relation with customer		
-Non related party	3,658.76	3,314.84
-Related Party	-	-
Total revenue from contracts with the customers	**3,658.76**	**3,314.84**
Timing of revenue recognition		
-Service transferred over a period of time	20.00	171.84
-Service transferred over a point in time	3,638.76	3,143.00
Total revenue from contracts with the customers	**3,658.76**	**3,314.84**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 31
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.

₹ in Lakhs

Particulars			Amount
Gross amount required to be spent by the Company during the year (including previous years' shortfall of ₹ 16.84 Lakhs)			76.05
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	-	-	-
(iii) Donation for promoting preventive health care and sanitation	-	-	-
(iv) Donation for empowering woman and setting up homes	-	-	-
(v) Contribution to any fund set up by the Central Government for socio-economic development and relief qualifies	-	76.51	76.51
Short fall/(excess) in CSR expenditure			**(0.46)**

NOTE - 32
EMPLOYEE BENEFIT OBLIGATION

A. Defined contribution plan

Contribution to defined contribution plan , recognised as expense for the year is as under :

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Employer's contribution to provident fund	12.76	9.87

B. Defined benefit plan

The Company has an unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	19.09	15.14
Past service cost	-	-
Interest cost on defined benefit obligation	11.49	11.19
(Gain) / losses on settlement	-	-
Total expense charged to profit & loss account	**30.58**	**26.33**
(included in salaries, wages & incentives) (A)		
(b) Amount recorded in Other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside profit and loss account		
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	5.11	21.15
Actuarial loss / (gain) arising from change in demographical assumptions	-	(0.13)
Actuarial loss / (gain) arising on account of experience changes	(11.12)	(11.58)
Amount recognised in OCI (B)	**(6.01)**	**9.44**
Gratuity expense recognised in the statement of profit and loss and OCI (A+B)	**24.57**	**35.77**
(c) Reconciliation of net liability / (asset)		
Opening defined benefit liability / (assets)	166.26	146.20
Expense charged to profit & loss account	30.58	26.33
Amount recognised in outside profit and loss account	(6.01)	9.44
Benefit paid/ payable	-	(15.71)
Others	(0.01)	-
Closing net defined benefit liability / (asset)	**190.82**	**166.26**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 32
EMPLOYEE BENEFIT OBLIGATION (CONTD.)

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	166.26	146.20
Current service cost	19.09	15.14
Past service cost	-	-
Interest on defined benefit obligation	11.49	11.19
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	5.11	21.15
Actuarial loss / (gain) arising from change in demographical assumptions	-	(0.13)
Actuarial loss / (gain) arising on account of experience changes	(11.12)	(11.58)
Benefit paid/ payable	-	(15.71)
Others	(0.01)	-
Closing defined benefit obligation [liability/(asset)] recognised in balance sheet	**190.82**	**166.26**
(e) The principal assumptions used in determining gratuity benefit obligation for the company's plans are shown below:		
Discount rate	6.91%	6.91%
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
Upto 30 years	25.00%	30.00%
From 31 to 44 years	20.00%	21.00%
Above 45 years	22.00%	30.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
(f) A quantitative analysis for significant assumption is as shown below:		
Indian gratuity plan:		
Assumptions -Discount rate		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation -increase of sensitivity level	(3.77)	(2.86)
Impact on defined benefit obligation -decrease of sensitivity level	3.92	2.96
Assumptions -Future salary escalations rates		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation-increase of sensitivity level	3.97	3.00
Impact on defined benefit obligation-decrease of sensitivity level	(3.86)	(2.93)

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

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Within 1-2 year	63.58	54.38
2-3 year	70.69	62.17
3-4 year	82.43	70.86
5-6 year	92.01	78.78
6-7 year	103.76	89.12

The average duration of the defined benefit plan obligation at the end of the reporting period is 13.18 years (March 31, 2020 - 13.12 years)

NOTE - 33
EARNINGS PER SHARE

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Profit for the year as per statement of profit and loss (₹ in Lakhs)	2,541.57	1,867.13
Weighted average number of equity shares outstanding during the year for basic and diluted earnings per share (₹)	6,600,000	6,600,000
Basic and diluted earnings per share (₹)	38.51	28.29
Nominal value of share (₹)	10.00	10.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 34
Related party disclosure

I Related party relationships:

Key managerial personnel

Mr. A. K. Mittal- Managing Director
Mr. Vikas Jain - Whole Time Director
Mr. Ashish Agarwal - Whole Time Director
Mr. Subhash Chandra Bhargava - Independent Director
Mr. Subhash Chander Madan - Independent Director
Mr. Khimji Shamji Pandav - Independent Director
Mr. Mahesh Bhootra - Chief Financial Officer
Mr. Tejas Davda - Company Secretary

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 Limited
Family Home Finance Private Limited (step down subsidiary)

Relative of key management personnel

Mr. Abhinav Kumar Mittal
Mrs. Aditi Mittal (Non-executive woman Director)

Enterprise controlled by key management personnel

A. K. Services Private Limited
India Bond Private Limited

Enterprise in which key management personnel is having significant influence

M Square Financial Consultants and Auto Private Limited

Notes:

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

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

II Details of related party transactions are as follows:

₹ in Lakhs

	Current Year 2020-2021	Previous Year 2019-2020
Key managerial remuneration *		
Short term benefits (including perquisites)	304.68	366.37
Directors' sitting fees	4.00	4.50
Brokerage expense		
A. K. Stockmart Private Limited	11.57	13.01
Software expenses		
India Bond Private Limited	60.00	60.00
Dividend received		
A. K. Capital Finance Limited	271.35	491.26
A. K. Capital Corporation Private Limited	210.00	-
Demat charges		
A. K. Stockmart Private Limited	0.02	0.17
Purchase of office building		
Abhinav Kumar Mittal	-	156.00
Repairs and maintenance charges		
M Square Financial Consultants and Auto Private Limited	-	2.90

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 34

Related party disclosure (CONTD.)

₹ in Lakhs

II Details of related party transactions are as follows:	Current Year 2020-2021	Previous Year 2019-2020
Rent expense		
A. K. Mittal	28.80	28.80
Abhinav Kumar Mittal	-	14.58
Rent deposit received back		
Abhinav Kumar Mittal	2.50	17.12
Purchase of investments (excluding accrued interest)		
A. K. Capital Finance Limited	74,505.82	28,145.02
A. K. Stockmart Private Limited	3,572.96	4,550.00
A. K. Services Private Limited	6,173.23	2,740.00
Family Home Finance Private Limited	162.72	-
A. K. Mittal	-	1,250.00
Sale of investments (excluding accrued interest)		
A. K. Capital Finance Limited	88,499.55	45,541.45
A. K. Stockmart Private Limited	2,511.53	1,499.72
A. K. Services Private Limited	3,786.39	-
Interest expenses		
A. K. Services Private Limited	-	0.26
A. K. Capital Finance Limited	233.27	-
Loan taken during the year		
A. K. Services Private Limited	-	5,050.00
A. K. Capital Finance Limited (Revolving Credit Sanction Limits amounting upto a maximum amount of ₹ 5,000 lakhs w.e.f 30 April 2020)	114,450.00	-
Loan repaid during the year		
A. K. Services Private Limited	-	5,050.00
A. K. Capital Finance Limited (Revolving Credit Sanction Limits amounting upto a maximum amount of ₹ 5,000 lakhs w.e.f 30 April 2020)	114,450.00	-

₹ in Lakhs

III Balances with related parties:	As at 31-03-2021	As at 31-03-2020
Balance receivable		
A. K. Stockmart Private Limited	-	164.79
Rent deposit given outstanding as at year end		
A. K. Mittal	48.00	48.00
Abhinav Kumar Mittal	-	2.50
Corporate guarantee given to a bank in respect of working capital demand loan taken by a subsidiary company		
A. K. Capital Finance Limited	27,500.00	27,500.00

Note: Transaction amount is excluding taxes, wherever applicable.

* Key managerial remuneration related to retirement benefits (i.e. Gratuity) are recognised under Employee benefits expenses in statement of profit and loss along with other employees gratuity costs of the Company based on the actuarial valuation carried out by Independent Actuary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 35

LEASES

I Lease commitments as lessee:

The Company has entered into agreements for taking on lease certain guest house and office on lease and licence basis. The lease term is for a period ranging from 12 to 52 months. The Company has contracts which have fixed rentals.

Transition

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

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

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Following are the changes in the carrying value of right-of-use assets (disclosed under note 9 - property, plant and equipment):

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Opening gross block value of account on adoption of Ind AS 116	**682.85**	**-**
Reclassified on account of adoption of Ind AS 116	-	682.85
Deduction on account of termination of lease	(92.60)	-
Closing gross block value of account on adoption of Ind AS 116	**590.25**	**682.85**
Opening accumulated depreciation of account on adoption of Ind AS 116	**225.77**	**-**
Depreciation charged for the year	223.97	225.77
Deduction on account of termination of lease	(36.46)	-
Closing accumulated depreciation of account on adoption of Ind AS 116	**413.28**	**225.77**
Closing net block	**176.97**	**457.08**

Carrying value of lease liabilities is disclosed under note 15 - other financial liabilities at ₹ 176.01 Lakhs as at March 31, 2021.

The following is the movement in lease liabilities:

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Balance at the beginning of the year	448.51	-
Additions	-	645.65
Finance cost accrued during the year	25.35	44.66
Deletions	(72.53)	-
Payment of lease liabilities	(225.32)	(241.80)
Balance at the end of the year	**176.01**	**448.51**

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

₹ in Lakhs

Particulars	As at 31-03-2021
Not later than one year	179.18
Later than one year and not later than five years	3.08
More than five years	-

The cash outflow of lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year 2020-2021 is ₹ 225.32 Lakhs (previous year ₹ 241.80 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

II Where the Company is lessor:

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

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Not later than one year	-	261.95
Later than one year and not later than five years	-	-
Later than five years	-	-

The amount of minimum lease income with respect to operating lease recognised in the statement of profit and loss for the year is ₹ 228.85 Lakhs (previous year ₹ 271.12 Lakhs)

NOTE - 36
FINANCIAL INSTRUMENTS

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

The carrying value and fair value of financial instrument by categories as of March 31, 2021 were as follows:

₹ in Lakhs

Particulars	At Amortised cost	At fair value through profit and loss	At fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	128.74	-	-	128.74	128.74
Bank balances other than above	20.05	-	-	20.05	20.05
Trade receivables	220.91	-	-	220.91	220.91
Loans	45.75	-	-	45.75	45.75
Investments	874.03	12,716.24	0.46	13,590.73	13,783.66
Other financial assets	157.41	73.69	-	231.10	231.10
Total	**1,446.89**	**12,789.93**	**0.46**	**14,237.28**	**14,430.21**
Liabilities:					
Trade payables	257.01	-	-	257.01	257.01
Borrowings (other then debt securities)	10,696.10	-	-	10,696.10	10,708.38
Deposits	279.18	-	-	279.18	279.18
Other financial liabilities	344.69	-	-	344.69	344.69
Total	**11,576.98**	**-**	**-**	**11,576.98**	**11,589.26**

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

₹ in Lakhs

Particulars	At Amortised cost	At fair value through profit and loss	At fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	240.04	-	-	240.04	240.04
Bank balances other than above	189.44	-	-	189.44	189.44
Trade receivables	29.97	-	-	29.97	29.97
Loans	49.95	-	-	49.95	49.95
Investments	485.58	3,889.67	0.46	4,375.71	4,424.23
Other financial assets	315.40	21.57	-	336.97	336.97
Total	**1,310.38**	**3,911.24**	**0.46**	**5,222.08**	**5,270.60**
Liabilities:					
Trade payables	391.25	-	-	391.25	391.25
Borrowings (other then debt securities)	3,689.62	-	-	3,689.62	3,694.33
Deposits	267.37	-	-	267.37	267.37
Other financial liabilities	752.23	-	-	752.23	752.23
Total	**5,100.47**	**-**	**-**	**5,100.47**	**5,105.18**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 37
RISK MANAGEMENT

Financial risk management

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

Credit risk

Revenue / Trade receivable

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is from trade receivables amounting to ₹ 220.91 Lakhs and ₹ 29.97 Lakhs as at March 31, 2021 and March 31, 2020. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal cause of business.

The Company applies a simplified approach in calculating Expected Credit Losses (ECLs) on trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Based on the provision matrix, no provision is required to be made at the respective reporting date.

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

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

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Revenue from top customer	350.00	475.00
Revenue from top 5 customers	1,325.68	1,885.16

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

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Within credit days	220.91	17.60

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

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Trade receivables:		
Less than 90 days	-	12.37
91 to 180 days	-	-
181 to 270 days	-	-
Total	-	**12.37**

Balances with banks and other financial assets:

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Investments in debt securities measured at amortised cost

The impairment of the credit risk on the investments is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 Assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a probability default (PD)X exposure at default (EAD) X (Loss given default X discount rate - LGD)). The Company calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous characteristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of Impaired assets where lifetime PD is applied, the PD is extrapolated to take into account the probability of default over the life time of asset.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest rate risk exposure mainly from changes in rate of interest on borrowing. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Financial assets		
Interest bearing		
- fixed interest rate		
Loans	45.75	49.95
Bank balances other than cash and cash equivalents	8.45	2.45
Investments	13,735.20	4,381.74
- non interest bearing		
Investment	36,448.63	36,450.60
Cash and cash equivalent	140.34	427.03
Trade receivables	220.91	29.97
Other financial assets	231.10	336.97
Total	**50,830.38**	**41,678.71**
Financial Liabilities		
Interest bearing		
- fixed interest rate		
Borrowings (Vehicle loans)	26.34	39.98
Lease liabilities	176.01	448.51
- floating interest rate		
Borrowings (Term loans)	2,237.69	3,553.99
Borrowings (Repayable on demand)	8,432.07	95.65
- non interest bearing		
Trade payables	257.01	391.25
Deposits	279.18	267.37
Other financial liabilities	168.68	303.72
Total	**11,576.98**	**5,100.47**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Increase in basis points	50	50
Effect on profit before tax	(53.35)	(18.25)
Decrease in basis points	50	50
Effect on profit before tax	53.35	18.25

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 38
LIQUIDITY RISK

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The Company's maximum exposure to liquidity risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The Company's major financial liabilities include term loans with maturity profile ranging between 0 to 5 years and short term borrowings are generally payable within one year. The average credit period taken to settle trade payables is about 30 days. The other payables are with short-term durations. The following table analysis undiscounted financial liabilities by remaining contractual maturities:

₹ in Lakhs

Particulars	On demand	Less than 3 months	3 to12 months	1 to 5 years	>5 years	Total
As at 31 March 2021						
Borrowings	942.32	7,886.72	1,013.64	1,070.48	-	**10,913.16**
Trade and other payables	-	257.01	-	-	-	**257.01**
Deposits	-	279.18	-	-	-	**279.18**
Other financial liabilities	11.60	211.02	125.24	3.08	-	**350.94**
	953.92	**8,633.93**	**1,138.88**	**1,073.56**	**-**	**11,800.29**
As at 31 March 2020						
Borrowings	96.48	409.36	1,184.04	2,463.56	-	**4,153.44**
Trade and other payables	-	391.25	-	-	-	**391.25**
Deposits	-	-	-	267.37	-	**267.37**
Other financial liabilities	186.99	181.73	194.04	226.97	-	**789.73**
	283.47	**982.34**	**1,378.08**	**2,957.90**	**-**	**5,601.79**

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The Company manages its capital structure and makes adjustment in light of changes in business condition. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Borrowings	10,696.10	3,689.62
Trade payables	257.01	391.25
Deposits	279.18	267.37
Other financial liabilities	344.69	752.23
Less: cash and cash equivalents	(128.74)	(240.04)
Net debt (A)	**11,448.24**	**4,860.43**
Equity share capital	660.00	660.00
Other equity	41,209.66	39,060.46
Total member's capital (B)	**41,869.66**	**39,720.46**
Capital and net debt (C=A+B)	**53,317.90**	**44,580.89**
Gearing ratio (%) (A/C)	**21.47**	**10.90**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any borrowings in the current year.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 39
FAIR VALUE HIERARCHY

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2021:

₹ in Lakhs

Particulars	As at 31-03-2021	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments in hybrid instruments FVTPL	6.54	-	6.54	-
Debt instruments FVTPL	12,709.70	-	12,709.70	-
Equity instruments FVTOCI	0.46	-	-	0.46

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020:

₹ in Lakhs

Particulars	As at 31-03-2020	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments in hybrid instruments FVTPL	8.51	-	8.51	-
Debt instruments FVTPL	3,881.16	-	3,881.16	-
Equity instruments FVTOCI	0.46	-	-	0.46

Description of techniques and valuation inputs used for Level II and Level III hierarchy are under:

Assets class	Fair value hierarchy	Valuation techniques and inputs
Debt Instruments measured at FVTPL	Level II	Valuation techniques and inputs in order of first preference are as under: 1. Cost of securities only if the securities are allotted within last 20 days or purchased within 14 days from the measurement date or; 2. Latest traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-14 days 3. Weighted average (appropriate weight considered by the company) of; - Future cash flows which are discounted using a discount rate arrived at by adding the spread provided by FIMMDA and - Latest subsequent traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-14 days 4. Future cash flows are discounted using a discount rate arrived at by adding the spread provided by FIMMDA or other approved agencies and annualised government security yield provided by regulatory authorities
Unquoted equity instruments measured at FVTOCI	Level III	Based on unobservable inputs which generally approximates to the carrying value of the investments unless significantly impaired. Fair value has been considered Nil for significantly impaired investments. Sensitivity change in the unobservable input does not have a significant impact in its value and accordingly, sensitivity disclosure is not given.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 40
INCOME TAX

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

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Current income tax:		
Current income tax charge	731.00	500.00
Adjustments in respect of previous year	-	(54.99)
Deferred tax:		
Relating to origination and reversal of temporary differences	(25.25)	(91.92)
Income tax expense reported in the statement of profit or loss	**705.75**	**353.09**

B The income tax expense for the year can be reconciled to the accounting profit as follows

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Profit before tax	**3,247.32**	**2,220.22**
Applicable tax rate	25.17%	25.17%
Computed expected tax expenses	817.29	558.78
Tax effect of :		
Tax effect due to exempt income	-	(123.64)
Tax effect due to non-deductible expenses	23.68	46.29
Tax effect due to deductible items	(22.81)	(18.12)
Tax effect due to deduction under income tax	(116.28)	-
Tax effect due to change in tax rate	-	(55.22)
Tax effect due to different tax rate	-	(0.01)
Adjustments in respect of current income tax of previous year	-	(54.99)
Others	3.87	-
Income tax expense reported in the statement of profit or loss	**705.75**	**353.09**

C The Gross movement in the current income tax asset/(Liability) for the year ended March 31, 2021 and March 31, 2020 is as follows

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Net current income tax asset/(liability) at the beginning of the year	(77.56)	(65.30)
Income tax paid	693.69	438.32
Current tax expenses	(731.00)	(500.00)
Interest on tax expenses	(12.98)	(5.57)
Excess/(short) provision of earlier year	-	54.99
Net current income tax asset/(liability) at the end of the year	**(127.85)**	**(77.56)**

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

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Net deferred tax asset/(liability) at the beginning of the year	(306.26)	(406.93)
Property plant and equipments	2.53	78.39
Gratuity	6.18	8.62
Disallowance of share issue expenses	(4.78)	(6.29)
Fair value gain on investments in debt securities	(12.15)	14.01
Impairment on financial instruments	34.34	3.78
Right-of-use and lease liabilities	(2.39)	2.16
Net deferred tax asset/(liability) at the end of the year	**(282.53)**	**(306.26)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 41

The COVID-19 pandemic has significantly impacted economic activities, businesses, individuals across the spectrum. The Company recognizes the need to make reasonable estimation of the impact of this pandemic on the repayment ability of its customers, and make additional provisions as considered appropriate, over-and-above the extant provisions, for expected credit losses. The Company has segmented its portfolio on the basis of various parameters to ascertain the impact of COVID-19 and basis its estimates, assumptions and judgements arrived at the additional impairment which is provided for in its financial statements. Given the uncertainty over the potential macro-economic condition, the impact of the COVID-19 may be different from that expected as at the date of approval of these financial statements. As per the Company's assessment, this by itself has not resulted into any significant increase in the credit risk. The Company will continue to closely monitor any material changes to future economic conditions and suitable effect will be given in the respective future period.

