A. K. CAPITAL SERVICES LIMITED

BUILDING BONDS

ANNUAL REPORT 2022-2023



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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. Khimji Shamji Pandav
Non-Executive Independent Director
(DIN: 01070944)

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

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

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

Mr. Rajiv Bakshi
(Appointed w.e.f. August 5, 2023)
Non-Executive, Independent Director (Additional)
(DIN: 00264007)

Mr. Ashish Vyas
(Appointed w.e.f. August 5, 2023)
Non-Executive, Independent Director (Additional)
(DIN: 10264901)

CHIEF FINANCIAL OFFICER
Mr. Mahesh Bhootra

COMPANY SECRETARY
Mr. Tejas Dawda

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

BANKERS
Bank of India
Bank of Maharashtra
HDFC Bank
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
603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400098
Tel: +91-22-67546500 | Fax: +91-22-66100594
Website: www.akgroup.co.in

DIRECTORS' REPORT

To,

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

The Directors of your Company are pleased to present the 30th Annual Report of the Company, together with the Annual Audited Standalone and Consolidated financial statements for the Financial Year ended March 31, 2023.

1. FINANCIAL HIGHLIGHTS

A summary of the financial performance of the Company, both on Standalone and Consolidated basis, for the Financial Year 2022-23 as compared to the previous Financial Year is given below:

Standalone Financial Statements:

(INR in Lakhs except earnings per share)

Particulars	FY 2022-23	FY 2021-22
Total revenue	11,534.52	8,689.01
Total expenses	7,628.26	5,410.08
Profit before tax	**3,906.26**	**3,278.93**
Tax expenses:		
Current tax	920.00	603.00
Prior period tax adjustments	(2.78)	(50.85)
Deferred tax expense/(credit)	(82.37)	94.63
Profit after tax (A)	**3,071.41**	**2,632.15**
Other comprehensive Income, net of tax		
Item that will not to be reclassified to the statement of profit and loss	(10.83)	0.83
Less: Income tax expense on above	2.72	(0.20)
Other comprehensive Income for the year (B)	**(8.11)**	**0.63**
Total comprehensive Income for the year [A+B]	**3,063.30**	**2,632.78**
Earnings per equity share (face value INR 10/- per share) Basic and Diluted (INR)	46.54	39.88
Opening balance of other comprehensive income	**(614.69)**	**(615.32)**
Add: Other comprehensive income for the year	(8.11)	0.63
Closing balance of other comprehensive income	**(622.80)**	**(614.69)**
Opening balance of retained earnings brought forward from previous year	**34,985.24**	**32,749.09**
Add: Profit for the year	3,071.41	2,632.15
Profit available for appropriation	**38,056.65**	**35,381.24**
Less: Appropriations		
Dividend paid**	**(594.00)**	**(396.00)**
Closing balance of retained earnings	**37,462.65**	**34,985.24**

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

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

Particulars	FY 2022-23	FY 2021-22
Total revenue	40,680.68	32,289.11
Total expenses	28,886.70	21,424.75
Profit before tax	**11,793.98**	**10,864.36**
Tax expenses		
Current tax	3,048.30	2,135.99
Prior period tax adjustments	(9.23)	(59.72)
Deferred tax expense/(credit)	(86.67)	487.53
Profit after tax (A)	**8,841.58**	**8,300.56**
Other comprehensive income, net of tax		
Item that will not to be reclassified to the statement of profit and loss	(30.43)	(26.08)
Less: Income tax expense on above	12.35	6.91
Other comprehensive Income for the year (B)	**(18.08)**	**(19.17)**
Total comprehensive income for the year [A+B]	**8,823.50**	**8,281.39**
Profit for the year attributable to:	**8,841.58**	**8,300.56**
Owners of the Company	8,763.40	8,227.07
Non-controlling interest	78.18	73.49
Other comprehensive income attributable to:	(18.08)	(19.17)
Owners of the Company	(17.73)	(19.10)
Non-controlling interest	(0.35)	(0.07)
Earnings per equity share (face value INR 10/- per share) Basic and Diluted (INR)	132.78	124.65
Opening balance of Other comprehensive income	**(2,390.36)**	**(2,371.26)**
Add: Other comprehensive income for the year	(17.73)	(19.10)
Closing balance of other comprehensive income	**(2,408.09)**	**(2,390.36)**
Opening balance of retained earnings brought forward from previous year:	**61,580.06**	**55,137.08**
Add: Profit for the year	8,763.40	8,227.07
Profit available for appropriation	**70,343.46**	**63,364.15**
Less: Appropriations		
Dividend paid	(594.00)	(396.00)
Dividend on CCPS	(230.09)	(230.09)
Transfer to special reserve	(1,184.32)	(1,158.00)
Closing balance of retained earnings	**68,335.05**	**61,580.06**