NOTE - 42

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

(a) Employee benefit plans

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

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

Based on periodic review of the demographic assumptions, attrition rate assumption used for actuarial valuation of liability related to gratuity has been re-assessed during the year ended March 31, 2021. For the purpose of assessing the attrition rate, the Company considered the historical attrition trend and expected rate based on such trend/ experience. The change in assumption resulted in a decrease of closing gratuity by Rs. 6.01 Lakhs, for the year ended March 31, 2021.

Further details about gratuity obligations are given in Note - 32.

(b) Impairment allowance for investments

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

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

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

(c) Leases

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(d) Taxes

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

NOTE - 43

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

NOTE - 44

Balances of certain trade receivables, trade payables are subject to confirmation/reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation/adjustments.

NOTE - 45

In the opinion of management, loans, investments and other financial assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably stated.

NOTE - 46

CODE ON SOCIAL SECURITY, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and the Rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from the stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account the same once the rules are notified and become effective.

NOTE - 47

SUBSEQUENT EVENTS

The Board of Directors of the Company in its meeting held on May 29, 2021, have recommended a final dividend of ₹ 1 per equity share having face value of ₹ 10 each for the year ended March 31, 2021. The same is subject to approval of the shareholders in the ensuing annual general meeting. The proposed dividend if approved at the ensuing annual general meeting will result in total cash outflow of ₹ 66 Lakhs.

NOTE - 48

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

SIGNATURES TO 1 TO 48

As per our report of even date attached

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

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

G. D. Joglekar
Partner
Membership No. 39407

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

Vikas Jain
Director
(DIN: 07887754)

Mahesh Bhootra
Chief Financial Officer

Tejas Davda
Company Secretary
(ACS: A27660)

Place: Mumbai
Date: May 29, 2021

Place: Mumbai
Date: May 29, 2021

INDEPENDENT AUDITORS' REPORT

To,

The Members of

A. K. Capital Services Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of A. K. Capital Services Limited ("the Holding Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as " the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended ("Ind AS") and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated profit including other comprehensive income, the consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 46 of the consolidated financial statements which describe the management's assessment of the impact of the COVID-19 pandemic on the consolidated financial result of the Group and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Sr. No.	Key Audit Matter	Auditor's response
1 (a)	**Measurement of investments in accordance with Ind AS 109 "Financial Instruments" (note 2, 6, 7(a), 39, 40 and 42 to the consolidated financial statements)** On initial recognition, investments are recognized at fair value, in case of Investments which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the investments. The Group's investments are subsequently classified into following categories based the objective of its business model to manage the cash flows and options available in the standard: • Debt instruments at amortised cost • Debt instruments and equity instruments at fair value through profit or loss (FVTPL) • Equity instruments measured at fair value through other comprehensive income (FVTOCI).	**Principal Audit Procedures** • Obtained an understanding of Group's business model assessed in accordance with Ind AS 109; • Evaluated the Group's assessment of business model; • Obtained an understanding of the determination of the measurement of the investments and tested the reasonableness of the significant judgments applied by the management; • Evaluated the design of internal controls relating to the measurement and also tested the operating effectiveness of the aforesaid controls; • Ensured that the Group has used valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs, including consideration of the current economic and market conditions due to COVID-19 pandemic;

Sr. No.	Key Audit Matter	Auditor's response
	The Group has assessed following two business model: - Held to collect contractual cash flows - Realising cash flows through the sale of investments. The Group makes decisions based on the assets' fair values and manages the assets to realise those fair values. Since valuation of investments at fair value involves critical assumptions, significant risk in valuation and complexity in assessment of business model, the valuation of investments as per Ind AS 109 is determined to be a key audit matter in our audit of the consolidated financial statements.	• Obtained and assessed the valuation certificate of independent valuer in respect of fair value of investments of the holding company; and • Assessed the appropriateness of the disclosure in the consolidated financial statements in accordance with the applicable financial reporting framework.
1(b)	**Impairment loss on investments measured at amortized cost:** (note 2, 6, 39 and 40 to the consolidated financial statements) Recognition and measurement of impairment relating to the investments measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are: - Credit ratings of the investments; - Investment staging criteria; - Calculation of probability of default rate / Loss given default rate; - Consideration of probability weighted scenarios; and - Forward looking macro-economic factors. The Group considered current and anticipated future economic conditions relating to industries the Group deals. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its investments to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. There is a large increase in the data inputs required for the computation of ECL of investments. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model and therefore, we identified allowance for credit losses of investments as a key audit matter in our audit of the consolidated financial statements.	**Principal audit procedures** • Analysed the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions arising from the COVID-19 pandemic; • For a sample of investments and allowance for the credit loss thereon, we tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. • Verified the data inputs used for probability of default rate and loss given defaults rate; • Verified the computation of the allowance for credit losses and tested the mathematical accuracy; and • Assessed the appropriateness of the disclosure in the consolidated financial statements in accordance with the applicable financial reporting framework.
2	**Loans and impairment loss allowance** **(note 1, 5, 39 and 40 of the consolidated financial statements)** The value of loans as at 31 March 2021 is significant and there is a high degree of complexity and judgment involved for the Company in estimating individual and collective credit impairment provisions and write-offs against these loans. Recognition and measurement of impairment relating to the loans measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. The Group's impairment allowance is computed based on estimates including the historical default and loss ratios. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are: - Credit ratings of the parties to whom loans have been given; - Loans staging criteria; - Calculation of probability of default rate / Loss given default rate;	**Principal audit procedures** We have started our audit procedures with understanding of the internal control environment related to loans and impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Group. We also assessed whether the impairment methodology used by the Group is in line with Ind AS 109 "Financial instruments" requirements. Particularly, we assessed the approach of the Group regarding definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL. For loans which are assessed for impairment on a portfolio basis, we performed particularly the following procedures: • We read and understood the methodology and policy laid down for loans given by the Group; • We have verified loan agreements and related financial and non financial covenants on sample basis;

Sr. No.	Key Audit Matter	Auditor's response
	- Consideration of probability weighted scenarios; and - Forward looking macro-economic factors. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its loans to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. There is a large increase in the data inputs required for the computation of ECL of loans. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model and therefore, we identified allowance for credit losses of loans as a key audit matter in our audit of the consolidated financial statements.	• We have verified the existence of recovery process plan in the event of default; • We have verified the historical trends of repayment of principal amount of loan and repayment of interest; • We tested the reliability of key data inputs and related management controls; • We checked the stage classification as at the balance sheet date as per definition of default of the Group • We have assessed the assumptions made by the Group in making provision considering forward looking information; and • Analyzing the understanding of the management's estimate of business impact based on the current market and economic condition arising from the COVID 19 pandemic.

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

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the audit of the Consolidated Financial Statements

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

The respective Board of Directors of the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(If the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

  From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 6 subsidiaries, whose financial statements reflect total assets of ₹ 200,790.44 Lakhs as at March 31, 2021, total revenues of ₹ 22,295.01 Lakhs, total profit before tax of ₹ 7,069.42 Lakhs, total net profit after tax of ₹ 5,444.38 Lakhs and total net cash out flows amounting to ₹ 8,369.41 Lakhs for the year ended on that date, as considered in the consolidated financial statements.

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

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

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

(c) The consolidated balance sheet,the consolidated statement of profit and loss (including other comprehensive income),the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 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, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid or provided to its directors during the year is in accordance with the provision of Section 197 of the Act.

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

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

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

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

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

G.D. Joglekar
Partner
Membership No.: 39407
UDIN: 21039407AAAAIX5282

Place: Mumbai
Date: May 29, 2021

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

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

In conjunction with our audit of the consolidated financial statements of the A. K. Capital Services Limited ("the Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting with reference to the financial statements of the Holding Company and its subsidiaries which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reporting of other auditors as mentioned in "Other Matter" paragraph, the Holding Company and its subsidiaries, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it related to 5 subsidiaries which are incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

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

G.D. Joglekar
Partner
Membership No.: 39407
UDIN: 21039407AAAAIX5282

Place: Mumbai
Date: May 29, 2021

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

₹ in Lakhs

	Note No.	As at 31-03-2021	As at 31-03-2020
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3(a)	1,653.01	10,133.72
(b) Bank balances other than (a) above	3(b)	95.05	254.44
(c) Trade receivables	4	363.01	181.38
(d) Loans	5	33,490.06	27,471.00
(e) Investments	6	109,765.71	59,093.12
(f) Other financial assets			
(i) Stock of securities	7(a)	58,325.29	49,853.26
(ii) Other financial assets	7(b)	5,540.08	3,628.48
Total financial assets		**209,232.21**	**150,615.40**
(2) Non-financial assets			
(a) Current tax assets (net)		20.97	166.07
(b) Deferred tax assets (net)	8	281.20	258.84
(c) Investment properties	9	3,719.95	3,795.16
(d) Property, plant and equipment	10	2,397.87	2,875.55
(e) Goodwill		399.97	399.97
(f) Intangible assets	11	49.43	35.88
(g) Other non financial assets	12	315.74	219.79
Total non-financial assets		**7,185.13**	**7,751.26**
TOTAL ASSETS		**216,417.34**	**158,366.66**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises & small enterprises	13	600.49	915.28
(b) Debt securities	14	66,299.72	50,722.00
(c) Borrowings (other than debt securities)	15	72,492.68	37,118.21
(d) Deposits	16	309.07	296.34
(e) Other financial liabilities	17	4,397.41	4,057.54
Total financial liabilities		**144,099.37**	**93,109.37**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)		247.82	227.16
(b) Provisions	18	367.85	312.48
(c) Deferred tax liabilities (net)	19	282.53	306.26
(d) Other non-financial liabilities	20	336.94	306.56
Total non-financial liabilities		**1,235.14**	**1,152.46**
TOTAL LIABILITIES		**145,334.51**	**94,261.83**
EQUITY			
(a) Equity share capital	21(a)	660.00	660.00
(b) Other equity	21(b)	67,725.28	60,806.52
(c) Non controlling interest		2,697.55	2,638.31
TOTAL EQUITY		**71,082.83**	**64,104.83**
TOTAL LIABILITIES AND EQUITY		**216,417.34**	**158,366.66**

Significant accounting policies (Refer Note 2)

The accompanying notes are an integral part of financial statements
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 29, 2021

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

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 29, 2021

Vikas Jain
Director
(DIN: 07887754)

Mahesh Bhootra
Chief Financial Officer

Tejas Davda
Company Secretary
(ACS: A27660)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

	Note No.	Current Year 2020-2021	Previous Year 2019-2020
Revenue from operations			
Interest income	22	12,427.84	16,220.43
Sale of services	23	7,331.24	10,073.87
Net gain on fair value changes	24	8,170.37	4,487.72
Net gain on derecognition of financial instruments under amortised cost category		561.00	99.36
Rental income		273.29	357.88
Total revenue from operations		**28,763.74**	**31,239.26**
Other income	25	150.89	181.42
Total income		**28,914.63**	**31,420.68**
EXPENSES			
Finance costs	26	8,278.64	11,520.14
Fees and commission expense		1,285.35	664.82
Impairment on financial instruments	27	519.12	3.00
Employee benefits expense	28	5,255.18	5,214.37
Depreciation and amortization expense	9,10,11	695.16	713.93
Other expenses	29	3,045.79	6,769.71
Total expenses		**19,079.24**	**24,885.97**
Profit before exceptional items and tax		9,835.39	6,534.71
Exceptional Items		-	-
Profit before tax		**9,835.39**	**6,534.71**
Tax expense:			
Current tax		2,371.82	1,642.71
Prior period tax adjustments		1.34	112.32
Deferred tax expense/ (credit)		(42.36)	(367.91)
Profit for the year [A]		**7,504.59**	**5,147.59**
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit and loss	30	(11.96)	(42.43)
Less: Income tax expense on above		3.73	14.44
Other comprehensive income for the year [B]		(8.23)	(27.99)
Total comprehensive income for the year [A+B]		**7,496.36**	**5,119.60**
Profit for the year attributable to:		**7,504.59**	**5,147.59**
Owners of the Company		7,440.08	5,100.59
Non-controlling interest		64.51	47.00
Other comprehensive income attributable to:		**(8.23)**	**(27.99)**
Owners of the Company		(7.99)	(27.84)
Non-controlling interest		(0.24)	(0.15)
Total comprehensive income attributable to:		**7,496.36**	**5,119.60**
Owners of the Company		7,432.09	5,072.75
Non-controlling interest		64.27	46.85
Earnings per equity share (Rs.)	34		
Basic		112.73	77.28
Diluted		112.73	77.28

Significant accounting policies (Refer Note 2)

The accompanying notes are an integral part of financial statements
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 29, 2021

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

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 29, 2021

Vikas Jain
Director
(DIN: 07887754)

Mahesh Bhootra
Chief Financial Officer

Tejas Davda
Company Secretary
(ACS: A27660)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

A. EQUITY SHARE CAPITAL

	Number of shares	Amount
At 31 March 2019	6,600,000	660.00
Issue of share capital	-	-
At 31 March 2020	**6,600,000**	**660.00**
Issue of share capital	-	-
At 31 March 2021	**6,600,000**	**660.00**

B. OTHER EQUITY

₹ in Lakhs

Particulars	Reserves and surplus						Items of other comprehensive income		Non controlling Interest	Total
	Capital reserve	General reserve	Special reserve	Securities premium	Translation reserve	Retained earnings	Actuarial gain/ (loss) on defined benefits obligations	Remeas-urement of equity Instruments		
Balance at 31 March 2019	**675.00**	**4,960.89**	**3,905.04**	**3,657.35**	**(16.02)**	**46,999.47**	**(38.64)**	**(2,296.79)**	**4,608.78**	**62,455.08**
Profit for the year	-	-	-	-	-	5,100.59	-	-	47.00	**5,147.59**
Purchase of CCPS from non-controlling interest	-	-	-	-	-	(500.00)	-	-	(2,000.00)	**(2,500.00)**
Other comprehensive income net of tax for the year	-	-	-	-	-	-	(13.24)	(14.60)	(0.15)	**(27.99)**
Transfer to/(from) reserves	-	-	740.61	-	-	(740.61)	-	-	-	**-**
Addition to translation reserves	-	-	-	-	16.31	-	-	-	-	**16.31**
Dividend paid	-	-	-	-	-	(1,355.24)	-	-	(14.41)	**(1,369.65)**
Dividend distribution tax	-	-	-	-	-	(273.60)	-	-	(2.91)	**(276.51)**
Balance at 31 March 2020	**675.00**	**4,960.89**	**4,645.65**	**3,657.35**	**0.29**	**49,230.61**	**(51.88)**	**(2,311.39)**	**2,638.31**	**63,444.83**
Profit for the year	-	-	-	-	-	7,440.08	-	-	64.51	**7,504.59**
Other comprehensive income net of tax for the year	-	-	-	-	-	-	(10.88)	2.89	(0.24)	**(8.23)**
Transfer to/(from) reserves	-	-	1,017.00	-	-	(1,017.00)	-	-	-	**-**
Addition to translation reserves	-	-	-	-	3.28	-	-	-	-	**3.28**
Dividend paid	-	-	-	-	-	(511.63)	-	-	(4.98)	**(516.61)**
Dividend distribution tax (prior year)	-	-	-	-	-	(4.98)	-	-	(0.05)	**(5.03)**
Balance at 31 March 2021	**675.00**	**4,960.89**	**5,662.65**	**3,657.35**	**3.57**	**55,137.08**	**(62.76)**	**(2,308.50)**	**2,697.55**	**70,422.83**

Significant accounting policies (Refer Note 2)

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 29, 2021

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

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 29, 2021

Vikas Jain
Director
(DIN: 07887754)

Mahesh Bhootra
Chief Financial Officer

Tejas Davda
Company Secretary
(ACS: A27660)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

₹ in Lakhs

		Current Year 2020-2021	Previous Year 2019-2020
(A)	**Cash flow from/(used in) operating activities**		
	Profit before tax	9,835.39	6,534.71
	Adjustment for:		
	Depreciation and amortisation	695.16	713.93
	Loss / (Profit) on sale of property, plant and equipment (net)	-	(27.93)
	Gain on termination/modification/waiver of lease	(28.29)	(0.23)
	Loss / (Profit) on redemption of non convertible debenture	-	(80.00)
	Bad debts/Deposits written off	5.86	3.01
	Liabilities and provisions written back	(98.05)	-
	Impairment of financial instruments	519.12	3.00
	Interest income	(5,299.27)	(6,133.48)
	Rental income	(273.29)	(357.88)
	Net gain on fair value changes on investments	(2,945.53)	(3,253.89)
	Net gain on derecognition of finanical instruments under amortised cost category	(561.00)	(99.36)
	Net gain on fair value changes on stock of securities (unrealised)	391.56	739.19
	Interest expenses	8,278.64	11,520.14
	Movement in working capital:		
	Increase/(decrease) in trade payable and other financial liabilities	(225.94)	410.14
	Increase/(decrease) in non-financial liabilities	80.91	(31.57)
	(Increase)/decrease in loans	(6,043.69)	46,181.47
	(Increase)/decrease in trade receivables and other financial assets	(11,080.84)	42,069.91
	(Increase)/decrease in non-financial assets	(96.97)	(29.34)
	Cash (used in)/generated from operations	**(6,846.23)**	**98,161.82**
	Income tax paid	(2,254.23)	(1,549.00)
	Net cash (used in)/generated from operating activities [A]	**(9,100.46)**	**96,612.82**
(B)	**Cash flow from/(used in) investing activities**		
	Proceeds from sale/(payment for purchases) of investments (net)	(47,660.55)	23,151.34
	Payment for acquisition of property, plant and equipment (including capital advance)	(25.93)	(314.79)
	Payment for acquisition of intangibles	(9.62)	(11.20)
	Proceeds from sale of property, plant and equipment	-	422.97
	Proceeds from /(payment for) investments in fixed deposits	159.39	346.96
	Interest income received	5,425.70	4,862.13
	Rent income received	262.44	335.19
	Cash generated from/(used in) investing activities [B]	**(41,848.57)**	**28,792.60**
(C)	**Cash flow from/(used in) financing activities**		
	Proceeds from long-term borrowings (including debt securities)	22,500.00	1,200.00
	Repayments of long-term borrowings (including debt securities)	(31,599.55)	(42,660.92)
	Purchase of CCPS from non-controlling interest	-	(2,500.00)
	Proceeds/(Repayment) of short term borrowings (net)	60,047.76	(58,478.75)
	Interest paid	(7,560.79)	(11,871.38)
	Dividends paid including dividend distribution tax	(521.64)	(1,646.16)
	Payment of lease liabilities	(397.46)	(375.40)
	Cash used in financing activities [C]	**42,468.32**	**(116,332.61)**
	Net increase/(decrease) in cash and cash equivalents [A+B+C]	**(8,480.71)**	**9,072.81**
	Add: Cash and cash equivalents at the beginning of the year	10,133.72	1,060.91
	Cash and cash equivalents at the end of the year	1,653.01	10,133.72

Reconciliation of liabilities arising from financing activities

₹ in Lakhs

Particulars	As at 31-03-2020	Cash Flows	Transaction cost	Interest accrual	As at 31-03-2021
Long-term borrowings	87,744.56	(9,099.55)	68.72	-	78,713.73
Short-term borrowings	95.65	60,047.76	(64.74)	-	60,078.67
Lease liabilites	765.64	(442.98)	61.99	45.52	430.17
Interest on above borrowings	2,673.32	(7,560.79)	-	8,231.81	3,344.34
Total liabilities from financing activities	**91,279.17**	**42,944.44**	**65.97**	**8,277.33**	**142,566.91**

Particulars	As at 31-03-2019	Cash Flows	Transaction cost	Interest accrual	As at 31-03-2020
Long-term borrowings	129,024.73	(41,460.92)	180.75	-	87,744.56
Short-term borrowings	58,515.82	(58,478.75)	58.58	-	95.65
Lease liabilites	-	(458.44)	1,141.04	83.04	765.64
Interest on above borrowings	3,256.30	(11,871.38)	(148.70)	11,437.10	2,673.32
Total liabilities from financing activities	**190,796.85**	**(112,269.49)**	**1,231.67**	**11,520.14**	**91,279.17**

Significant accounting policies (Refer Note 2)

The accompanying notes are an integral part of financial statements
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 29, 2021

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

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 29, 2021

Vikas Jain
Director
(DIN: 07887754)

Mahesh Bhootra
Chief Financial Officer

Tejas Davda
Company Secretary
(ACS: A27660)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 1

CORPORATE INFORMATION

The consolidated financial statements comprise of financial statements of A. K. Capital Services Limited ('the Company' or 'the Holding Company' or 'Parent') and its subsidiaries (collectively, 'the Group'). The Company was incorporated on October 05,1993. The registered address of the Company is situated at 30-38, 3rd, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400021.The Company is a SEBI Registered Category I Merchant Banker. The financial statements of the Group for the year ended March 31, 2021 were authorized for issue by the Board of Directors on May 29, 2021.

NOTE - 2

SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation and presentation of financial statements

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and on the basis of accounting principle of a going concern in accordance with generally accepted accounting principles (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Financial Statements are presented in Lakhs or decimal thereof.

The consolidated financial statements have been presented in accordance with Schedule III-Division III General Instructions for Preparation of financial statements of a Non-Banking Financial Company (NBFC) that is required to comply with Ind AS.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns

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

a) The contractual arrangement with the other vote holders of the investee

b) The ability to use its power over the investee to affect its returns

c) The Group's voting rights and potential voting rights

d) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiaries begins when the Group obtains control over the subsidiaries and ceases when the Group losses control of the subsidiaries. Assets, liabilities, income and expenses of a subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiaries. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

(e) Changes in ownership interests

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

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

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

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

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

(h) Following companies are consolidated:

Name of Company	Country of incorporation	Reporting currency	Effective date of becoming subsidiaries	Nature of principal activity	Extent of Holding %	
					As at 31-03-2021	As at 31-03-2020
A. K. Stockmart Private Limited	India	Indian Rupees	20-02-2006	Stock broking (Retail Distribution, WDM Broking, Stock Broking, Depository Services)	100	100
A. K. Capital Corporation Private Limited	India	Indian Rupees	29-01-2007	Investment activity	100	100
A. K. Capital Finance Limited	India	Indian Rupees	04-09-2008	Non Banking Finance Company (Investment and lending activities)	98.73	98.73
A. K. Wealth Management Private Limited	India	Indian Rupees	12-05-2010	Portfolio management services	100	100
A. K. Capital (Singapore) Pte. Limited	Singapore	Singapore Dollar	29-07-2013	Financial advisory services	100	100
Family Home Finance Private Limited	India	Indian Rupees	29-06-2017	Housing Finance activity	98.73*	98.73*

*Effective shareholding

2.02 Functional and presentation currency

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

2.03 Use of estimates

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the financial statements are:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

2.04 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.05 Revenue recognition

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

"Ind AS 115 "Revenue from contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

A) Identify the contract(s) with a customer;

B) Identify the performance obligations;

C) Determine the transaction price;

D) Allocate the transaction price to the performance obligations;

E) Recognise revenue when or as an entity satisfies performance obligation.

Merchant banking fees

Revenue from merchant banking fees includes arranger fees, advisory fees and lead manager fees are recognized when the Group satisfies performance obligation. Lead manager fees are recognised over a point of time. The Group measures its progress towards satisfaction of performance obligation based on output method i.e. milestone basis. Revenue from arranger services and advisory services are recognised point in time.

Brokerage

Revenue from brokerage is recognised point in time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Interest income

Under Ind AS 109, Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through Profit and loss (FVTPL).

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instruments in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premium or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Net gain on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes"under revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTL and debt instruments measured at Fair value through Other Comprehensive Income ("FVTOCI") is recognised in net gain\loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised is presented separately under the respective head in the Statement of Profit and Loss.

Dividend income

Dividend income is recognised

a. When the right to receive the payment is established.

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

Rental income

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

2.06 Taxes

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

Current tax

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

Current income taxes are recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions, where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised , based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

2.07 Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets

Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition of assets

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

2.08 Investment property

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

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

2.09 Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

Derecognition of assets

An item of intangible asset and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognized.

Intangible assets comprising of Software are amortised on a straight line basis over its estimated useful life or maximum 5 years, whichever is shorter.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.11 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The contingent liability is not recognized in books of account but its existence is disclosed in financial statements.

A contingent assets, where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in Ind AS 37.

2.12 Impairment of assets

a) Financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The Group applies a simplified approach in calculating Expected Credit Losses (ECLs) on trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of profit or loss.

b) Non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset. unless the asset does not generate cash inflows that are largely independent of those from other assets.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

Amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

Fair value through profit and loss (FVTPL): A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, except interest income and dividend income if any, recognized as 'Net gain on fair value changes ' in the Statement of Profit and Loss.

Fair value through other comprehensive income (FVTOCI): Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Trade receivables and loans:

Trade receivables and loans are initially recognized at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(a) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(b) Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss.

(c) Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, except interest income and dividend income if any, recognized as 'Net gain on fair value changes ' in the Statement of Profit and Loss. Interest income /dividend income on financial assets measured at FVTPL is recognised separately from "net gain on fair value changes" in the statement of profit and loss.

Equity instruments:

All other investments in equity instruments classified under financial assets are initially measured at fair value , the Group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

Derecognition

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

Financial liabilities:

Initial recognition and measurement

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and in the case of borrowings trade payables and other financial liabilities, net of directly attributable transaction costs. The Group's financial liabilities include borrowings, trade payables, deposits and other financial liabilities.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

(a) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(b) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(c) Deposits:

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

Derecognition of assets

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.14 Segment reporting:

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

Segment policies:

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

Segment information

Companies whole business is being considered as one segment.

2.15 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

2.16 Retirement benefits

i) Defined contribution plans (Provident fund)

In accordance with Indian Law, eligible employees receive benefits from Provident Fund and Labour welfare fund which is defined contribution plan. In case of Provident fund, both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Group has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Group provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Group. The Group's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Group's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Group recognises all remeasurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

iii) Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

iv) Compensated absences

The employees of the Group are entitled to leave as per the leave policy of the Group. The liability in respect of unutilized leave balances is provided at the end of year and charged to the Statement of Profit and Loss.

2.17 Lease

As a lessee:

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

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

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

As a lessor:

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

2.18 Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.19 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.
- The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

NOTE - 3 (a) CASH AND CASH EQUIVALENTS	As at 31-03-2021	As at 31-03-2020
Cash on hand	35.65	36.90
Balances with banks	1,392.36	2,656.82
Fixed deposits with bank with maturity of less than 3 months	225.00	7,440.00
	1,653.01	**10,133.72**
(B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Balance with banks in unpaid dividend account	11.60	186.99
Fixed deposits with banks*	83.45	67.45
	95.05	**254.44**

*Deposit lien against Guarantee as at March 31, 2021 of ₹ 8.45 lakhs (as at March 31, 2020 ₹ 2.45 lakhs) and fixed deposit as at March 31, 2021 amounting to ₹ 75 lakhs (as at March 31, 2020 ₹ 65 lakhs) is held as margin money, guarantee or security deposit with stock exchange

₹ in Lakhs

NOTE - 4 TRADE RECEIVABLES	As at 31-03-2021	As at 31-03-2020
Trade receivables considered good - unsecured	363.01	181.38
	363.01	**181.38**

₹ in Lakhs

NOTE - 5 LOANS (AT AMORTISED COST)	As at 31-03-2021	As at 31-03-2020
(A) Loans		
(i) Loan to an employee	45.75	49.95
(ii) Loan repayable on demand	4,950.00	4,500.00
(iii) Term loans	28,629.26	23,031.37
Total (A) - Gross	**33,625.01**	**27,581.32**
Less: Impairment loss allowance	134.95	110.32
Total (A) - Net	**33,490.06**	**27,471.00**
(B)		
(i) Secured	33,107.84	26,674.50
(ii) Unsecured	517.17	906.82
Total (B) - Gross	**33,625.01**	**27,581.32**
Less: Impairment loss allowance	134.95	110.32
Total (B) - Net	**33,490.06**	**27,471.00**
(C) Loans in India		
(i) Public sector	-	-
(ii) Others	33,625.01	27,581.32
Total (C) - Gross	**33,625.01**	**27,581.32**
Less: Impairment loss allowance	134.95	110.32
Total (C) - Net	**33,490.06**	**27,471.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 6
INVESTMENTS

₹ in Lakhs

Particulars	As at 31-03-2021				
		At fair value			
	Amortised cost	Through other comprehensive Income*	Through profit or loss	Subtotal	Total
(I) Government securities	**-**	**-**	**14,822.95**	**14,822.95**	**14,822.95**
i) Quoted	-	-	14,822.95	14,822.95	14,822.95
(II) Mutual fund	**-**	**-**	**947.54**	**947.54**	**947.54**
i) Quoted	-	-	947.54	947.54	947.54
(III) Debt securities	**29,869.06**	**-**	**64,971.50**	**64,971.50**	**94,840.56**
i) Quoted	29,368.48	-	64,971.50	64,971.50	94,339.98
ii) Unquoted	500.58	-	-	-	500.58
(IV) Equity instruments					
i) Quoted (fully paid)	**-**	**16.49**	**-**	**16.49**	**16.49**
1,50,000 Equity shares of UCO Bank of ₹ 10 each	-	16.49	-	16.49	16.49
ii) Unquoted (fully paid)					
- in other companies	**-**	**0.46**	**-**	**0.46**	**0.46**
Designated at fair value through other comprehensive income					
6,36,000 Equity shares of Neesa Leisure Limited of ₹ 10 each*	-	-	-	-	-
4,600 Equity shares of Intelligroup Advisors Private Limited of ₹10 each	-	0.46	-	0.46	0.46
8,500 Equity shares of Shamken Spinners Limited of ₹ 10 each*	-	-	-	-	-
(V) Units of venture capital fund	-	-	**6.54**	**6.54**	**6.54**
Total – Gross (A)	**29,869.06**	**16.95**	**80,748.53**	**80,765.48**	**110,634.54**
(i) Investments outside India	-	-	-	-	-
(ii) Investments in India	29,869.06	16.95	80,748.53	80,765.48	110,634.54
Total (B)	**29,869.06**	**16.95**	**80,748.53**	**80,765.48**	**110,634.54**
Less: Allowance for impairment loss (C)	**868.83**	**-**	**-**	**-**	**868.83**
Total – Net D= (A)-(C)	**29,000.23**	**16.95**	**80,748.53**	**80,765.48**	**109,765.71**

Particulars	As at 31-03-2020				
		At fair value			
	Amortised cost	Through other comprehensive Income*	Through profit or loss	Subtotal	Total
(I) Government securities	**-**	**-**	**10,375.33**	**10,375.33**	**10,375.33**
i) Quoted	-	-	10,375.33	10,375.33	10,375.33
(II) Mutual Fund	-	-	**2,987.44**	**2,987.44**	**2,987.44**
i) Quoted	-	-	2,987.44	2,987.44	2,987.44
(III) Debt securities	**38,256.37**	**-**	**7,825.76**	**7,825.76**	**46,082.13**
i) Quoted	37,755.79	-	7,825.76	7,825.76	45,581.55
ii) Unquoted	500.58	-	-	-	500.58
(IV) Equity instruments					
i) Quoted (fully paid)	**-**	**13.59**	**-**	**13.59**	**13.59**
1,50,000 Equity shares of UCO Bank of ₹ 10 each	-	13.59	-	13.59	13.59
ii) Unquoted (fully paid)					
- in other companies	-	**0.46**	**-**	**0.46**	**0.46**
Designated at fair value through other comprehensive income					
6,36,000 Equity shares of Neesa Leisure Limited of ₹ 10 each*	-	-	-	-	-
4,600 Equity shares of Intelligroup Advisors Private Limited of ₹ 10 each	-	0.46	-	0.46	0.46
8,500 Equity shares of Shamken Spinners Limited of ₹ 10 each	-	-	-	-	-
(V) Units of venture capital fund	-	**-**	**8.51**	**8.51**	**8.51**
Total – Gross (A)	**38,256.37**	**14.05**	**21,197.04**	**21,211.09**	**59,467.46**
(i) Investments outside India	-	-	-	-	-
(ii) Investments in India	**38,256.37**	**14.05**	**21,197.04**	**21,211.09**	**59,467.46**
Total (B)	**38,256.37**	**14.05**	**21,197.04**	**21,211.09**	**59,467.46**
Less: Allowance for impairment loss (C)	**374.34**	**-**	**-**	**-**	**374.34**
Total – Net D= (A)-(C)	**37,882.03**	**14.05**	**21,197.04**	**21,211.09**	**59,093.12**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

NOTE - 7

(A) STOCK OF SECURITIES (MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS)	As at 31-03-2021	As at 31-03-2020
Debt securities		
(i) Quoted	57,224.20	49,788.48
Exchange traded		
(i) Quoted	1,101.09	64.78
Total – Gross (A)	**58,325.29**	**49,853.26**
(i) Stock of securities outside India	-	-
(ii) Stock of securities in India	58,325.29	49,853.26
Total – Net (B)	**58,325.29**	**49,853.26**

(B) OTHER FINANCIAL ASSETS		
Deposits		
Earnest money deposits	14.45	19.55
Exchanges/Depository/Clearing house deposits	1,728.60	648.60
Security deposits for utilities	-	4.61
Rental deposits		
i) with related parties	289.99	266.68
ii) with others	161.99	147.62
Other deposits	116.57	78.35
Interest accrued but not due on financial assets	2,089.55	2,215.99
Receivable from/Balance with stock broker	1,057.70	75.60
Other receivables	81.23	171.48
Total	**5,540.08**	**3,628.48**

₹ in Lakhs

NOTE 8

DEFERRED TAX ASSETS (NET)	As at 31-03-2021	As at 31-03-2020
Deferred tax assets		
On account of:		
Depreciation	6.66	3.03
Disallowance of share issue expenses	4.24	7.70
Impairment on loans	33.87	27.64
Fair valuation of securities	116.61	165.20
Impairment allowance on investments	180.55	90.44
EIR on HTM securities	-	2.39
Expenses allowable on payment basis (gratuity)	44.56	36.80
Transaction costs on financial liabilities	29.16	58.60
Less: Deferred tax liabilities:		
Right-of-use and lease liabilities	(0.81)	(4.80)
EIR on HTM Securities	(3.82)	-
Fair valuation of securities	-	(0.01)
Depreciation	(128.75)	(123.63)
Transaction costs on financial liabilities	(1.07)	(4.52)
Deferred tax assets (net)	**281.20**	**258.84**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

NOTE - 9
INVESTMENT PROPERTIES

	Building	Total
Gross block		
As at 31 March 2019	4,009.63	4,009.63
Additions	-	-
Disposals	-	-
As at 31 March 2020	**4,009.63**	**4,009.63**
Additions	-	-
Disposals	-	-
As at 31 March 2021	**4,009.63**	**4,009.63**
Accumulated depreciation		
As at 31 March 2019	139.05	139.05
Additions	75.42	75.42
Disposals	-	-
As at 31 March 2020	**214.47**	**214.47**
Additions	75.21	75.21
Disposals	-	-
As at 31 March 2021	**289.68**	**289.68**
Net block		
As at 31 March 2020	**3,795.16**	**3,795.16**
As at 31 March 2021	**3,719.95**	**3,719.95**

9.a Reconciliation of changes in the fair vale of investment properties:

The fair value of the Group's investment properties as at March 31, 2021 has been arrived on the basis of valuation carried out by an external independent valuer registered with the authority which governs the valuer in India. However, for the year ended March 31, 2020, the management has considered the input based on prevailing average market rate of the nearby similar properties. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. Considering the type of the asset, market approach (sales comparable method) to estimate the fair value of the subject property is adopted.

₹ in Lakhs

Particulars	Building	Total
As at 31 March 2019	**5,594.17**	**5,594.17**
Changes in the fair value	590.24	590.24
Closing balance as on 31 March 2020	**6,184.41**	**6,184.41**
Changes in the fair value	(486.16)	(486.16)
Closing balance as on 31 March 2021	**5,698.25**	**5,698.25**

9.b INCOME AND EXPENDITURE OF INVESTMENT PROPERTIES

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Rental income derived from investment properties	273.29	357.88
Direct operating expenses (including repairs & maintenance) generating rental income	25.18	104.05
Direct operating expenses (including repairs & maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation & indirect expenses	**248.11**	**253.83**
Less: Depreciation	75.21	75.42
Profit arising from investment properties before indirect expenses	**172.90**	**178.41**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 10
PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Plant and machinery	Computers	Furniture and fixtures	Office equipments	Office buildings	Vehicles	Building Righ-of-use (refer note 37)	Total
Gross block								
As at 31 March 2019	0.23	76.41	96.12	43.82	1,887.65	508.39	-	2,612.62
Additions	-	135.40	5.09	5.82	168.48	-	1,244.60	1,559.39
Disposals	-	-	-	-	(403.36)	(45.15)	(9.27)	(457.78)
As at 31 March 2020	**0.23**	**211.81**	**101.21**	**49.64**	**1,652.77**	**463.24**	**1,235.33**	**3,714.23**
Additions	-	24.65	-	1.28	-	-	155.36	181.29
Disposals	-	-	-	-	-	-	(110.11)	(110.11)
As at 31 March 2021	**0.23**	**236.46**	**101.21**	**50.92**	**1,652.77**	**463.24**	**1,280.58**	**3,785.41**
Accumulated depreciation								
As at 31 March 2019	0.23	38.47	38.75	20.45	62.89	121.40	-	282.19
Additions	-	42.99	10.76	9.30	32.63	72.13	443.27	611.08
Disposals	-	-	-	-	(17.05)	(36.42)	(1.12)	(54.59)
As at 31 March 2020	**0.23**	**81.46**	**49.51**	**29.75**	**78.47**	**157.11**	**442.15**	**838.68**
Additions	-	40.68	9.69	7.62	28.97	57.82	446.72	591.50
Disposals	-	-	-	-	-	-	(42.64)	(42.64)
As at 31 March 2021	**0.23**	**122.14**	**59.20**	**37.37**	**107.44**	**214.93**	**846.23**	**1,387.54**
Net block								
As at 31 March 2020	**-**	**130.35**	**51.70**	**19.89**	**1,574.30**	**306.13**	**793.18**	**2,875.55**
As at 31 March 2021	**-**	**114.32**	**42.01**	**13.55**	**1,545.33**	**248.31**	**434.35**	**2,397.87**

1) Vehicles include vehicles hypothecated against loan taken having net block as at March 31, 2021 of ₹ 95.43 Lakhs (as at March 31, 2020 ₹ 116.49 Lakhs).

2) Building include premises hypothecated against loan taken having net block as at March 31, 2021 of ₹ 680.32 lakhs (as at March 31, 2020 ₹ 693.16 lakhs).

3) Building include premises mortgaged against non convertible debenture issued having net block as at March 31, 2021 of ₹ 9.83 lakhs (as at March 31, 2020 ₹ 10 lakhs).

NOTE - 11
INTANGIBLE ASSETS

₹ in Lakhs

	Software	Total
Gross block		
As at 31 March 2019	81.12	81.12
Additions	11.20	11.20
Disposals	-	-
As at 31 March 2020	**92.32**	**92.32**
Additions	42.00	42.00
Disposals	-	-
As at 31 March 2021	**134.32**	**134.32**
Accumulated amortisation		
As at 31 March 2019	29.01	29.01
Additions	27.43	27.43
Disposals	-	-
As at 31 March 2020	**56.44**	**56.44**
Additions	28.45	28.45
Disposals	-	-
As at 31 March 2021	**84.89**	**84.89**
Net block		
As at 31 March 2020	**35.88**	**35.88**
As at 31 March 2021	**49.43**	**49.43**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

NOTE - 12
OTHER NON-FINANCIAL ASSETS

	As at 31-03-2021	As at 31-03-2020
Prepaid expenses	94.78	56.67
Balance with government authorities	194.09	130.73
Other advances and receivables	26.87	32.39
	315.74	**219.79**

NOTE - 13
TRADE PAYABLES

(i) Total outstanding dues of micro enterprises and small enterprises*	-	-
(ii) Total outstanding dues of creditors other than micro enterprises & small enterprises	600.49	915.28
	600.49	**915.28**

*Following disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 has been made to the extent information available with the Company.