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

**During the Financial Year 2022-23, the Board of Directors of the Company had paid a final dividend of INR 3/- per equity share (pertaining to Financial Year ended March 31, 2022) having face value of INR 10/- each. The same is approved by the shareholders of the Company in the Annual General Meeting held on September 17, 2022. The total cash outflow of INR 198.00 Lakhs.

During the Financial Year 2022-23, the Board of Directors of the Company had paid interim dividend of INR 6/- per equity share having face value of INR 10/- each for the year ended March 31, 2023, at its board meeting held on February 8, 2023. The total cash outflow of INR 396.00 Lakhs.

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 SEBI as a Category I Merchant Banker and Investment Advisor.

On a standalone basis, your Company earned total revenue of INR 11,534.52 Lakhs during the Financial Year under review as against INR 8,689.01 Lakhs reported in the previous Financial Year. The profit before tax is INR 3,906.26 Lakhs for the current Financial Year as against INR 3,278.93 Lakhs during the previous Financial Year. After making provision for tax, the net profit of your Company is INR 3,071.41 Lakhs for the current Financial Year as against the net profit of INR 2,632.15 Lakhs in the previous Financial Year.

The consolidated total revenue of your Company stood at INR 40,680.68 Lakhs for the Financial Year ended March 31, 2023, as against INR 32,289.11 Lakhs for the previous Financial Year. The consolidated profit before tax is INR 11,793.98 Lakhs for the current Financial Year as against INR 10,864.36 Lakhs in the previous Financial Year. After making provision for tax, the consolidated net profit of your Company is INR 8,841.58 Lakhs for the current Financial Year as against INR 8,300.56 Lakhs in the previous Financial Year.

3. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

As required under Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, a report on the highlights of performance of subsidiaries, and their contribution to the overall performance of the Company in Form **AOC-1** is given at Note No. **46(b)** to the Consolidated Financial Statements forming part of the Annual Report.

In accordance with provisions of Section 136 of Companies Act, 2013, the separate audited financial statements of each subsidiary company is also available on the website of your Company at https://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 Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared in accordance with the 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. DIVIDEND

The Board of Directors had declared an Interim Dividend of INR 6/- per equity share on each fully paid up 66,00,000 equity shares of INR 10/- each of the Company amounting to INR 396 Lakhs for the Financial Year ending March 31, 2023. The dividend was paid to those members of the Company whose names appeared on the Register of Members of the Company as on February 20, 2023.

The Board has recommended a Final Dividend of INR 6/- per equity share of INR 10/- each for Financial Year 2022-23.

The payment of the final dividend is subject to the approval of the members at the ensuing Annual General Meeting and shall be paid to those members whose names appear in the Register of Members as on Friday, August 18, 2023. The Register of Members and Share Transfer Books will remain closed from Saturday, August 19, 2023 to Saturday, August 26, 2023 (both days inclusive). The amount of final dividend on Equity Shares thereon aggregates to INR 396 Lakhs.

The total dividend (interim and final) declared/ recommended by the Board for Financial Year 2022-23, is INR 12/- per equity shares of INR 10/- each fully paid up.

6. TRANSFER TO GENERAL RESERVES

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

7. PUBLIC DEPOSITS

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

8. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

Particulars of Loans, Investments and Guarantees as required under the provisions of Section 186 of the Companies Act, 2013 are given in "**Note No. 5, 6 & 34** of the Notes to the standalone financial statements".

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3) (c) and 134(5) of the Companies Act, 2013, 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 2022-23;

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, 2023 and of the profit of the Company for the Financial Year 2022-23 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 and for preventing and 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.