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year and	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

₹ in Lakhs

NOTE - 14
DEBT SECURITIES (AT AMORTISED COST)

	As at 31-03-2021	As at 31-03-2020
Non convertible debentures (Refer note Note 43)	66,299.72	50,722.00
Total (A)	**66,299.72**	**50,722.00**
Debt securities in India	66,299.72	50,722.00
Debt securities outside India	-	-
Total (B)	**66,299.72**	**50,722.00**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

NOTE - 15
BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

	As at 31-03-2021	As at 31-03-2020
(a) Term loans		
(i) from banks*	11,879.91	36,405.00
(ii) from NBFC's**	486.97	541.40
(b) Loans repayable on demand		
(i) from banks***	47,578.67	95.65
(c) Other loans		
(i) from Collaterlised Borrowing and Lending Obligation****	12,500.00	-
(d) Vehicle Loans ***	47.13	76.16
Total (A)	**72,492.68**	**37,118.21**
Borrowings in India	72,492.68	37,118.21
Borrowings outside India	-	-
Total (B)	72,492.68	37,118.21
Secured	**72,492.68**	**37,118.21**
Unsecured	-	-
Total (C)	**72,492.68**	**37,118.21**

* Term loans from bank to the extent of ₹ 2,237.69 lakhs (as at March 31, 2020 ₹ 3,553.99 lakhs) are secured against mortgage of the Group's immovable property together with all structures and appurtenances thereon held by the Group situated at 8th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021. The loans amount are repayable in the range of 20-48 monthly / quarterly installments.

* Term loans from banks to the extent of ₹ 9,642.22 lakhs (as at March 31, 2020 ₹ 32,851.01 lakhs) are secured by Pari- passu first charge by way of hypothecation/assignment of assets financed including current and future receivables of the Group, in favour of the security trustee. The loans are repayable in 8 to 16 quarterly installments along with interest from the date of loan.

** 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.

*** Loan repayable on demand from bank to the extent of ₹ 8,432.07 lakhs (as at March 31, 2020 ₹ 95.65 lakhs) is secured against pledge/lien on debt securities.

*** Loan repayable on demand from banks to the extent of ₹ 35,604.29 lakhs (as at March 31, 2020 ₹ Nil) are secured against:

(a) pledge/lien on government securities and other debt securities and corporate guarantee of Holding Company and demand promissory note.

(b) first pari passu charge by way of hypothecation/ assignment of assets financed including current and future receivables of a subsidiary company, in favour of the security trustee.

*** Loan repayable on demand from banks to the extent of ₹ 3,542.31 lakhs (as at March 31, 2020 ₹ Nil) are secured against pledge/lien on government securities and other debt securities.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

	As at 31-03-2021	As at 31-03-2020
NOTE - 16 DEPOSITS (AT AMORTISED COST)		
Rental deposits from others (unsecured)	309.07	296.34
	309.07	**296.34**
NOTE - 17 OTHER FINANCIAL LIABILITIES		
Interest accrued but not due on borrowings	3,344.34	2,673.32
Creditors for capital goods	32.38	-
Employee dues	573.93	427.37
Lease liabilities (Refer Note 37)	430.17	765.64
Unpaid dividends*	11.60	186.99
Other payables	4.99	4.22
	4,397.41	**4,057.54**

* During the year ended March 31, 2021, ₹ 1.62 Lakhs (Previous year ₹ 1.52 Lakhs) has been credited into Investor Education and Protection Fund under Section 124 of the Companies Act, 2013.

NOTE - 18 PROVISIONS		
Provision for employee benefits		
Gratuity (refer note 35)	367.85	312.48
	367.85	**312.48**
NOTE - 19 DEFERRED TAX LIABILITIES/ (ASSETS) (NET)		
Deferred tax liabilities		
On the account of		
Depreciation	372.72	375.25
Less: Deferred tax assets:		
Expenses allowable on payment basis (gratuity)	(48.02)	(41.84)
Disallowances of share issue expenses	-	(4.78)
Right-of-use and lease liabilities	0.23	(2.16)
Fair value gain / (loss) on investment in debt securities	(4.28)	(16.43)
Impairment on financial instruments	(38.12)	(3.78)
Deferred tax liabilities/ (assets) (net)	**282.53**	**306.26**
NOTE - 20 OTHER NON-FINANCIAL LIABILITIES		
Interest received in advance on investments	0.51	-
Statutory dues	336.43	295.49
Deferred lease income	-	11.07
	336.94	**306.56**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 21

(a) SHARE CAPITAL

₹ in Lakhs

Particulars	As at 31-03-2021		As at 31-03-2020	
	Numbers of shares	Amount	Numbers of shares	Amount
Authorized:				
Equity shares of ₹ 10 each	33,000,000	3,300.00	33,000,000	3,300.00
Preference shares of ₹ 100 each	10,200,000	10,200.00	10,200,000	10,200.00
Total	**43,200,000**	**13,500.00**	**43,200,000**	**13,500.00**
Issued, subscribed and paid-up:				
Equity shares of ₹ 10 each fully paid up	6,600,000	660.00	6,600,000	660.00
Total	**6,600,000**	**660.00**	**6,600,000**	**660.00**

Rights, preferences and restrictions attached to equity shares

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

In the event of liquidation of the Holding Company, the holders 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.

Details of shareholders holding more than 5% equity shares in the Holding Company (i.e. A. K. Capital Services Limited):

Name of the shareholder	As at 31-03-2021		As at 31-03-2020	
	Numbers of shares	Percentage of shareholding	Numbers of shares	Percentage of shareholding
Family Home Consultancy Services Private Limited	3,233,813	49.00%	3,210,873	48.65%
A. K. Mittal	1,040,108	15.76%	1,036,108	15.70%
A. M. Credit Analysis and Research LLP*			371,000	5.62%

*As on March 31, 2021 share holding is below 5%

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

Particulars	As at 31-03-2021	As at 31-03-2020
Shares at the beginning of the year	6,600,000	6,600,000
Add :Shares issued during the year	-	-
Shares at the end of the year	**6,600,000**	**6,600,000**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

(b) OTHER EQUITY	As at 31-03-2021	As at 31-03-2020
Capital reserve		
At the beginning of the year	675.00	675.00
Add: Additions during the year	-	-
Closing balance of capital reserve	**675.00**	**675.00**
Special reserve		
Opening balance	4,645.65	3,905.04
Add: Current year transfer	1,017.00	740.61
Closing balance of special reserve*	**5,662.65**	**4,645.65**
Securities premium		
Opening balance	3,657.35	3,657.35
Add: Additions during the year	-	-
Closing balance of securities premium	**3,657.35**	**3,657.35**
General reserve		
Opening balance	4,960.89	4,960.89
Add: Additions during the year	-	-
Closing balance of general reserve	**4,960.89**	4,960.89
Translation reserve		
Opening balance	0.29	(16.02)
Add: Additions during the year	3.28	16.31
Closing balance of translation reserve	**3.57**	**0.29**
Retained earnings		
Opening balance	49,230.61	46,999.47
Add: Profit for the year	7,440.08	5,100.59
Profit available for appropriation	**56,670.69**	**52,100.06**
Less: Dividend paid on equity**	(396.00)	(726.00)
Less: Dividend paid on CCPS	(115.63)	(629.24)
Less: Dividend distribution tax**	(4.98)	(273.60)
Less: Transfer to special reserve*	(1,017.00)	(740.61)
Less: Acquisitions of CCPS	-	(500.00)
Closing balance of retained earnings	**55,137.08**	**49,230.61**
Other comprehensive income		
Opening balance	(2,363.27)	(2,335.43)
Add: Other comprehensive income for the year	(7.99)	(27.84)
Closing balance of other comprehensive income	**(2,371.26)**	**(2,363.27)**
	67,725.28	**60,806.52**

*(a) 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.

*(b) Special Reserve represents the reserve created pursuant to the National Housing Bank Act, 1987 ("the NHB Act"). In terms of Section 29C of the NHB Act, a Housing 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.

** During the year 2020-21, the Board of Directors of the Holding Company had paid a final dividend of ₹ 1 per equity share (previous year ₹ 6 per equity share pertaining to financial year ended March 31,2019) having face value of ₹10 each for the year ended March 31, 2020. The same is approved by the shareholders of the Holding Company in the annual general meeting held on September 19, 2020 (previous year's annual general meeting held on September 28, 2019). The total cash outflow of ₹ 66.86 Lakhs including ₹ 0.86 Lakhs pertaining to earlier year's dividend distribution tax (previous year 415.46 Lakhs including corporate dividend distribution tax).

** During the year 2020-21, the Board of Directors of the Holding Company had paid interim dividend of ₹ 5 per equity share (previous year ₹ 5 per equity share) having face value of ₹10 each for the year ended March 31, 2021, on its board meeting held on January 27, 2021 (previous year's board meeting held on March 06, 2020). The total cash outflow of ₹ 330.00 Lakhs (previous year ₹ 357.93 Lakhs including corporate dividend distribution tax).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 22
INTEREST INCOME

₹ in Lakhs

Particulars	Current Year 2020-2021			Previous Year 2019-2020		
	On financial assets measured at amortised cost	Interest income on securities classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	Interest income on securities classified at fair value through profit or loss	Total
Interest income on loans	3,332.74	-	3,332.74	5,484.94	-	5,484.94
Processing fees income	135.72	-	135.72	280.18	-	280.18
Interest income from investments	3,153.27	2,086.60	5,239.87	3,736.83	2,360.35	6,097.18
Interest income from stock of securities	-	3,621.30	3,621.30	-	4,284.73	4,284.73
Interest on deposits with banks	43.01	-	43.01	15.79	-	15.79
Interest on other deposits	16.39	-	16.39	20.51	-	20.51
Other interest incomes	38.81	-	38.81	37.10	-	37.10
Total	**6,719.94**	**5,707.90**	**12,427.84**	**9,575.35**	**6,645.08**	**16,220.43**

₹ in Lakhs

NOTE - 23
SALE OF SERVICES

	Current Year 2020-2021	Previous Year 2019-2020
Merchant banking fees	3,625.78	3,274.31
Brokerage income	1,721.55	5,166.78
Syndication and other fees	54.00	30.99
Advisory fees	910.81	1,103.57
Fees and other operative incomes	1,019.10	498.22
	7,331.24	**10,073.87**

NOTE - 24
NET GAIN/(LOSS) ON FAIR VALUE CHANGES

Net gain/(loss) on financial instruments at fair value		
-Investments	2,945.53	3,253.89
-Stock of securities	5,224.84	1,233.83
Total	**8,170.37**	**4,487.72**
Net gain/(loss) on financial instruments at fair value		
-Realised	8,652.38	5,203.87
-Unrealised	(482.01)	(716.15)
Total	**8,170.37**	**4,487.72**
Additional Information:		
Profit / (loss) on sale of Investments (actual) (A)	3,052.29	3,305.87
Net gain/(loss) on investments due to fair value change (B)		
-Realised	(16.31)	(75.02)
-Unrealised	(90.45)	23.04
Total (C=A+B)	**2,945.53**	**3,253.89**
Profit on sale of stock of securities (actual) (D)	4,879.29	2,266.79
Net gain/(loss) on stock of securities due to fair value change (E)		
-Realised	737.11	(293.77)
-Unrealised	(391.56)	(739.19)
Total (F=D+E)	**5,224.84**	**1,233.83**
Total (C+F)	**8,170.37**	**4,487.72**

NOTE - 25
OTHER INCOME

Liabilities and provisions written back	98.05	-
Profit on sale of property, plant and equipment (net)	-	89.50
Profit on redemption of non convertible debentures	-	80.00
Gain on termination/modification/waiver of lease	28.29	0.23
Interest on income tax refund	9.05	9.59
Miscellaneous incomes	15.50	2.10
	150.89	**181.42**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

NOTE - 26
FINANCE COSTS (AT AMORTISED COST)

	Current Year 2020-2021	Previous Year 2019-2020
Interest on borrowings	2,709.68	5,315.24
Interest on debt securities	5,444.96	5,817.82
Interest on income tax	46.83	16.35
Unwinding interest cost	47.55	106.23
Other interest expenses	29.62	264.50
	8,278.64	**11,520.14**

NOTE - 27
IMPAIRMENT OF FINANCIAL INSTRUMENTS

On financial instruments measured at amortised cost		
Loans (net)	24.63	(184.15)
Investments (net)	494.49	187.15
	519.12	**3.00**

NOTE - 28
EMPLOYEE BENEFITS EXPENSES

Salaries and wages	5,071.27	5,012.55
Gratuity	75.35	65.18
Contribution to provident and other funds	51.97	46.28
Staff welfare expenses	56.59	90.36
	5,255.18	**5,214.37**

*includes rental expense for staff accommodation ₹ 50.86 lakhs, (previous year ₹ 55.84 lakhs)

NOTE - 29
OTHER EXPENSES

Rent, taxes and energy costs	80.08	173.03
Repairs and maintenance	45.70	62.09
Sotware expenses	315.02	238.70
Printing and stationery	3.41	11.18
Selling expenses	621.12	556.85
Advertisement and business promotion expenses	61.45	42.34
Auditor's remuneration		
-for audit fees	11.38	13.25
-for tax audit fees	2.11	1.50
-for other services	6.24	7.74
Legal and professional charges	256.05	696.47
Travelling expense	122.49	298.48
Bad debts/Deposits written off	5.86	3.01
Loss on sale of property, plant and equipment	-	61.57
Corporate social responsibilities (Refer note no.38)	211.51	382.25
Brokerage paid	993.20	3,794.06
IPO marketing fees	-	69.10
Stock exchange expenses	6.74	9.06
Processing and other charges	0.59	0.38
Communication cost	48.16	48.39
Office expenses	109.56	131.08
Directors' sitting fees	13.81	14.50
Insurance expenses	35.79	34.91
Miscellaneous expenses	95.52	119.77
	3,045.79	**6,769.71**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

NOTE - 30
OTHER COMPREHENSIVE INCOME

	Current Year 2020-2021	Previous Year 2019-2020
Items that will not be reclassified to profit or loss		
a. Remeasurement of defined benefit obligation	(14.85)	(27.83)
b. Equity instruments through other comprehensive income	2.89	(14.60)
	(11.96)	**(42.43)**

NOTE - 31
CONTINGENT LIABILITIES

There are no contingent liabilities as at March 31, 2021 and March 31, 2020.

NOTE - 32
DISAGGREGATED REVENUE INFORMATION

The table below represents disaggregation of Group's revenue from contracts with the customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

₹ in Lakhs

	Current Year 2020-2021	Previous Year 2019-2020
Sale of services, fees and commission income		
Arranger and advisory fees	4,516.59	4,206.04
Lead manager fees	20.00	171.84
Brokerage income	1,721.55	5,166.78
Fees and other operative income	1,073.10	529.21
Total revenue from contracts with the customers	**7,331.24**	**10,073.87**
Geographical markets		
-India	6,815.93	9,668.10
-Outside India	515.31	405.77
Total revenue from contracts with the customers	**7,331.24**	**10,073.87**
Relation with customer		
-Non related party	7,328.87	10,068.03
-Related Party	2.37	5.84
Total revenue from contracts with the customers	**7,331.24**	**10,073.87**
Timing of revenue recognition		
-Service transferred over a period of time	20.00	171.84
-Service transferred over a point in time	7,311.24	9,902.03
Total revenue from contracts with the customers	**7,331.24**	**10,073.87**

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

NOTE - 33
SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108, the Group operates in a single operating segment i.e. "Investment and Financing Activity" within India. Accordingly, no separate disclosure is required. The Board of Directors of the Holding Company are collectively the Chief Operating Decision Makers (CODMs) of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 34
EARNINGS PER SHARE

Particulars	Current Year 2019-2021	Previous Year 2019-2020
Profit after tax available for equity share holders for basic earning per share (₹ in lakhs.)	7,440.08	5,100.59
Weighted average number of equity shares outstanding during the year for basic earnings per share (Nos.)	6,600,000	6,600,000
Basic earnings per share (₹)	112.73	77.28
Diluted earnings per share (₹)	112.73	77.28
Nominal value of share (₹)	10.00	10.00

NOTE - 35
EMPLOYEE BENEFIT OBLIGATION

a) Defined contribution plans

Contribution to defined contribution plan, recognised as expense for the year is as under :

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Employer's contribution to provident and other funds	51.97	46.28

b) Defined Benefit Plan

The Group has an unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	53.76	45.12
Past service cost	-	-
Interest cost on defined benefit obligation	21.59	20.06
(Gain) / losses on settlement	-	-
Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)	**75.35**	**65.18**
(b) Amount recorded in Other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside profit and loss account	-	-
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	8.36	40.48
Actuarial loss / (gain) arising from change in demographical assumptions	-	(21.94)
Actuarial loss / (gain) arising on account of experience changes	6.49	9.29
Amount recognised in OCI (B)	**14.85**	**27.83**
Gratuity expense recognised in the statement of profit and loss and OCI (A+B)	**90.20**	**93.01**
(c) Reconciliation of net liability / (asset)		
Opening defined benefit liability / (asset)	312.48	262.15
Expense charged to profit & loss account	75.35	65.18
Amount recognised in outside profit and loss account	14.85	27.83
Benefit paid/ payable	(34.81)	(42.68)
Others	(0.02)	-
Closing net defined benefit liability / (asset)	**367.85**	**312.48**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 35
EMPLOYEE BENEFIT OBLIGATION (CONTD.)

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	312.48	262.15
Current service cost	53.76	45.12
Past service cost	-	-
Interest on defined benefit obligation	21.59	20.06
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	8.36	40.48
Actuarial loss / (gain) arising from change in demographical assumptions	-	(21.94)
Actuarial loss / (gain) arising on account of experience changes	6.49	9.29
Benefit paid/ payable	(34.81)	(42.68)
Others	(0.02)	-
Closing defined benefit obligation [liability/(asset)] recognised in balance sheet	**367.85**	**312.48**
(e) The principal assumptions used in determining gratuity benefit obligation for the Group's plans are shown below:		
Discount rate	6.91%	6.91%
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
- Upto 30 years	25.00%	30.00%
- From 31 to 44 years	20.00%	21.00%
- Above 45 years	22.00%	30.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
(f) A quantitative analysis for significant assumption is as shown below: Indian gratuity plan:		
Assumptions -Discount rate		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation -increase of sensitivity level	(7.09)	(5.27)
Impact on defined benefit obligation -decrease of sensitivity level	7.36	5.44
Assumptions -Future salary escalations rates		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation-increase of sensitivity level	7.46	5.53
Impact on defined benefit obligation-decrease of sensitivity level	(7.26)	(5.38)

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

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Within 1-2 year	148.98	129.23
2-3 year	171.24	155.40
3-4 year	204.76	187.77
5-6 year	237.03	216.93
6-7 year	277.38	255.56

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.93-13.18 years (March 31, 2020 :- 1.97-13.12 years)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 36
RELATED PARTY DISCLOSURES

I RELATED PARTY RELATIONSHIPS:

a Key managerial personnel

Mr. A.K. Mittal
Ms. Aditi Mittal
Mr. Ashish Agarwal
Mr. Vikas Jain
Mrs. Sneh Lata Mittal (Upto July 25, 2019)
Mr. Subhash Chandra Bhargava
Mr. Subhash Chander Madan
Mr. Khimji Shamji Pandav
Ms. Annu Garg
Mr. Rajiv Kumar Bakshi
Mr. Raghubinder Rai
Mr. Ankit Gupta (Upto December 31, 2020)
Mr. Prashant Roongta
Mr. Harit Oberoi
Mr. Mahesh Bhootra
Mr. Ranjit Dutta
Mr. Tejas Davda
Mr. Govind Lalwani
Mr. Ram Suthar

b Relatives of key managerial personnel

Mrs. Anshu
Mr. Abhinav Kumar Mittal
Mrs. Purvi Jain

c Enterprise having significant influence in Holding Company

Family Home Consultancy Services Private Limited

d Enterprises in which key managerial personnel is having significant influence

A. K. Services Private Limited
A. K. Capital Markets Limited
M Square Financial Consultants and Auto Private Limited
M. Square Advisors Private Limited
India Bond Private Limited

e Enterprises in which relative of key managerial personnel is having influence

Goodwill Capital Services Private Limited

Notes:

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 36

RELATED PARTY DISCLOSURES (CONTD.)

₹ in Lakhs

II Details of transactions with related parties are given as under:	Current Year 2020-2021	Previous Year 2019-2020
Key managerial remuneration *		
Short term benefits (including perquisites)	869.85	934.06
Director's sitting fees	13.00	12.75
Remuneration to relative of key managerial personnel		
Anshu	300.76	251.70
Professional fees		
A. K. Services Private Limited	-	42.00
Software expenses		
India Bond Private Limited	216.00	216.00
Brokerage received		
A. K. Services Private Limited	0.96	1.59
Family Home Consultancy Services Private Limited	0.02	0.14
Aditi Mittal	0.09	-
A. K Mittal	0.01	0.72
A. K Mittal (HUF)	0.23	-
Anshu	-	0.36
Abhinav Kumar Mittal	-	0.47
Purvi Jain	-	0.02
Brokerage paid		
M Square Financial Consultants and Auto Private Limited	292.49	-
A. K. Services Private Limited	111.00	-
M Square Advisors Private Limited	168.00	-
Demat charges received		
A. K. Capital Markets Limited	0.02	0.02
Aditi Mittal	0.02	-
A. K. Mittal	0.05	-
A. K. Services Private Limited	0.92	1.71
M Square Financial Consultants and Auto Private Limited	0.01	-
M. Square Advisors Private Limited	0.01	-
Family Home Consultancy Services Private Limited	0.02	0.05
Goodwill Capital Services Private Limited	0.01	0.01
Anshu	-	0.01
Abhinav Kumar Mittal	-	0.01
Incentive expenses		
A. K. Services Private Limited	385.25	143.70
Purchase of office building		
Abhinav Kumar Mittal	-	156.00
Sales of securities (excluding accrued interest)		
A. K. Services Private Limited	18,667.79	6,193.80
Family Home Consultancy Services Private Limited	-	99.80
A. K. Mittal	190.23	-
Aditi Mittal	428.02	-
Purchase of investments (excluding accrued interest)		
A. K. Services Private Limited	78,311.39	57,082.26
A. K. Capital Markets Limited	-	20.00
Family Home Consultancy Services Private Limited	-	140.01
A. K. Mittal	-	1,250.00
Repairs and maintenance expenses		
M Square Financial Consultants and Auto Private Limited	-	8.30
Interest expenses		
A. K. Services Private Limited	-	0.26
Rent Paid		
A. K. Mittal	64.80	64.80
Aditi Mittal	24.00	24.00
Anshu	18.00	18.00
Abhinav Kumar Mittal	-	14.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

NOTE - 36
RELATED PARTY DISCLOSURES (CONTD.)

II Details of transactions with related parties are given as under:	Current Year 2020-2021	Previous Year 2019-2020
Interest income on loan given		
A. K. Services Private Limited	644.64	458.95
M Square Financial Consultants and Auto Private Limited	-	81.13
Loan given		
A. K. Services Private Limited	18,125.00	13,750.00
(Revolving Credit Sanction Limits amounting upto a maximum amount of ₹ 8,000 lakhs)		
M Square Financial Consultants and Auto Private Limited	-	1,845.00
(Revolving Credit Sanction Limits amounting to ₹1,450 lakhs in previous year)		
Repayment of loan given		
A. K. Services Private Limited	17,675.00	9,250.00
(Revolving Credit Sanction Limits amounting upto a maximum amount of ₹ 8,000 lakhs)		
M Square Financial Consultants and Auto Private Limited	-	2,245.00
(Revolving Credit Sanction Limits amounting to ₹1,450 lakhs in previous year)		
Loan taken during the year		
A. K. Services Private Limtied	-	5,050.00
Loan repaid during the year		
A. K. Services Private Limtied	-	5,050.00
Rent deposits received back		
Abhinav Kumar Mittal	2.50	17.12

₹ in Lakhs

III Balances with related parties	As at 31-03-2021	As at 31-03-2020
Balances receivable		
A. K. Services Private Limited	-	0.04
Anshu	-	0.01
Abhinav Kumar Mittal	-	0.01
Rent deposit given outstanding as at year end		
A. K. Mittal	148.00	148.00
Anshu	50.00	50.00
Aditi Mittal	100.00	100.00
Abhinav Kumar Mittal	-	2.50
Loan given outstanding		
A. K. Services Private Limited	4,950.00	4,500.00

Note: Transaction amount is excluding taxes, wherever applicable.

* Key managerial remuneration related to retirement benefits (i.e. gratuity) are recognised under employee benefit expenses in statement of profit and loss along with other employees gratuity costs of the group based on the actuarial valuation carried out by independent actuary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 37
LEASES

I Lease commitments as lessee:

The Group has entered into agreements for taking on lease certain guest house and office on lease and licence basis. The lease term is for a period ranging from 12 to 52 months. The Group has contracts which have fixed rentals.

Transition

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

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

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Following are the changes in the carrying value of right-of-use assets (disclosed under note 10 - property, plant and equipment):-

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Opening gross block value of account on adoption of Ind AS 116	**1,235.33**	**-**
Reclassified on account of adoption of Ind AS 116	155.36	1,244.60
Deduction on account of termination of lease	(110.11)	(9.27)
Closing gross block value of account on adoption of Ind AS 116	**1,280.58**	**1,235.33**
Opening accumulated depreciation of account on adoption of Ind AS 116	**442.15**	**-**
Depreciation charged for the year	446.72	443.27
Deduction on account of termination of lease	(42.64)	(1.12)
Closing accumulated depreciation of account on adoption of Ind AS 116	**846.23**	**442.15**
Closing net block	**434.35**	**793.18**

Carrying value of lease liabilities is disclosed under note 17 - other financial liabilities at ₹ 430.17 Lakhs as at March 31, 2021.

The following is the movement in lease liabilities during the year:

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Balance at the beginning of the year	**765.64**	**-**
Additions	155.36	1,149.13
Finance cost accrued during the year	45.52	83.04
Deletions	(93.37)	(8.09)
Payment of lease liabilities	(442.98)	(458.44)
Balance at the end of the year	**430.17**	**765.64**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Contractual maturities of lease liabilities:

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

₹ in Lakhs

Particulars	As at 31-03-2021
Not later than one year	295.32
Later than one year and not later than five years	3.08
More than five years	-

The cash outflow of lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year 2020-2021 is ₹ 442.98 Lakhs.

Notes:

The amount of minimum lease payments with respect to operating lease recognised in the statement of profit and loss for the year is ₹ 442.98 Lakhs (previous year ₹ 407.76 Lakhs)

II Where the Group is lessor:

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

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Not later than one year	-	270.38
Later than one year and not later than five years	-	-
Later than five years	-	-

The amount of minimum lease income with respect to operating lease recognised in the statement of profit and loss for the year is ₹ 273.29 Lakhs (previous year ₹ 357.88 Lakhs)

NOTE - 38
CORPORATE SOCIAL RESPONSIBILITES (CSR)

As per Section 135 of the Companies Act, 2013, 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, setting up homes and ensuring environmental sustainability.

₹ in Lakhs

Particulars			Amount
Gross amount required to be spent by the Group during the year(including previous years' shortfall of ₹ 31.73 lakhs)			210.31
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	-	-	-
(iii) Donation for promoting preventive health care and sanitation	-	-	-
(iii) Donation for empowering woman and setting up homes	-	-	-
(iv) Contribution to any fund set up by the Central Government for socio-economic development and relief qualifies		211.51	211.51
Short fall / (Excess) in CSR Expenditure			**(1.20)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 39
FINANCIAL INSTRUMENTS

The risk management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Management has overall responsibility for the establishment and oversight of the Group's risk management framework. In performing its operating, investing and financing activities, the Group is exposed to the Credit risk, Liquidity risk and Market risk.

The carrying value and fair value of financial instrument by categories as of March 31, 2021 were as follows: ₹ in Lakhs

Particulars	At Amortised cost	At fair value through profit and loss	At fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	1,653.01	-	-	1,653.01	1,653.01
Bank balances other than above	95.05	-	-	95.05	95.05
Trade receivables	363.01	-	-	363.01	363.01
Loans	33,490.06	-	-	33,490.06	33,692.45
Investments	29,000.23	80,748.53	16.95	109,765.71	110,774.48
Stock of securities	-	58,325.29	-	58,325.29	58,325.29
Other financial assets	3,450.53	2,089.55	-	5,540.08	5,540.08
Total	**209,232.21**	**141,163.37**	**16.95**	**209,232.21**	**210,443.37**
Liabilities:					
Trade payables	600.49	-	-	600.49	600.49
Debt Securities	66,299.72	-	-	66,299.72	66,352.00
Borrowings (other then debt securities)	72,492.68	-	-	72,492.68	72,600.76
Deposits	309.07	-	-	309.07	309.07
Other financial liabilities	4,397.41	-	-	4,397.41	4,397.41
Total	**144,099.37**	**-**	**-**	**144,099.37**	**144,259.73**

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

Particulars	At Amortised cost	At Fair value through profit and loss	At fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	10,133.72	-	-	10,133.72	10,133.72
Bank balances other than above	254.44	-	-	254.44	254.44
Trade receivables	181.38	-	-	181.38	181.38
Loans	27,471.00	-	-	27,471.00	27,693.85
Investments	37,882.03	21,197.04	14.05	59,093.12	61,551.34
Stock of securities	-	49,853.26	-	49,853.26	49,853.26
Other financial assets	1,412.49	2,215.99	-	3,628.48	3,628.48
Total	**77,335.06**	**73,266.29**	**14.05**	**150,615.40**	**153,296.47**
Liabilities:					
Trade payables	915.28	-	-	915.28	915.28
Debt Securities	50,722.00	-	-	50,722.00	50,722.00
Borrowings (other then debt securities)	37,118.21	-	-	37,118.21	37,288.73
Deposits	296.34	-	-	296.34	296.34
Other financial liabilities	4,057.54	-	-	4,057.54	4,057.54
Total	**93,109.37**	**-**	**-**	**93,109.37**	**93,279.89**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 40
RISK MANAGEMENT

Financial risk management

The risk management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Management has overall responsibility for the establishment and oversight of the Group's risk management framework. In performing its operating, investing and financing activities, the Group is exposed to the Credit risk, Liquidity risk and Market risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and stock of securities.

Credit risk

Revenue / Trade receivable

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is from trade receivables amounting to ₹ 363.01 Lakhs and ₹ 181.38 Lakhs as at March 31, 2021 and March 31, 2020, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal cause of business.

The Group applies a simplified approach in calculating Expected Credit Losses (ECLs) on trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Based on the provision matrix, no provision is required to be made at the respective reporting date.

The Group have provided details of revenue from single largest customer, revenue from top 5 customer and ageing of trade receivables below:

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

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Revenue from top customer	1,036.73	2,138.83
Revenue from top 5 customers	3,314.58	5,429.55

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

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Within credit days	361.70	161.21

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

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Less than 90 days	0.03	11.76
91 to 180 days	-	-
181 to 270 days	0.08	-
271 to 360 days	0.89	0.26
Over 360 days	0.31	8.15
Total	**1.31**	**20.17**

Balances with banks and other financial assets:

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

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

Investments in debt securities measured at amortised cost

The impairment of the credit risk on the investments is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 Assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a probability default (PD)X exposure at default (EAD) X (Loss given default X discount rate - LGD)). The Company calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous characteristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of Impaired assets where lifetime PD is applied, the PD is extrapolated to take into account the probability of default over the life time of asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Loans

Credit risk is controlled by analysing the credit limits and creditworthiness of the customer on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. An impairment analysis is performed at each reporting date on a portfolio basis. The Group holds collateral as security against the loans. The impairment of the credit risk on the loan is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 Assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a probability default (PD)X exposure at default (EAD) X (Loss given default X discount rate - LGD)). The Group calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous characteristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of Impaired assets where lifetime PD is applied, the PD is extrapolated to take into account the probability of default over the life time of asset.

Exposure to credit risk

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

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Trade receivables	363.01	181.38
Loans	33,625.01	27,581.32
Investments	29,869.06	38,256.37
Other financial assets	3,450.53	1,412.49
At end of the year	**67,307.61**	**67,431.56**

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has interest rate risk exposure mainly from changes in rate of interest on borrowing. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Financial assets		
Interest bearing		
- fixed interest rate		
Cash and cash equivalent	225.00	7,440.00
Bank balances other than cash and cash equivalents	83.45	67.45
Loans	22,583.04	17,121.41
Investments	108,928.48	54,820.05
Stock of securities	57,024.09	49,788.48
- floating interest rate		
Loans	11,041.97	10,459.91
Investments	735.03	2,173.06
Stock of securities	200.11	-
Non interest bearing		
Investment	971.03	2,474.35
Stock of securities	1,101.09	64.78
Cash and cash equivalents	1,439.61	2,880.71
Trade receivables	363.01	181.38
Other financial assets	5,540.08	3,628.48
Total	**210,235.99**	**151,100.06**
Financial liabilities		
Interest bearing		
- fixed interest rate		
Borrowings	78,846.85	50,798.16
Lease liabilities	430.17	765.64
- floating interest rate		
Borrowings	59,945.55	37,042.05
Non interest bearing		
Trade payables	600.49	915.28
Deposits	309.07	296.34
Other financial liabilities	3,967.24	3,291.90
Total	**144,099.37**	**93,109.37**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Increase in basis points	50.00	50.00
Effect on profit before tax	(239.84)	(122.05)
Decrease in basis points	50.00	50.00
Effect on profit before tax	239.84	122.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 41

LIQUIDITY RISK

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The Group's maximum exposure to liquidity risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The Group's major financial liabilities include term loans with maturity profile ranging between 0 to 5 years and short term borrowings are generally payable within one year. The average credit period taken to settle trade payables is about 30 days. The other payables are with short-term durations. The following table analysis undiscounted financial liabilities by remaining contractual maturities:

₹ in Lakhs

Particulars	On demand	Less than 3 months	3 to12 months	1 to 5 years	>5 years	Total
As at 31 March 2021						
Borrowings including debt securities	942.32	65,045.62	21,750.62	66,100.06	1,282.49	**155,121.11**
Trade and other payables	-	600.49	-	-	-	**600.49**
Deposits	-	309.07	-	-	-	**309.07**
Other financial liabilities	11.60	2,747.05	1,585.54	71.12	-	**4,415.31**
	953.92	**68,702.23**	**23,336.16**	**66,171.18**	**1,282.49**	**160,445.98**
As at 31 March 2020						
Borrowings including debt securities	96.48	6,891.98	21,195.30	68,738.09	13,222.53	**110,144.38**
Trade and other payables	-	915.28	-	-	-	**915.28**
Deposits	-	28.97	-	267.37	-	**296.34**
Other financial liabilities	186.99	2,738.61	839.50	354.57	-	**4,119.67**
	283.47	**10,574.84**	**22,034.80**	**69,360.03**	**13,222.53**	**115,475.67**

Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The Group manages its capital structure and makes adjustment in light of changes in business condition. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep optimum gearing ratio. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Borrowings	138,792.40	87,840.21
Trade payables	600.49	915.28
Other financial liabilities	4,397.41	4,057.54
Deposits	309.07	296.34
Less: cash and cash equivalents	(1,653.01)	(10,133.72)
Net debt (A)	**142,446.36**	**82,975.65**
Equity share capital	660.00	660.00
Other equity	67,725.28	60,806.52
Non-controlling interest	2,697.55	2,638.31
Total member's capital (B)	**71,082.83**	**64,104.83**
Capital and net debt (C=A+B)	**213,529.19**	**147,080.48**
Gearing ratio (%) (A/C)	**66.71**	**56.42**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any borrowings in the current period.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 42
FAIR VALUE HIERARCHY

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2021:

₹ in Lakhs

Particulars	As at 31-03-2021	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments in hybrid instruments	6.54	-	6.54	-
Debt instruments FVTPL	64,971.50	-	64,971.50	-
Equity instruments FVTOCI	16.95	16.49	-	0.46
Mutual Funds at FVTPL	947.54	947.54	-	-
Government securities at FVTPL	14,822.95	-	14,822.95	-
Stock of securities:				
Exchange Traded funds at FVTPL	1,101.09	1,101.09	-	-
Debt instruments at FVTPL	57,224.20	-	57,224.20	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020:

₹ in Lakhs

Particulars	As at 31-03-2020	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments in hybrid instruments	8.51	-	8.51	-
Debt instruments FVTPL	7,825.76	-	7,825.76	-
Equity instruments FVTOCI	14.05	13.59	-	0.46
Mutual Funds at FVTPL	2,987.44	2,987.44	-	-
Government securities at FVTPL	10,375.33	-	10,375.33	-
Stock of securities:				
Exchange Traded funds at FVTPL	64.78	64.78	-	-
Debt instruments at FVTPL	49,788.48	-	49,788.48	-

Description of techniques and valuation inputs used for Level II and Level III hierarchy are under:

Assets class	Fair value hierarchy	Valuation techniques and inputs
Debt instruments measured at FVTPL	Level II	Valuation techniques and inputs in order of first preference are as under: 1. Cost of securities only if the securities are allotted within last 20 days or purchased within 14 days from the measurement date or; 2. Latest traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-14 days. 3. Weighted average (appropriate weight considered by the Group) of; - Future cash flows which are discounted using a discount rate arrived at by adding the spread provided by FIMMDA and - Latest subsequent traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-14 days 4. Future cash flows are discounted using a discount rate arrived at by adding the spread provided by FIMMDA or other approved agencies and annualised government security yield provided by regulatory authorities. Further the resulted valuation gain have been discounted at appropriate rate due to market condition arising on account of COVID-19.
Unquoted equity instruments measured at FVTOCI	Level III	Based on unobservable inputs which generally approximates to the carrying value of the investments unless significantly impaired. Fair value has been considered Nil for significantly impaired investments. Sensitivity change in the unobservable input does not have a significant impact in its value and accordingly, sensitivity disclosure is not given.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 43
DETAILS OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

A Details of secured redeemable non-convertible debentures as at March 31, 2021

Name of Security	Number	Amount (Rs. in lakhs)	Allotment Date	Redemption Date
9.50% Non Convertible Debentures - Series E-I	500.00	500.00	23-Jun-17	23-Jun-27
9.70% Non Convertible Debentures - Series B-II	500.00	500.00	07-Mar-17	07-Mar-27
9.95% Non Convertible Debentures - Series N	3,500.00	3,500.00	18-Sep-18	18-Sep-25
9.75% Non Convertible Debentures - Series K	7,100.00	7,100.00	28-Jun-18	28-Jun-25
9.40% Non Convertible Debentures - Series H	7,500.00	7,500.00	06-Dec-17	06-Dec-24
9.00% Non Convertible Debentures - Series E-II	6,452.00	6,452.00	10-Aug-17	10-Aug-24
9.60% Non Convertible Debentures - Series B-VII	1,500.00	1,500.00	21-Mar-17	21-Mar-24
9.60% Non Convertible Debentures - Series B-VI	500.00	500.00	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures - Series B-III	2,600.00	2,600.00	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures - Series B-I	2,500.00	2,500.00	07-Mar-17	07-Mar-24
9.60% Non Convertible Debentures - Series M	500.00	500.00	28-Aug-18	28-Aug-23
9.75% Non Convertible Debentures - Series L	2,500.00	2,500.00	29-Jun-18	29-Jun-23
9.40% Non Convertible Debentures - Series I	5,000.00	5,000.00	03-Apr-18	03-Apr-23
8.80% Non Convertible Debentures - Series G	500.00	500.00	09-Nov-17	09-Nov-22
8.00% Non Convertible Debentures - Series R	7,500.00	7,500.00	15-Oct-20	15-Apr-22
8.00% Non Convertible Debentures - Series Q	5,000.00	5,000.00	05-Oct-20	05-Apr-22
9.50% Non Convertible Debentures - Series O	1,500.00	1,500.00	25-Sep-18	25-Mar-22
8.00% Non Convertible Debentures - (INE197P07243)	10,000.00	10,000.00	25-Sep-20	25-Mar-22
9.20% Non Convertible Debentures - Series J	1,200.00	1,200.00	08-May-18	08-Nov-21

1. Face value of all the non convertible debentures is ₹ 1,00,000.
2. Non convertible debentures Series B, Series E, Series G, Series H, Series I, Series K, Series L, Series M, Series N, Series Q and ISIN - INE197P07243 are redeemable at a call option in the range of 12 months to 48 months.