10. 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).

M/s. JMR & Associates, Practicing Chartered Accountants Firm have assessed the Internal Financial controls on the basis of internal processes having an effect on the financial statements of the Company.

In addition, on assessing the controls of its operating processes, the Company level controls have also been assessed with respect to the existing policy and procedures of the Company. Based on the results of such assessments carried out by the management with the assistance of M/s. JMR & Associates, Practicing Chartered Accountants Firm, no reportable material weakness or significant deficiency in the design or operation of internal financial controls was observed.

Also, the statutory auditors of the Company, viz. M/s. PYS & Co., 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, 2023, 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.

Annexure B to the Independent Auditor's Report provides a report on the Internal Financial Controls over the financial reporting of A. K. Capital Services Limited as of March 31, 2023.

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

11. 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.

12. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

iii. prevention and detection of frauds and errors;

iv. accuracy and completeness of accounting records;

v. timely preparation of reliable financial information; and

vi. compliance with applicable laws and regulations.

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

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

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

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered into by the Company during the Financial Year 2022-23 with related parties were in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company had obtained prior approval of the Audit Committee for all the related party transactions during the Financial Year 2022-23, as envisaged in Regulation 23(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Audit Committee had given prior omnibus approval under Section 177 of the Companies Act, 2013 read with Rule 6(A) of The Companies (Meetings of Board and its Powers) Rules, 2014 read with Regulation 23(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2023 were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted.

Further pursuant to Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has also obtained the prior approval of the shareholders for the material related party transactions entered into by the Company and its subsidiaries on one hand with A. K. Capital Finance Limited and A. K. Services Private Limited respectively.

The details of material related party transaction entered into by the Company during the Financial Year 2022-23 are enumerated in Form **AOC-2** as annexed in **Annexure - 4** under Section 134(3)(h) of the Companies Act, 2013, 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. 32** of the Notes to the 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%20&dealing%20with%20Related%20Party%20Transactions.pdf

14. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There was no material change and commitment affecting the financial position of your Company between the end of the Financial Year 2022-23 and the date of this report, which could have an impact on your Company's operation in the future or its status as a "Going Concern".

15. CREDIT RATING

The details regarding Credit Rating assigned, reaffirmed, reviewed etc. with respect to the various facilities availed by the Company during the Financial Year are given in the 'Report on Corporate Governance' which is as follows:

Rating Agency	Rating	Instruments	Rating Action	Rating Action
Acuité Ratings & Research Limited	ACUITE AA- (ACUITE Double A Minus) (Outlook: Stable)	Long Term Instruments	Reaffirmed	April 7, 2022
CARE Ratings Limited	CARE A1+ (A One Plus)	Commercial Paper	Assigned	July 19, 2022
Acuité Ratings & Research Limited	ACUITE AA- (ACUITE Double A Minus) (Outlook: Stable)	Long Term Instruments	Reaffirmed	January 5, 2023
CARE Ratings Limited	CARE A1+ (A One Plus)	Commercial Paper	Reaffirmed	February 8, 2023

16. STATUTORY AUDITORS

M/s. PYS & Co. LLP, Chartered Accountants (Firm Registration Number - 012388S/S200048), were re-appointed in the 29th Annual General Meeting of the Company held on September 17, 2022 as Statutory Auditors of the Company to hold office for a term of Five years until the conclusion of the 34th Annual General Meeting to be held in 2027.

However, Ministry of Corporate Affairs, vide its Notification dated 7th May, 2018 amended provisions of Section 139(1) of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 and accordingly, provision pertaining to requirement of ratification of appointment of auditor at every subsequent Annual General Meeting is dispensed with.

Therefore, at the ensuing Annual General Meeting members are not required to ratify Auditor's Appointment and M/s. PYS & Co. LLP, Chartered Accountants (Firm Registration Number - 012388S/S200048), will continue to act as Statutory Auditors of the Company till the conclusion of the 34th Annual General Meeting.

Further the Board of Directors at their Meeting held on May 27, 2023, has appointed M/s. Ragini Chokshi & Co., Practicing Company Secretaries, as Secretarial Auditor, to conduct the Secretarial Audit of the Company for Financial Year ended March 31, 2024.