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

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

1. Face Value of all the Non-Convertible Debentures is ₹ 100,000.
2. Non convertible debentures Series A, Series B, Series E, Series G, Series H, Series I, Series K, Series L, Series M and Series N are redeemable at a call option in the range of 24 months to 48 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 44
INCOME TAX

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

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Current income tax:		
Current income tax charge	2,371.82	1,642.71
Adjustments in respect of previous year	1.34	112.32
Deferred tax:		
Relating to origination and reversal of temporary differences	(42.36)	(367.91)
Income tax expense reported in the statement of profit or loss	**2,330.80**	**1,387.12**

B) The income tax expense for the year can be reconciled to the accounting profit as follows

₹ in Lakhs

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Profit before tax	9,835.39	6,534.71
Applicable Tax Rate	25.17%	25.17%
Computed expected tax expenses	2,475.37	1,644.66
Tax effect of :		
Tax effect due to exempt income	(2.39)	(0.13)
Tax effect due to non-deductible items	70.05	96.82
Tax effect due to deductible items	(43.88)	(144.91)
Tax effect due to deduction under income tax	(164.61)	-
Tax effect due to change in tax rate	-	(60.69)
Tax effect due to recognition / non recognition of deferred tax assets / (liabilities)	(5.48)	(259.51)
Tax effect due to different tax rate	(6.90)	(6.82)
Adjustments in respect of current income tax of previous year	1.09	112.32
Others	7.55	5.38
Income tax expense reported in the statement of profit or loss	**2,330.80**	**1,387.12**

C) The Gross movement in the current income tax asset/(Liability) for the year ended March 31, 2021 and March 31, 2020 is as follows

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Net current income tax asset/(liability) at the beginning of the year	(61.09)	161.29
Income tax paid	2,254.23	1,549.00
Current tax expenses	(2,371.82)	(1,642.71)
Interest on tax expenses	(46.83)	(16.35)
Excess short provision of earlier year	(1.34)	(112.32)
Net current income tax asset/(liability) at the end of the year	**(226.85)**	**(61.09)**

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

₹ in Lakhs

Particulars	As at 31-03-2021	As at 31-03-2020
Net deferred tax asset/(liability) at the beginning of the year	(47.42)	(429.77)
Property plant and equipments	1.04	65.97
Gratuity	13.95	12.56
Disallowance of share issue expenses	(8.24)	(11.91)
Fair value gain on investments in debt securities	(60.73)	232.93
Impairment on financial instruments	124.45	38.69
Transaction costs	(25.99)	46.75
Right-of-use and lease liabilities	1.61	(2.64)
Net deferred tax asset/(liability) at the end of the year	**(1.33)**	**(47.42)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE - 45

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

(a) Employee benefit plans

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

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

Based on periodic review of the demographic assumptions, attrition rate assumption used for actuarial valuation of liability related to gratuity has been re-assessed during the year ended March 31, 2021. For the purpose of assessing the attrition rate, the Group considered the historical attrition trend and expected rate based on such trend/ experience. The change in assumption resulted in a increase of closing gratuity by ₹14.85 Lakhs, for the year ended March 31, 2021.

Further details about gratuity obligations are given in Note - 35

(b) Leases

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

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

(c) Impairment allowance for investments and loans

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

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

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

(d) Taxes

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

NOTE - 46

"The COVID-19 pandemic has significantly impacted economic activities, businesses, individuals across the spectrum in the Country. Reserve Bank of India (RBI)'s guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020 relating to 'COVID-19 Regulatory Package', enabled banks, lending institutions and NBFCs to offer a moratorium upto 3 months on repayment of EMIs, payment of interest on line of credit falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers. The respective subsidiaries which are in NBFC category, based on their respective Boards' approved policy, have engaged with its customers whose accounts were Standard as at February 29, 2020, and offered the moratorium as per their need considering the extent of impact due to the pandemic. As on March 31, 2020, the staging of these accounts is on the basis of days past due status as on February 29, 2020 in line with the aforesaid RBI circulars.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Further, the Group apart from loans has also invested in non-convertible debentures on which no moratorium has been requested and granted. As per the Group's assessment, this by itself has not resulted into any significant increase in the credit risk.

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainly is reflected in the Group's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumption include the extent and duration of the pandemic, the impact of actions of government and other authorities and the responses of business and consumers in different industries, along with the associated impact on the global economy. The Group has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Group has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. Taking into consideration the impact arising from the COVID-19 pandemic on the economic environment, the Group has, during the year, continued to undertake a risk assessment of its credit exposure and in addition to the model determined ECL provision. The final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial statements. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Group.

NOTE - 47

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and the Rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020, and has invited suggestions from the stakeholders which are under active consideration by the Ministry. The Group will evaluate the rules, assess the impact, if any, and account the same once the rules are notified and become effective.

NOTE - 48

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

₹ in Lakhs

Sr. No.	Particulars	Parent	Subsidiaries	Non controlling interest	Adjustment due to consolidation	Total (including NCI)
1	Net assets	41,869.66	66,355.88	2,697.55	(39,840.26)	71,082.83
	As a percentage of consolidated net assets (%)	58.90%	93.35%	3.79%	(56.05%)	100.00%
2	Share in profit or loss	2,541.57	5,444.38	64.51	(545.87)	7,504.59
	As a percentage of consolidated profit or loss (%)	33.87%	72.55%	0.86%	(7.27%)	100.00%
3	Share in other comprehensive income	4.49	(12.72)	(0.24)	0.24	(8.23)
	As a percentage of consolidated other comprehensive income (%)	(54.56%)	154.56%	2.92%	(2.92%)	100.00%
4	Share in total comprehensive income	2,546.06	5,431.66	64.27	(545.63)	7,496.36
	As a percentage of consolidated total comprehensive income (%)	33.96%	72.46%	0.86%	(7.28%)	100.00%

(b) Salient Features of Financial Statements of Subsidiary Companies Act, 2013 (Pursuant to first proviso to sub-section (3) of section 129:

Part "A" : Subsidiaries

₹ in Lakhs

Sr. No.	Name of Subsidary Company (Along with percentage of holding)	Reporting Currency	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit before taxation	Profit after taxation	% of Share holding
1	A. K. Stockmart Private Limited	INR	1,200.00	1,468.50	8,213.74	5,545.24	16.49	3,029.06	337.36	253.61	100.00
2	A. K. Capital Corporation Private Limited	INR	210.00	36.99	248.75	1.76	17.15	21.56	21.04	14.60	100.00
3	A. K. Wealth Management Private Limited	INR	225.00	187.51	472.21	59.70	39.54	407.17	29.78	22.03	100.00
4	A. K. Capital (Singapore) PTE. Limited	INR	451.39	50.58	673.80	171.83	-	529.36	84.43	74.96	100.00
		SGD*	904,884.00	73,421.00	1,284,926.00	306,621.00	-	973,540.00	155,367.00	137,949.00	
5	A. K. Capital Finance Limited	INR	8,829.38	52,470.12	189,949.62	128,650.12	96,140.29	18,247.03	6,557.98	5,050.04	98.73
6	Family Home Finance Private Limited	INR	1,101.00	125.41	1,231.94	5.53	1,062.51	60.83	38.83	29.14	**98.73

* As at March 31, 2021 1 SGD = Rs.54.429509

** Effective shareholding

Notes

Name of subsidiaries which are yet to commence operations: None

Name of subsidiaries which have been liquidated or sold during the year: None

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, 2021

NOTE - 49

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

NOTE - 50

Balances of certain trade receivables, trade payables are subject to confirmation/reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation/adjustments.

NOTE - 51

Subsequent events

The Board of Directors of the Holding Company in its meeting held on May 29, 2021, have recommended a final dividend of ₹ 1 per equity share having face value of ₹ 10 each for the year ended March 31, 2021. The same is subject to approval of the shareholders in the ensuing annual general meeting. The proposed dividend if approved at the ensuing annual general meeting will result in total cash outflow of ₹ 66 Lakhs.

NOTE - 52

a) The figures of interest income, sale of services and net gain on fair value changes reported in the consolidated financial statements for the year ended March 31, 2021 have been reclassified. However, there is no impact on the reported total revenue from operations and consolidated profits in the consolidated financial statements due to aforesaid reclassifications.

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

SIGNATURES TO 1 TO 52

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 29, 2021

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

A. K. Mittal	Vikas Jain	Mahesh Bhootra	Tejas Davda
Managing Director	Director	Chief Financial Officer	Company Secretary
(DIN: 00698377)	(DIN: 07887754)		(ACS: A27660)

Place: Mumbai
Date: May 29, 2021

NOTES :



a.k.®

Registered Office: 30-39, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai- 400 021
Tel: +91-22-66349300/67546500, Fax: +91-22-66100594.

A. K. CAPITAL SERVICES LIMITED

BUILDING BONDS

Registered Office: 30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point Mumbai 400021
Tel: +91 (022) 6754 6500 | **Fax:** +91 (022) 6610 0594 | **Website:** www.akgroup.co.in | E-mail Id: akcslagm@akgroup.co.in
CIN: L74899MH1993PLC274881

NOTICE OF 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty-Eighth (28th) Annual General Meeting ("AGM")** of the members of **A. K. Capital Services Limited** ("the Company") will be held on **Saturday, 18th day of September, 2021 at 9.00 a.m. (IST)** through two-way Video Conferencing ("VC") facility/ Other Audio-Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESSES:

1. **To receive, consider and adopt:**
   a) The Audited Standalone Financial Statements of the Company consisting of the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, Cash Flow Statement for the Financial Year 2020-21 and the Explanatory Notes annexed thereto, together with the Report of the Board of Directors' and the Auditor's thereon;

   and

   b) The Audited Consolidated Financial Statements of the Company consisting of the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, Cash Flow Statement for the Financial Year 2020-21 and the Explanatory Notes annexed thereto, together with the Auditor's Report thereon.
2. To confirm interim dividend declared at the rate of INR 5/- (Indian Rupees Five) per equity share of INR 10/- (Indian Rupees Ten) each fully paid-up of the Company for the Financial Year ended March 31, 2021.
3. To declare a final dividend of INR 1/- (Indian Rupee One) per equity share of INR 10/- (Indian Rupees Ten) each fully paid-up of the Company for the Financial Year ended March 31, 2021.
4. To appoint a Director in place of Mr. Vikas Jain, Whole-time Director (DIN: 07887754), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESSES:

5. **To ratify and approve the entering of Related Party Transactions with A. K. Capital Finance Limited under Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT in supersession of the resolution passed at the 27th Annual General Meeting held on September 19, 2020, pursuant to the provisions of Section 188 and all other applicable provisions if any, of the Companies Act, 2013 (the "Act") read with the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or re-enactment thereof ("Listing Regulations") and subject to the compliance of applicable laws for the time being in force and the recommendation of Audit Committee and the Board of Directors, the Members of the Company herby ratify as also accord further approval to the Board of Directors of the Company (hereinafter referred to as the "Board' which term shall be deemed to include any Committee of the Board) for carrying out and/or continuing all existing contracts/ arrangements / agreements / transactions and to enter into new/ further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto) of the following nature with A. K. Capital Finance Limited ("AKCFL"), Subsidiary of the Company (a Related Party as defined in the Listing Regulations) for a period of five years commencing from Financial Year 2021-22 to Financial Year 2025-26 on such terms and conditions as may be agreed between the Board and AKCFL for an amount not exceeding INR 5,000 Crores (Indian Rupees Five Thousand Crores), in each Financial Year and the transactions shall be carried on an arm's length basis:

   a) Availing or rendering of any services;
   b) Making investments, giving guarantee/ security and giving/availing loans;
   c) Sale, purchase or supply of any securities, goods or materials;
   d) Selling or otherwise disposing of, or buying, property of any kind;
   e) Leasing of property of any kind;
   f) Such other transactions in the normal course of business

   RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things and execute, sign all such deeds, documents and writings, on an ongoing basis, as may be necessary, proper or expedient for the purpose of giving effect to the above resolution."

   RESOLVED FURTHER THAT any one Director of the Company or Chief Financial Officer of the Company or the Company Secretary be and is hereby severally authorized to furnish a certified true copy of the resolution as and when required.

6. **Issuance of Commercial Paper of nominal value aggregating up to INR 100 Crores (Indian Rupees One Hundred Crores) within the overall borrowing limits set forth under Section 180 (1) (c) of the Companies Act, 2013**

   To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 read with Rules notified thereunder, regulations, guidelines, provisions laid down by the Reserve Bank of India, Securities and Exchange Board of India (in force from time to time), subject to the provisions of the Articles of Association of the Company and other applicable regulations as may be amended and applicable from time

to time, approval of the shareholders of the Company be and is hereby accorded to borrow from time to time, by way of issuance of Commercial Papers ("CPs") of nominal value aggregating up to INR 100 Crores (Indian Rupees One Hundred Crores), in one or more tranche(s) on such terms and conditions as the Board or any Committee constituted/ may be constituted thereof may deem fit and appropriate from time to time.

RESOLVED FURTHER THAT the said limit of INR 100 Crores (Indian Rupees One Hundred Crores) shall be within the overall borrowing limits approved by the shareholders under Section 180(1) (c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company or any other Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution, be and is hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of CPs, including but not limited to number of issue(s)/ tranche(s), face value, issue price, discount on issue, size, timing, amount, yield, arrangement fee, listing, allotment, dematerialization and other terms and conditions of issue of CPs as they may, in their absolute discretion, deemed necessary.

RESOLVED FURTHER THAT any one Director of the Company or Chief Financial Officer of the Company or the Company Secretary be and is hereby authorized severally to do all acts and take all such steps to give effect to this resolution including but not limited to filing e-forms, for the purpose of compliance under the Companies Act, 2013 and to furnish a certified true copy of the resolution as and when required."

7. Issuance of Non-Convertible Redeemable Preference Shares of nominal value aggregating up to INR 100 Crores (Indian Rupees One Hundred Crores)

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 42, 55 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Rules made thereunder including but not limited to the Companies (Prospectus and Allotment of Securities) Rules, 2014 as may be amended from time to time, the Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the prevailing statutory guidelines in this behalf and subject to all necessary consents, permissions and approvals from all such authorities and institutions as may be relevant and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting any such consents, permissions and approvals and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) as it thinks fit in the interest of the Company, approval of the shareholders of the Company be and is hereby given to create, issue, offer and allot Non-Convertible Redeemable Preference Shares ("NCRPS"), whether cumulative or non-cumulative of face value of INR 100/- each, aggregating up to a nominal amount not exceeding INR 100 Crores (Indian Rupees One Hundred Crores) at such price, to such person(s) including but not limited to qualified institutional buyers, companies and bodies corporate, mutual funds, banks, insurance companies, trusts, individuals, Hindu Undivided Families (HUF), partnership firms, limited liability partnerships etc., whether or not such persons/ entities/ investors are shareholders of the Company for such period and on such terms as may be permitted in accordance with the prevailing rules/ guidelines in this behalf and as determined by the Board in conformity with the relevant provisions of the Act and the Articles of Association of the Company, wherever applicable and as the Board may deem advisable in the prevailing market situations.

RESOLVED FURTHER THAT in accordance with provisions of Section 43 of the Act, the NCRPS shall be non-participating, carrying a preferential right vis-a-vis equity shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall carry voting rights in accordance with the provisions of Section 47(2) of the Act.

RESOLVED FURTHER THAT if the aforesaid proposed transaction(s) is construed as related party transaction(s) under any applicable law(s), then said transaction(s), be and is hereby approved by the shareholders without being required to seek any further consent or approval from shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of NCRPS including but not limited to face value, nature of issue, premium on issue, issue price, issue size, timing, amount, rate(s) of dividend, yield, redemption premium, redemption price, listing, allotment, dematerialization, number of tranche(s) and other terms and conditions of issue NCRPS as they may, in their absolute discretion, deem necessary.

RESOLVED FURTHER THAT for giving effect to this resolution, the Board of Directors of the Company or any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution be and is hereby authorized to take such steps and to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue, allotment, and utilization of the issue proceeds of the NCRPS, to prescribe the forms of application, enter into an agreement or other instruments and to take such actions or to give such directions as may be necessary or desirable and to obtain any approval, permission, sanction which may be necessary or desirable, as they may deem fit and to pay fees, remuneration, expenses relating thereto, with power to settle all questions, difficulties that may arise in regard to such issue and allotment as it may in its discretion deem fit in best interest of the Company.

RESOLVED FURTHER THAT any one Director of the Company or Chief Financial Officer of the Company or the Company Secretary be and is hereby severally authorized to furnish a certified true copy of the resolution as and when required.

For and on behalf of the Board of Directors,

A. K. Capital Services Limited

A. K. Mittal

Managing Director (DIN: 00698377)

Place: Mumbai

Date: July 31, 2021

Registered Office: 30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400 021

NOTES:

1. In view of the ongoing Covid-19 pandemic and with the view to maintain social distancing norms the Ministry of Corporate Affairs ("MCA") vide its General Circulars No. 20/2020 dated May 5, 2020 and No. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" read with General Circulars No. 14/2020 dated April 8, 2020 and No. 17/2020 dated April 13, 2020 in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19" ("MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") facility or Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue.

   Further, Securities and Exchange Board of India ("SEBI") vide its Circulars dated May 12, 2020 and January 15, 2021 in relation to "Relaxation from compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" ("SEBI Circulars") has also granted certain relaxations with respect to sending physical copies of annual report to shareholders and requirement of proxy for annual general meeting held through VC/OAVM. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA, SEBI Circulars, the 28th AGM of the Company is being held through VC/OAVM on September 18, 2021 at 9:00 a.m. (IST).

2. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, the deemed venue of the 28th AGM shall be 30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400 021.

3. Since the AGM will be held through VC/OAVM facility, there is no requirement of Route map.

4. The Company has tied up with Link Intime India Private Limited to provide facility for voting through remote e-voting, e-voting during the AGM and participation in the AGM through VC / OAVM facility.

   The detailed guide for voting through remote e-voting and e-voting during the AGM is annexed to this notice, the shareholders may refer to **"Instructions for remote e-voting"**

   The detailed procedure to attend the AGM through VC/OAVM facility is annexed to this notice, the shareholders may refer to **"Process and Manner for Attending the Twenty-Eighth AGM through Instameet"**

5. **Notes relating to Attendance and Quorum at the Annual General Meeting**

   i. This AGM is being held through VC/OAVM, the requirement of physical attendance of Members has been dispensed with. Accordingly in terms of MCA and SEBI Circulars, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for this AGM. Accordingly, the Proxy Form and Attendance Slip are not annexed with this Notice. However, in pursuance of Section 112 and 113 of the Act, representatives of the Corporate Members may be appointed for the purpose of voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The said resolution/authorization shall be emailed to the Scrutinizer at umashankar.hegde@gmail.com and copy marked to compliance@akgroup.co.in and akcslagm@akgroup.co.in latest by September 13, 2021

   ii. The Attendance of the Members' participating in the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum as required under Section 103 of the Act.

6. **Notes related to Disclosures and Explanatory Statements**

   i. As per the provisions of Clause 3 A II of the MCA General Circular No. 20/ 2020 dated 5th May, 2020, the matters of Special Business as appearing at Item Nos. 5, 6 and 7 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forming part of this Notice.

   ii. An Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the Special Business to be transacted at the AGM in respect of Item Nos. 5, 6 and 7 is annexed hereto and forms part of Notice.

   iii. The relevant details as required, under Regulation 36(3) of the Listing Regulations read with Secretarial Standard - 2 on General Meetings, in respect of the Director seeking re-appointment at the AGM, is annexed hereto and forms integral part of the Notice. The Director has furnished the requisite declaration for his re-appointment. Further, Mr. Vikas Jain (DIN: 07887754) is not debarred from holding the office of director by virtue of any SEBI order or any regulatory authority.

   iv. In line with relevant MCA Circulars and SEBI Circulars, a copy of the Notice of the 28th AGM along with Annual Report for the Financial Year 2020-21 is being sent only through electronic mode to all the members who hold shares in dematerialized mode and whose Email IDs are registered with the Depository Participants and whose E-mail IDs are registered with the Company in case of holding shares in physical form for communication purposes. The Notice convening the 28th AGM of the Company has been uploaded on the website of the Company at www.akgroup.co.in and is also available on website of the stock exchange i.e. BSE Limited at www.bseindia.com and on the website of Link Intime India Private Limited at https://instavote.linkintime.co.in. Further, the Annual Report for the Financial Year 2020-21 has also been uploaded on the website of the Company at www.akgroup.co.in and shall also available on website of the stock exchange i.e., BSE Limited at www.bseindia.com.

   v. For those members who have not yet registered their email address with the Company or with their respective Depository Participant, can register the same so as to enable the Company to use the same for serving the Notice of the 28th AGM along with the Annual Report for the Financial Year 2020-21 and other documents to you electronically, in the following manner:

      a) In case, you are holding shares in demat form and you have not registered your email id with the Depository Participant, you are requested to register your email id with the Depository Participant at the earliest.

b) In case, you are holding shares in physical form and you have not registered your email id, you are requested to fill the "E-mail Registration Form" and send scan copy of the signed form by email to the Company at akcslagm@akgroup.co.in. The Email Registration Form is available at our website www.akgroup.co.in.

vi. Relevant documents referred to in the accompanying Notice will be available for inspection electronically by the members on the website of the Company at www.akgroup.co.in during the time of AGM.

vii. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act, will be available for inspection electronically by the members on the website of the Company at www.akgroup.co.in during the AGM.