17. AUDITOR'S REPORT

The Statutory Auditors' Report forms part of the Annual Report. There were no qualifications, reservations, adverse remarks or disclaimers in the Report of the Statutory Auditors of the Company.

18. 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 Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

19. 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 Companies Act, 2013.

20. SUBSIDIARIES AND MATERIAL SUBSIDIARIES

A. SUBSIDIARIES

As on March 31, 2023, your Company has following subsidiaries:

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

During the Financial Year a new company by the name of "A. K. Alternative Asset Managers Private Limited" was incorporated on December 20, 2022 as a wholly owned subsidiary of A. K. Wealth Management Private Limited and Step-down subsidiary of the Company. The new entity was incorporated to act as an Investment Manager to the proposed Alternative Investment Fund (AIF) to be established at the group level.

B. MATERIAL SUBSIDIARIES

Pursuant to the provisions of Regulation 16(1) (c) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, including amendments thereto, the Company has one material subsidiary namely, A. K. Capital Finance Limited during the Financial Year 2022-23.

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%20Subsidiary.pdf

21. SECRETARIAL AUDIT OF MATERIAL UNLISTED SUBSIDIARIES

The Material Subsidiary of the Company viz. A. K. Capital Finance Limited has listed its Non-Convertible Debentures (NCDs) on the BSE stock exchange. As a result the said Subsidiary falls within the definition of Listed entity as per Regulation 16(p) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Since the Company does not have any Material Unlisted Subsidiary, the provisions of Regulation 24A pertaining to Secretarial Audit of Material Unlisted Subsidiary are not applicable during the period under review.

22. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY:

I. APPOINTMENTS DURING SINCE LAST ANNUAL GENERAL MEETING

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

i. Mr. Rajiv Bakshi (DIN: 00264007) as Non-Executive Independent Director (Additional) of the Company with effect from August 5, 2023 for a period of 3 years.

ii. Mr. Ashish Vyas (DIN: 10264901) as Non-Executive Independent Director (Additional) of the Company with effect from August 5, 2023 for a period of 1 year.

Their appointments are subject to approval of the Members at the ensuing AGM of the Company. The draft resolutions for the appointment of the Directors and their detailed profiles have been included in the notice convening the ensuing AGM and details of the proposal for appointment are mentioned in the explanatory statement of the notice of AGM.

II. COMPOSITION OF THE BOARD

As on March 31, 2023, the Board of Directors of your Company comprised of Six Directors of which Three are Executive Directors, One Woman Non-Executive Non-Independent Director and Two are Non-Executive Independent Directors. The Chairman of the Board is Non-Executive Independent Director.

The composition of the Board is in consonance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in accordance with the applicable provisions of the Companies Act, 2013, as amended from time to time.

During the Financial Year under review, there was no change in the composition of the Board of Directors of the Company.

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

III. RETIREMENT BY ROTATION

In accordance with the Articles of Association of the Company and the provisions of the Section 152 of the Companies Act, 2013, Ms. Aditi Mittal (DIN: 00698397), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

The requisite agenda for re-appointment of Ms. Aditi Mittal (DIN: 00698397) is incorporated in the notice of Annual General Meeting.

IV. 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 Companies Act, 2013 as on March 31, 2023:-

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

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 Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they have complied with the Code of Conduct for Independent Directors as specified in Schedule IV to the Act.

Further, 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 of Independent Directors 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, Mr. Subhash Chandra Bhargava (DIN: 00020021), Mr. Khimji Shamji Pandav (DIN: 00020021) and Mr. Rajiv Bakshi (DIN: 00264007), Non-Executive Independent Directors on the Board of the Company are exempted from appearing in the online proficiency self-assessment test conducted by the IICA.

Further, Mr. Ashish Vyas (DIN: 10264901) has duly cleared the online proficiency self-assessment test conducted by the IICA.

24. DECLARATION FROM DIRECTORS AND PRACTISING PROFESSIONAL

Based on the written representations as received from the Directors of the Company, none of the Directors of the Company is disqualified to act as a director as on March 31, 2023.