7. **Note for shareholders holding shares in physical form:**

i. Members who are holding shares in physical form are hereby informed that SEBI has amended the Regulation 40 of the Listing Regulations vide Notification dated June 8, 2018 and in terms of Notification dated November 30, 2018 w.e.f. April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the **dematerialised** form with a depository. **Accordingly, a detailed procedure for dematerialization of shares is hosted on website of the Company at:**

https://www.akgroup.co.in/docs/PROCEDURE%20-%20DEMATERIALIZATION%20OF%20SHARES-20200824130809435744 3.pdf

ii. Pursuant to the SEBI Circular dated April 20, 2018, the shareholder holding shares in physical form are required to update their Bank and PAN details with Registrar and Share Transfer Agent (RTA) of the Company with requisite proofs. Further shareholders are also recommended to get their shares dematerialized.

iii. Members holding shares in physical form are requested to immediately notify change in their name, postal address, e-mail address, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., if any, to the RTA of the Company i.e., Link Intime India Private Limited having their office at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, quoting their folio number. Members holding shares in dematerialized form are requested to immediately notify change in their name, postal address, e-mail address, Permanent Account Number (PAN), National Automated Clearing House (NACH) mandate, bank accounts details nominations, power of attorney, etc., to their respective Depository Participants (DP).

iv. As per the provisions of Section 72 of the Act, Members are entitled to make nomination in respect of the shares held by them. Members desirous of making nomination may send their request in Form SH-13. If a member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. Members may obtain a blank Form SH-13 & Form SH-14 upon request to the Company or its RTA. Members are requested to submit the said forms to their DP in case the shares are held in demat form and in duplicate to the RTA of the Company in case the shares are held in physical form.

v. Members holding the Equity Shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio by sending to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings. A consolidated share certificate will be issued to such Members after making requisite changes.

vi. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

8. **Notes related to Declaration and Payment of Dividend:**

i. The Board of Directors had declared an Interim Dividend at the rate of INR 5/- (Indian Rupees Five) per equity share of INR 10/- (Indian Rupees Ten) each fully paid-up of the Company for the Financial Year ended March 31, 2021 at their meeting held on January 27, 2021. The Interim Dividend, as declared by the Board, has been paid (subject to deduction of TDS) to the Members on February 25, 2021 as per the bank details registered with the Company or with their respective Depository Participants.

ii. Pursuant to the Regulation 42 and other applicable regulations, if any, of the Listing Regulations, the Board of Directors at their meeting held on Saturday, May 29, 2021 has decided Friday, August 6, 2021 as the "Record Date" for the purpose of ascertaining the eligibility of the shareholders for the payment of final dividend for the Financial Year 2020-21. The Register of Members and Share Transfer Books will remain closed from Saturday, August 7, 2021 to Saturday, August 14, 2021 (both days inclusive).

iii. Final Dividend for the Financial Year 2020-21 as recommended by the Board of Directors, if declared at the 28th AGM, will be paid:

(a) to those Members, holding shares in physical form after giving effect to valid transmission or transposition requests lodged with the Company, whose names appear on the Register of Members of the Company, at the close of business hours on Friday, August 6, 2021.

(b) in respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by Depositories at the close of business hours on Friday, August 6, 2021.

iv. Members desirous of receiving the dividends electronically through National Automated Clearing House (NACH) can fill the "NACH Mandate Form" and send it to the Company by email at akcslagm@akgroup.co.in. The NACH Mandate Form is available at our website www.akgroup.co.in.

v. The Members who are unable to receive the dividend directly in their bank accounts through NACH or any other means, due to non-registration of the Mandate, the Company shall dispatch the dividend warrant/ Bankers' Cheque/ demand draft to such Members.

vi. An updated list of Unpaid/ Unclaimed Dividend (Financial Year 2019-20) is hosted on website of the Company at: https://www.akgroup.co.in/docs/AKCAP%202019-20-20210824152554906044 5.pdf

vii. Members are requested to note that dividends not claimed within Seven Years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF) as per Section 124 of the Act. Pursuant to provisions of Section 124(6) of the Act, all the shares on which dividend remains unpaid for 7 consecutive years shall also be transferred to the IEPF. In view of this, Members are requested to claim their dividends from the Company, within the stipulated

timeline. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's Registered Office or e-mail us at akcslagm@akgroup.co.in.

viii. In accordance with the aforesaid provisions of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended from time to time, the Company has already transferred the unpaid or unclaimed dividends declared up to Financial Years 2012-13 and all the shares in respect of which dividend has remained unpaid/ unclaimed for 7 (seven) consecutive years or more to the IEPF.

ix. Members who have not claimed their dividend declared for the Financial Year ended March 31, 2014 and for any subsequent financial year, are requested to make their claims to the Company without any delay, to avoid transfer of the dividend/shares to the Fund/IEPF Authority.

x. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in along with requisite fees as decided by the IEPF Authority from time to time.

xi. Pursuant to the amendments in the Income Tax Act, 1961, dividend income is taxable in the hands of the shareholders from 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at akcslagm@akgroup.co.in. For details, Members may refer to the **"Instructions on Tax Deductible at Source on Dividend"** appended to this Notice.

Annexure to the Notice:

Item No. 4

Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard 2 on General Meetings issued by the ICSI, the following information is furnished about the Director seeking re-appointment at the Annual General Meeting:

Name of the Director	Mr. Vikas Jain
Designation	Whole-time Director
Age	45 Years
Date of first appointment on Board	February 3, 2018
Qualification	B. Com, Chartered Accountant
Brief resume including experience	Mr. Vikas Jain is a Chartered Accountant and has been with A. K. Capital Services Limited since it came into being. 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 placement arena.
Terms of Service: a) Period of Service: From February 3, 2018 to February 2, 2023 (period of 5 years). b) Fixed Salary: Up to INR 8,00,000/- (Indian Rupees Eight Lakhs) per month c) Perquisites: In addition to the salary, he may also be entitled to perquisites and allowances as may be decided from time to time by the Nomination and Remuneration Committee and the Board of Directors, within the limits specified under Section 197 of the Companies Act, 2013, read with Schedule V thereof. d) Incentives and Bonus: On the basis of performance from time to time. e) Leave Travel Allowance: Subject to applicable law, the Director and his family may be entitled to Leave Travel allowance once in a year. f) Medical Expenses: Subject to applicable law, reimbursement of medical expenses of the Director and his family. g) Other Terms: The Director shall adhere to and perform the duties as prescribed under the applicable provisions of the Companies Act, 2013, the rules made thereunder, Code of Conduct of the Company and all other applicable rules, regulations, guidelines and laws (including any amendments thereto or re-enactments thereof for the time being in force) and any other terms as may be mutually agreed between him and the Board.	
Expertise in specific functional areas	Structuring of innovative fixed income instruments and origination of bond placement transactions.
Directorship in Companies	A. K. Capital Services Limited Family Home Finance Private Limited A. K. Capital Corporation Private Limited

<table>
<tr><td rowspan="6">Membership/ Chairmanship of public limited companies</td><td colspan="3">Mr. Vikas Jain holds the position of Member in the following Committees of A. K. Capital Services Limited:</td></tr>
<tr><td>Sr No</td><td>Name of the Committee(s)</td><td>Designation</td></tr>
<tr><td>1</td><td>Stakeholders' Relationship Committee</td><td>Member</td></tr>
<tr><td>2</td><td>Corporate Social Responsibility Committee</td><td>Member</td></tr>
<tr><td>3</td><td>Banking and Investment Committee</td><td>Member</td></tr>
<tr><td>4</td><td>Management Committee</td><td>Member</td></tr>
<tr><td>5</td><td>Infrastructure Committee</td><td>Member</td></tr>
<tr><td>Relationship with other Directors, Managers and other Key Managerial Personnel of the Company</td><td colspan="3">Mr. Vikas Jain is not related with other Directors, Managers and other Key Managerial Personnel of the Company.</td></tr>
<tr><td>No. of equity shares held in the Company (as on March 31, 2021)</td><td colspan="3">Nil</td></tr>
<tr><td>No. of board meetings attended during the Financial Year 2020-21</td><td colspan="3">4 (Four)</td></tr>
<tr><td>Terms and conditions of appointment or re-appointment including remuneration</td><td colspan="3">As per terms & conditions and remuneration mentioned in the special resolution passed by the members of the Company at the 25th AGM of the Company.</td></tr>
<tr><td>Last Remuneration Drawn</td><td colspan="3">INR 1,06,80,005/- per annum.</td></tr>
</table>

The proposal for re-appointment of Director has been approved by the Board pursuant to the recommendation of the Nomination and Remuneration Committee considering his skills, experience and knowledge and positive outcome of performance evaluation, wherever applicable.

Mr. Vikas Jain is not disqualified from being appointed as a director in terms of Section 164, Schedule V of the Act, BSE circular dated June 20, 2018 and other applicable laws for the time being in force.

None of the directors or key managerial personnel of the Company or their relatives, except Mr. Vikas Jain are, directly or indirectly concerned or interested, financially or otherwise in the said resolution.

The Board recommends Item No. 4 for consideration and approval of the shareholders.

Statement under Section 102 of the Act in relation to Item Nos. 5, 6 and 7 of the Notice:

Item No. 5:

The members are informed pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board and prior approval of the members by resolution in case certain Related Party Transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect of transactions entered into by the Company in the ordinary course of business on an arm's length basis.

However, pursuant to Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), approval of the shareholders through Ordinary Resolution is required for all 'material' Related Party Transactions (RPT) even if they are entered into in the ordinary course of business on an arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a Financial Year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

A. K. Capital Finance Limited, material subsidiary of the Company is a Non-Banking Finance Company registered with Reserve Bank of India and engaged in lending and investment activities. Currently, the Company holds 98.73% of the total equity paid up share capital in A. K. Capital Finance Limited.

The consent of the Members is sought to by way of Ordinary Resolutions to ratify and also accord further approval to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board) for carrying out and/or continuing all existing contracts/ arrangements / agreements / transactions and to enter into new/ further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto) of the following nature with A. K. Capital Finance Limited ("AKCFL"), subsidiary of the Company (a Related Party as defined in the Listing Regulations) for a period of five years commencing from FY 2021-22 to FY 2025-26 on such terms and conditions as may be agreed between the Board and AKCFL for an amount not exceeding INR 5,000 Crores (Indian Rupees Five Thousand Crores), in each Financial Year and the transactions shall be carried on arms' length basis:

a) Availing or rendering of any services;

b) Making investments, giving guarantee/ security and giving/availing loans;

c) Sale, purchase or supply of any securities, goods or materials;

d) Selling or otherwise disposing of, or buying, property of any kind;

e) Leasing of property of any kind;

f) Such other transactions in the normal course of business

The above transactions, which are enabling in nature, have been approved by the "Board" (which term shall be deemed to include any committee constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by the said resolution) of the Company at its meeting held on July 31, 2021 in terms of the requirements of Regulation 23(4) of the Listing Regulations.

Except Mr. A. K. Mittal (being the shareholder holding approx. 1.20% of equity share capital in AKCFL and also a director in AKCFL), Ms. Aditi Mittal (being a relative of Mr. A. K. Mittal and holding 0.07% of equity share capital in AKCFL), Mr. Khimji Shamji Pandav (being a director representing the Company on Board of Directors of AKCFL) and Mr. Mahesh Bhootra, CFO/Key Managerial Personnel, none of the Promoter, Directors, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested financially or otherwise in the said resolution.

The Board of the Company recommends the Ordinary Resolutions as set out in Item No. 5 of this Notice for approval of the shareholders.

Item No.6:

The members are informed that in order to augment resources inter alia, to expand its operations and its working capital requirements, the Company may offer or invite subscription for issuance of Commercial Papers ("CPs") of nominal value aggregating up to INR 100 Crores (Indian Rupees One Hundred Crores), in one or more tranches on such terms and conditions as the Board of Directors ("the Board") may deem fit and appropriate from time to time.

The Board of the Company at its meeting held on July 31, 2021 has, subject to the approval of shareholders in the general meeting proposed to issue CPs on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any and as may be finalized by the Board and/or Committee of Board thereof. The issue price, yield of CP shall be determined by the Board/Committee keeping into consideration various economic factors, tenure and other relevant factors.

Accordingly, the consent of the shareholders is sought for passing a Special Resolution as set out under this item of the Notice.

This resolution enables the Board of the Company or any other Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution to offer or invite subscription for CPs of nominal value aggregating up to INR 100 Crores (Indian Rupees One Hundred Crores), in one or more series or tranches, as deemed fit, and within the overall borrowing limits of the Company, as approved by the shareholders from time to time and as per the details specified in the said Special Resolution. The Board of the Company or any other Committee thereof shall decide, inter alia, other terms and conditions for such fund raising.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way, except to the extent of their respective shareholding in the Company, concerned or interested, financially or otherwise, in the proposed Special Resolution.

The Board of the Company recommends the Special Resolution as set out in Item No. 6 of this Notice for approval of the shareholders.

Item No. 7:

Pursuant to Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, an Explanatory Statement relating to the Special Resolution is given as under:

The Company has plans to expand its operations and therefore needs to augment its long-term capital base and in the course of which, the Board of Directors ("the Board") of the Company may need to raise further funds to meet the expansion plans and augment the long term capital base and working capital requirements through the issue of further securities. Accordingly, in terms of Sections 42 and 55 of the Companies Act, 2013 (the "Act") and other applicable provisions, if any, read with the Companies (Share Capital & Debentures) Rules, 2014, consent of the shareholders is being sought by way of Special Resolution for the issue of Non-Convertible Redeemable Preference Shares ("NCRPS"), whether Cumulative or Non-Cumulative of face value of INR 100/- each, aggregating to nominal amount not exceeding INR 100 Crores (Indian Rupees One Hundred Crores) at such price and on the terms and conditions set out hereunder:

The material facts concerned with and relevant to the issue(s) of the preference shares are as given below:

Issue size	Up to INR 100 Crores (Indian Rupees One Hundred Crores) divided into 1 Crore Preference Shares of INR 100/- each.
Nature of shares	It shall be in the nature of Cumulative or Non-Cumulative and shall be Non-Convertible and Non-Participating.
Objective of Issue	To expand its operations and augment the long-term capital base and working capital requirements of the Company.
Manner of Issue	NCRPS will be issued and offered on a private placement basis in accordance with the provisions of Section 42 of the Act and the Rules made there under and applicable guidelines issued by SEBI in this respect
Issue Price and basis for determining price	NCRPS will be issued at par / or at premium, depending upon market conditions and terms of issue
Terms of Issue and rate of dividend	NCRPS will carry a dividend rate as may be decided by the Board in the best interest of the Company. Other terms to be determined by the Board.
Terms of Redemption	Redemption at par or at premium within a maximum period of 20 years from the date of allotment.
Manner and modes of Redemption	The proposed NCRPS shall be redeemed in accordance with the provisions of the Companies Act, 2013 or any such other applicable law, rules, regulations as may be applicable.
Expected dilution in equity share capital upon conversion of preference shares	Not Applicable, since the proposed NCRPS shall be Non-Convertible in nature.
Date of passing Board Resolution	July 31, 2021

The Equity Shareholding Pattern of the Company as on June 30, 2021 is as under:

Category	Number of shares	% of total Shareholding
Promoter and promoter group		
Indian	46,53,449	70.51
Foreign (NRI)	0	0
Sub-total (A)	**46,53,449**	**70.51**
Public		
NRIs/Foreign Bodies Corporate	12,982	0.20
Indian Bodies Corporate	2,50,270	3.79
Individuals/HUF	16,72,127	25.33
Clearing Members	3,638	0.06
Investor Education and Protection Fund (Authority of Ministry of Corporate Affairs)	7,534	0.11
Sub-total (B)	**19,46,551**	**29.49**
Total Shareholding (A) + (B)	**66,00,000**	**100.00**

The issue of Preference Shares has been authorized by the Articles of Association of the Company. The Directors or Key Managerial Personnel of the Company or their respective relatives may be deemed to be concerned or interested in the said resolution to the extent of the Preference Shares that may be subscribed by them or any other entities in which they are interested.

The Board of the Company recommends the Special Resolution as set out in Item No. 7 of this Notice for approval of the shareholders.

For and on behalf of the Board of Directors

A. K. Capital Services Limited

A. K. Mittal

Managing Director

(DIN: 00698377)

Place: Mumbai

Date: July 31, 2021

Registered Office: 30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021

INSTRUCTIONS FOR REMOTE E-VOTING:

1. Procedure for Remote E-voting

In compliance with provisions of Section 108 of the Act, and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company is pleased to provide its members facility to exercise their right to vote at the 28th AGM by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a remote location ("remote e-voting") will be provided by Link Intime India Private Limited ("LIIPL"). Remote e-voting is a mechanism through which members shall have an option to cast their vote prior to the scheduled date of the AGM or alternatively the members can cast their votes using the e-voting mechanism during the AGM. The Members who had cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC/OAVM **but shall not be entitled to cast their vote again.**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider ("ESP") i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the E-Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ▶ Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: - **A. User ID:** Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company. **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company) shall use the sequence number provided to you, if applicable. **C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). ▶ Click "confirm" (Your password is now generated). 2. Click on 'Login' under **'SHARE HOLDER'** tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.** 4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link). 7. After selecting the desired option i.e. Favour / Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on **'No'** and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- o Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - ♦ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - ♦ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - ♦ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

2. The remote e-voting period shall commence on Wednesday, September 15, 2021 (9.00 a.m. IST) and close on Friday, September 17, 2021 (5.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in electronic form, as on the cut-off date i.e., September 11, 2021 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by LIIPL for voting thereafter. Once the vote on a resolution is cast by member, the same shall **not be allowed to change it subsequently or cast the vote again.** A person who is not a member as on cut-off date i.e. September 11, 2021 should treat this Notice for information purpose only.

3. Other Instructions relating to Voting and Appointment of Scrutinizer:

i) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on cut-off date of Saturday, September 11, 2021.

ii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., Saturday, September 11, 2021 only shall be entitled to avail the facility of remote e-voting as well as e-voting during the AGM.

iii) Any person who becomes a Member of the Company after dispatch of the Notice and holds shares of the Company as on the cut-off date i.e. Saturday, September 11, 2021 and whose PAN is not registered with the Company may obtain the Login ID and Password by sending request at enotices@linkintime.co.in or akcslagm@akgroup.co.in. However, if he/she is already registered with LIIPL for remote e-voting then he/she can use his/her existing User ID and Password for casting the vote.

iv) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

4. Mr. Umashankar Hegde (Membership No A22133 and COP No. 11161) partner of M/s. Ragini Chokshi & Co., Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the votes cast through remote e-voting and the e-voting process during the AGM in a fair and transparent manner.

5. The Scrutinizer will submit a consolidated scrutinizer's report of the total votes cast in favour or against if any, after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes cast through remote e-Voting), within two working days of the conclusion of the AGM, to the Chairman or a person authorized by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

6. The results declared along with the consolidated Scrutinizers' Report shall be placed on the Company's website www.akgroup.co.in and on the website of LIIPL https://instavote.linkintime.co.in immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited, where the equity shares of the Company are listed.

7. Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice shall be deemed to be passed on the date of the AGM, i.e. Saturday, September 18, 2021.

PROCESS AND MANNER FOR ATTENDING THE TWENTY-EIGHTH AGM THROUGH INSTAMEET

1. Instructions for attending the AGM through VC/OAVM

i. The Members will be provided with a facility (**InstaMEET**) to attend the AGM through VC/OAVM through the Link Intime India Private Limited ("LIIPL") and they may access the same at https://instameet.linkintime.co.in.

ii. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

Select the **"Company"** and **'Event Date'** and register with your following details: -

A. Demat Account No. or **Folio No:** Enter your 16-digit Demat Account No. or Folio No.

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company) shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

The Members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.

Please refer the instructions (Schedule) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

a. Members who would like to express their views/ask questions with respect to the financial statements or any other matter to be placed at the Annual General Meeting may pre-register themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at akcslagm@akgroup.co.in between Wednesday, September 8, 2021 (9:00 a.m. IST) and Friday, September 10, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers/questions depending on the availability of time for the Annual General Meeting. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

b. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company/LIIPL.

c. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

d. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.

e. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

a. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"

b. Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.

c. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

d. Cast your vote by selecting appropriate option i.e., "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

e. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

f. Once you confirm your vote on the resolution, **you will not be allowed to modify or change your vote subsequently**.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

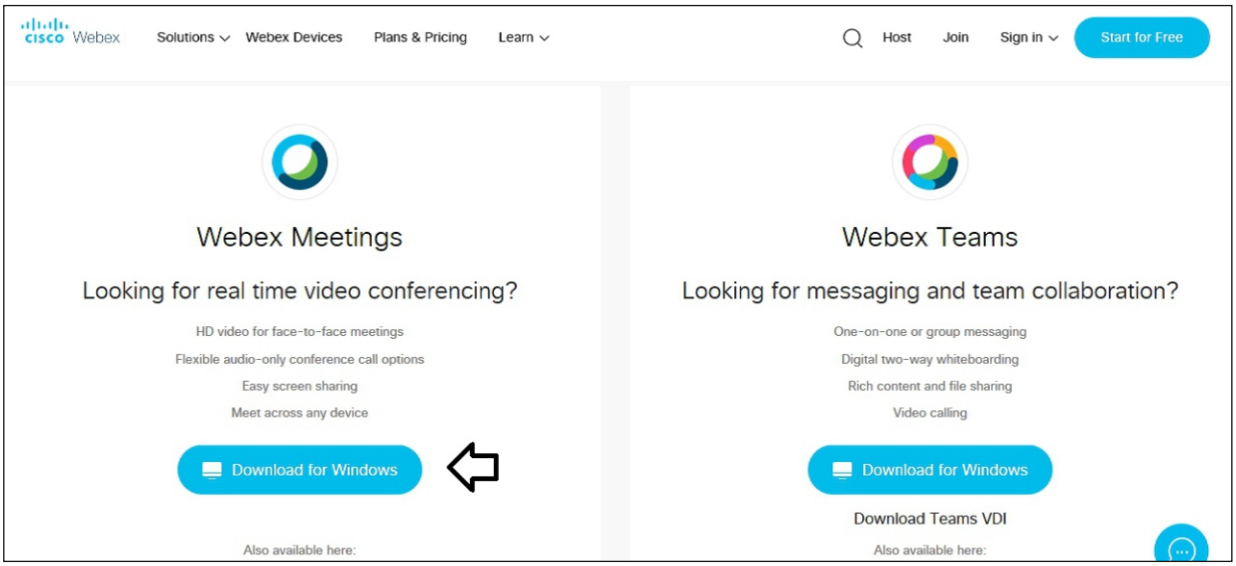
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175 **InstaMeet Support Desk, Link Intime India Private Limited**.

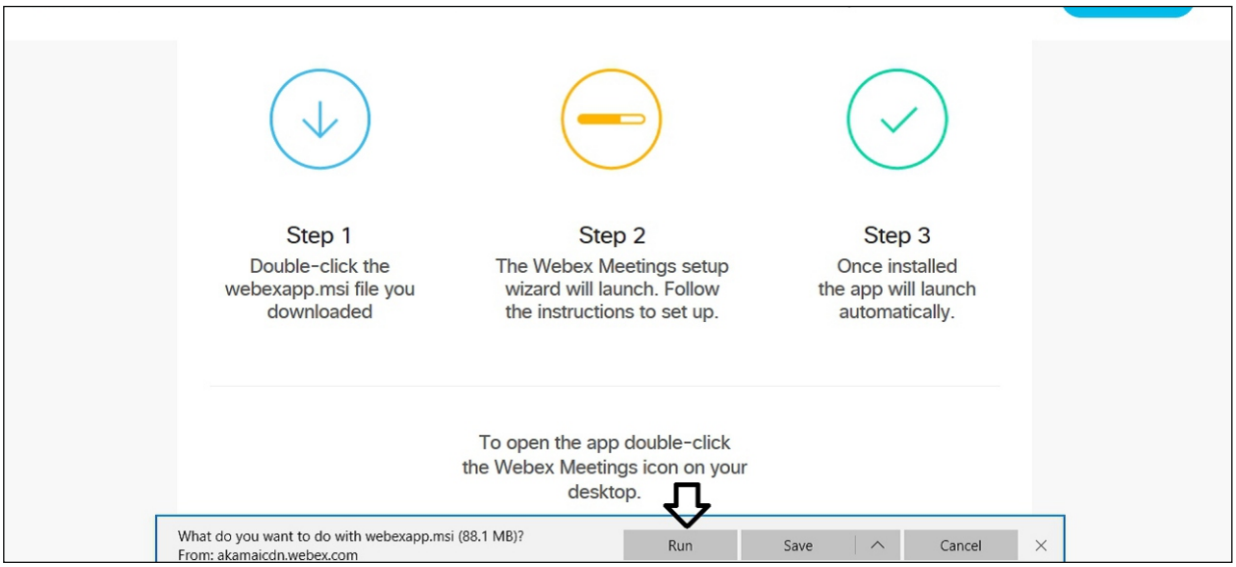
Schedule

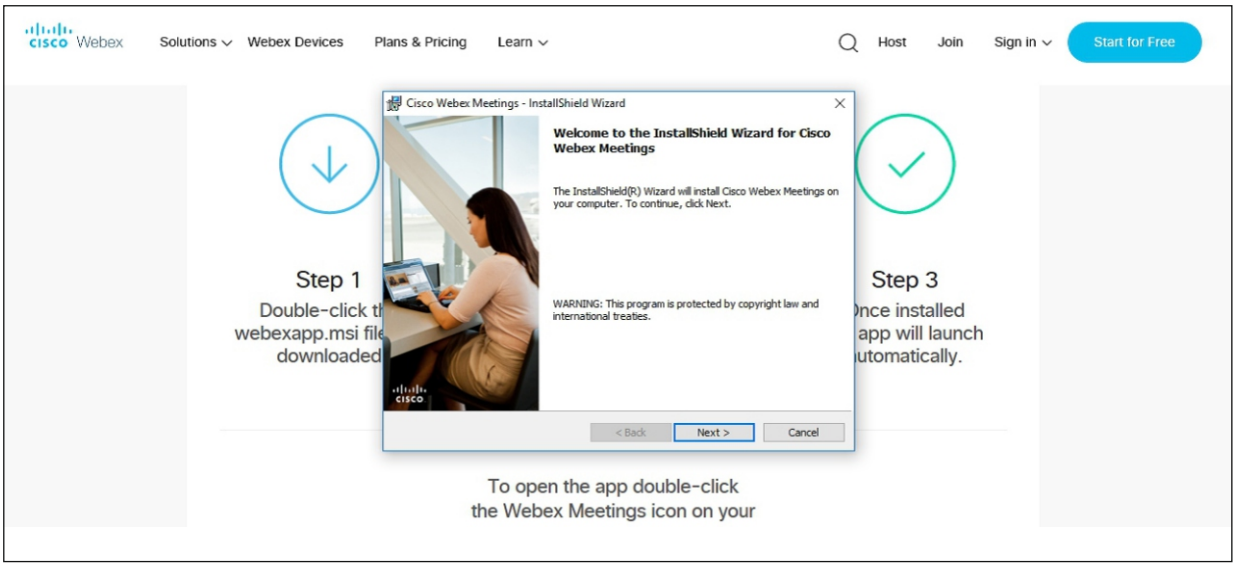
Guidelines to attend the AGM proceedings on Link Intime India Private Limited: InstaMEET

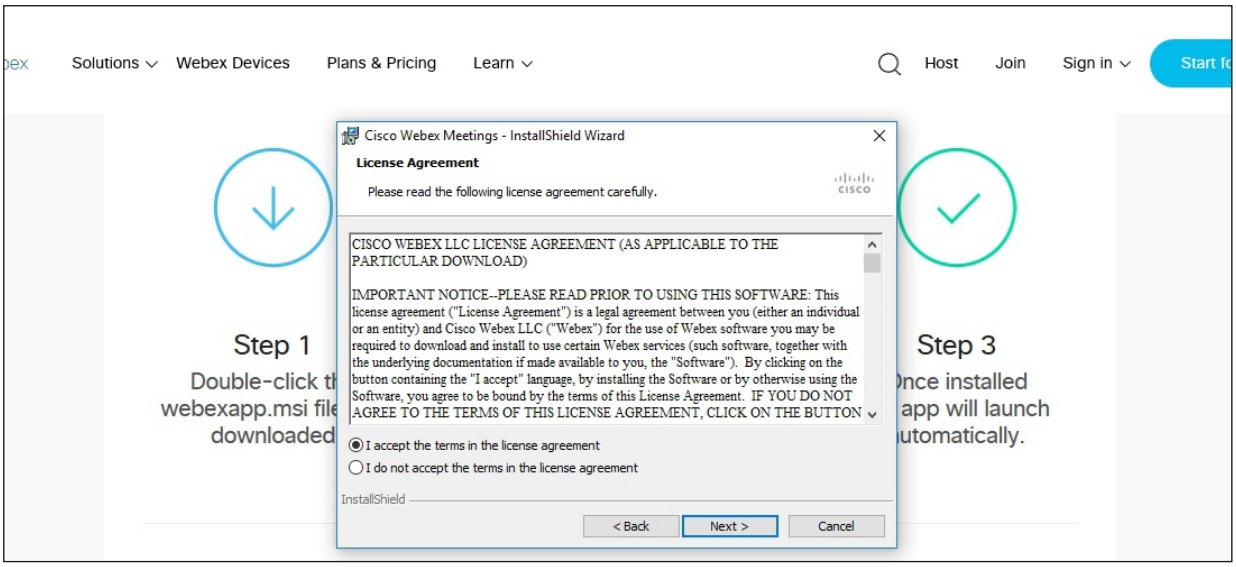
For a smooth experience of viewing the AGM proceedings on Link Intime India Private Limited InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

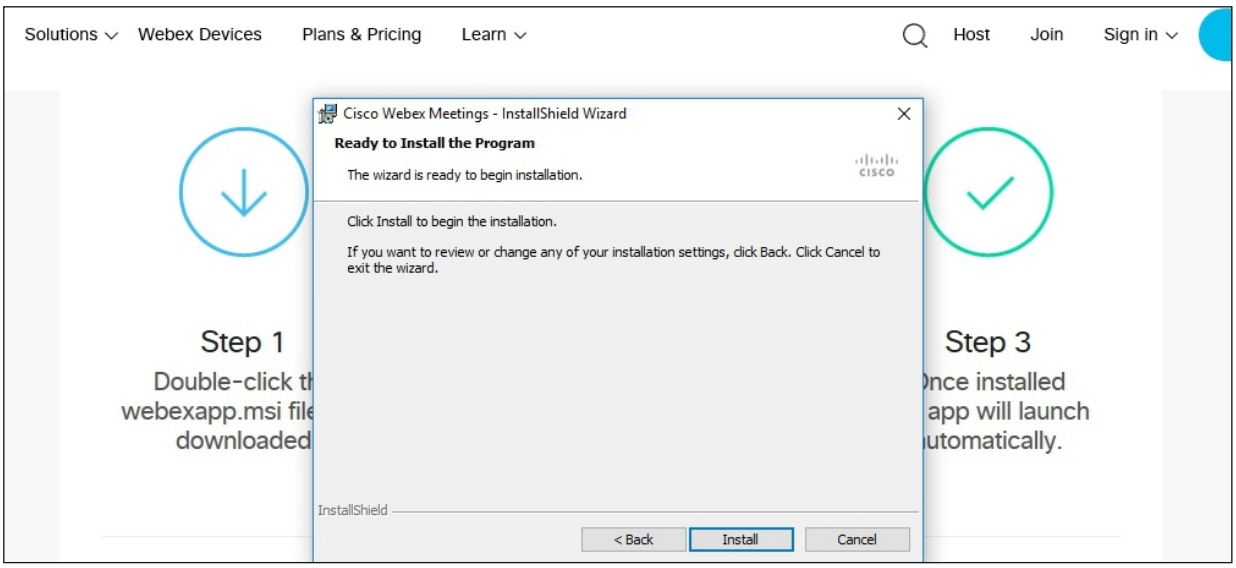
a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/







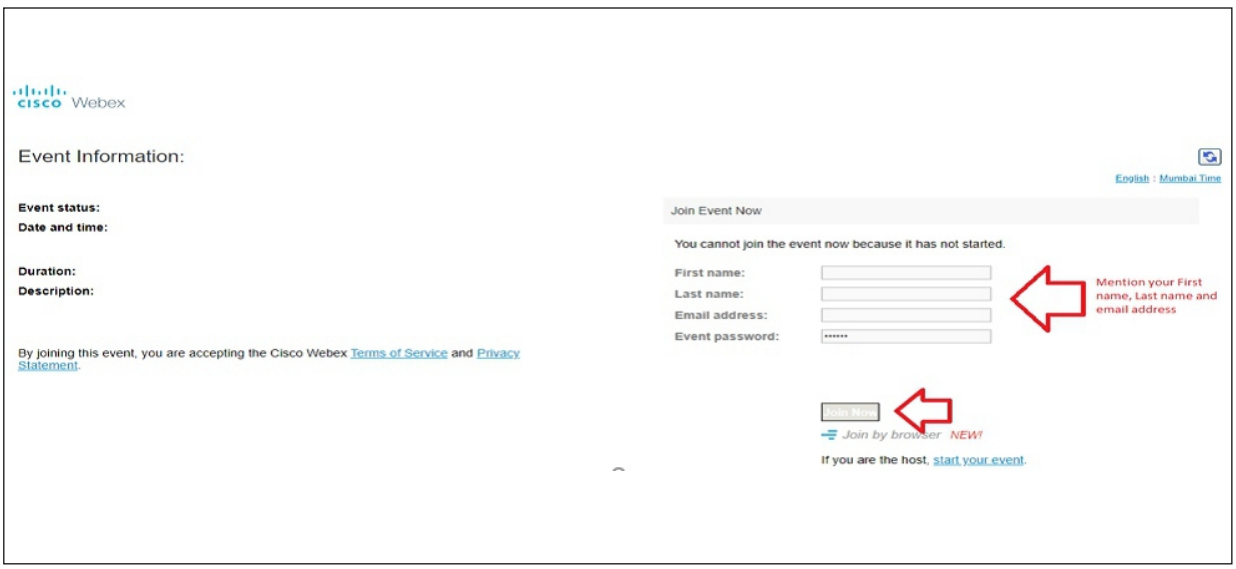




Or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

- Enter your First Name, Last Name and Email ID and click on Join Now
- If you have already installed the Webex application on your device, join the meeting by clicking on Join Now.
- If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.
- Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.



INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND

In accordance with the provisions of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of the shareholders. The Company is required to deduct tax at source (TDS) at the rates applicable to each category of shareholders. The rates of TDS for various categories of shareholders and the required documents are provided below:

I. FOR RESIDENT SHAREHOLDERS:

Tax is required to be deducted at source under Section 194 of the Income Tax Act, 1961 at rate in force (at present 10%) on the amount of Dividend declared and paid by the Company during Financial Year 2021-22, provided valid Permanent Account Number (PAN) is registered by the Shareholder. If PAN is not registered or if they are specified person (non-filers) as per Section 206AB of the Income Tax Act, 1961, TDS would be deducted at rate in force (at present 20%) as per the provisions of the Income Tax Act, 1961 and/or Rules framed thereunder.

a. Resident Individuals:

No tax shall be deducted on the dividend payable to resident individuals if –

i. Total dividend to be received by them during the Financial Year 2021-22 does not exceed INR 5,000/-.

ii. The shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met.

b. Resident Non-Individuals:

Are requested to provide –

i. **Insurance Companies:** Public & Other Insurance Companies, a declaration that it has full beneficial interest with respect to the shares owned by it along with PAN.

ii. **Mutual Funds:** Self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961 along with self-attested copy of PAN card and registration certificate.

iii. **Alternative Investment Fund (AIF)** (established/incorporated in India): Self-declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with self-attested copy of the PAN card and registration certificate.

iv. **Other Non-Individual shareholders:** Who are exempted from TDS under provisions of Section 194 of the Income Tax Act, 1961 and who are covered u/s 196 of the Income Tax Act, 1961 are also not subject to withholding of any tax are required to submit an attested copy of the PAN along with the documentary evidence in relation to the same.

c. In case where the shareholders provide certificate under Section 197 of the Income Tax Act, 1961 for lower/ NIL withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

II. FOR NON-RESIDENT SHAREHOLDERS:

a. Taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 as per the rates in force. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, certificate issued under Section 197/195 of the Income Tax Act, 1961 is given by non-resident shareholders for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

b. Further, as per Section 90 of the Income Tax Act, 1961 the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:

i. Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities. If the PAN is not allotted, please provide your email address, contact number, tax identification number allotted in the country of residence and address in country of residence.

ii. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident. In case, the TRC is in a language other than English, a duly notarized and apostilled copy thereof, translated in English language would have to be provided

iii. Self-declaration in Form 10F.

iv. Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty.

v. Self-declaration of Beneficial ownership by the non-resident shareholder.

Kindly note that the Company is not obligated to apply beneficial tax treaty rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate of tax treaty for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

c. In case of Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI), taxes shall be withheld at 20% plus applicable surcharge and cess in accordance with provisions of Section 196D of the Income Tax Act,1961.

Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, **we request you to provide these details and documents as mentioned above on or before Saturday, September 11, 2021 by 11:59 p.m. IST at** investortaxdeclarations@akgroup.co.in or akcslagm@akgroup.co.in.

The Final Dividend for FY 2020-21 will be paid after deducting the tax at source as under:

A. FOR RESIDENTSHAREHOLDERS:

i. Nil for resident shareholders in case Form 15G / Form 15H (as applicable) is submitted along with self- attested copy of the PAN. Please note that the duly filled up forms submitted through your registered email id will be accepted in the present circumstances due to COVID-19.

ii. Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under Section 197 of the Income Tax Act,1961.

iii. 10% for resident shareholders in case PAN is provided /available.

iv. 20% plus applicable surcharge and cess, for resident shareholders in case PAN is not provided / not available

B. FOR NON-RESIDENTSHAREHOLDERS:

i. Beneficial tax treaty rate (based on tax treaty with India) for non-resident shareholders, as applicable will be applied on the basis of documents submitted by the non-resident shareholders

ii. Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under Section 195/197 of the Income Tax Act,1961

iii. 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted (including FII/FPI)

C. FOR SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS/CATEGORY:

Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

Shareholders are requested to send aforementioned documents at investortaxdeclarations@akgroup.co.in or akcslagm@akgroup.co.in. These documents should reach us by 11:59 p.m. IST on or before September 11, 2021 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. The relevant forms/self-declarations is hosted on website of the Company at website link :

https://www.akgroup.co.in/docs/TDS%20Forms%20and%20%20Declarations-20210824150821281044 5.pdf

No communication on the tax determination / deduction shall be entertained post September 11, 2021. It may be further noted that in case the tax on said Final Dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

In view of the prevailing lockdown due to COVID 19, shareholders are requested to complete necessary formalities with regard to their bank accounts linked to their demat account for enabling the Company to make timely credit of dividend in the respective bank accounts.

Disclaimer: *This communication shall not be treated as an advice from the Company or its affiliates. Shareholders should obtain the tax advice related to their tax matters from a tax professional.*