M/s. Ragini Chokshi & Co, Practicing Company Secretaries and Secretarial Auditor of the Company, 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 Secretarial Auditor to this effect forms **Annexure - 6** to this Board's Report.

25. PERFORMANCE EVALUATION AND MEETING OF INDEPENDENT DIRECTORS

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 details of performance evaluation conducted during the Financial Year 2022-23 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 Corporate Governance Report, which forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days.

27. BOARD COMMITTEES:

MANDATORY COMMITTEES

The Board of Directors has four Mandatory Committees, viz.

i. Audit Committee

ii. Nomination and Remuneration Committee

iii. Stakeholders' Relationship Committee

iv. Corporate Social Responsibility Committee

The details of all the Mandatory Committees along with their Composition, Terms of Reference and Meetings held during the year are provided in 'Report on Corporate Governance' forming part of the Annual Report.

NON-MANDATORY COMMITTEES

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

i. Banking and Investment Committee

ii. Management Committee

The Board at its meeting held on February 8, 2023 had approved the realignment of Management and Infrastructure Committee of the Board and merged both the Committees; the Committee was named as Management 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 Section 178(3) 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

In accordance with the requirements of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The Composition and Terms of Reference of the CSR Committee is provided in the Corporate Governance Report forming part of this Annual Report.

The Company has also formulated a CSR Policy which is available on the website of the Company at

https://www.akgroup.co.in/docs/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY-akcsl.pdf

The details of CSR activities undertaken during the Financial Year 2022-23 by the Company 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 Companies Act, 2013 and the rules made thereunder and as per Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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:

https://www.akgroup.co.in/docs/Whistle%20Blower%20Policy%20and%20Establishment%20of%20Vigil%20Mechanism.pdf

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

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

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace at group level and has duly constituted an Internal Complaints Committee (ICC) in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The Policy has been widely communicated internally and is placed on the Company's website.

Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

During the Financial Year 2022-23, no case in the nature of sexual harassment was reported at any workplace of the Company.

The Annual Report for the calendar year 2022 prepared by the Internal Complaints Committee of the Company as per the provisions of Section 21 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 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 Chembur.

32. MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

The Report on Management Discussion and Analysis for the year under review as required under Regulation 34(2) of the 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 Para 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 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 Para C, D, and E of Schedule V of the Listing Regulations, as amended from time to time.

33. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s. Ragini Chokshi & Co, Practicing Company Secretaries, Mumbai, to conduct the Secretarial Audit of the Company for Financial Year ended March 31, 2023. The Company provided all the reasonable assistance and essential 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, adverse remark or disclaimer 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 Secretarial Compliance Certificate for the financial year ended March 31, 2023 is available on the Website of the Company at the below link,

https://www.akgroup.co.in/docs/ANNUAL%20SECRETARIAL%20COMPLIANCE%20REPORT-%20MARCH%2031,%202023.pdf

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

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 2022-23.

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 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 2022-23.

36. ACHIEVEMENTS & AWARDS

a) The Company has been awarded **"Investment Banker / Merchant Banker of the year"** by Associated Chambers of Commerce and Industry of India (ASSOCHAM) at the **"5th National Summit & Awards Corporate Bond Market 2022"** organized on May 12, 2022 at Mumbai

b) 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 along with other Asian countries' bond houses like HSBC, Credit Suisse, CIMB, ANZ & Bank of China.

c) The Company acted as Sole Lead Manager and was instrumental in successfully closing the Maiden Public issue of NCDs by Credit Access Grameen Limited which is one of India's Largest NBFC – Microfinance Institution. The NCD issue got listed on November 25, 2022 at National Stock Exchange. The NCD Issue aggregating to INR 500 Crores saw oversubscription on the first day of the Issue opening, getting oversubscribed by 3 times over the base issue size.

d) Ms. Aditi Mittal – Non-executive Woman Director of the Company was invited as an esteemed panelist for a panel discussion on the theme "Innovative Solutions for Financing Infrastructure" organized by IIFCL a Government of India undertaking under Ministry of Finance on January 6, 2023.

e) The Company has been awarded **"Issuer Investment Banker / Merchant Banker of the year" - Runner Up** by Associated Chambers of Commerce and Industry of India (ASSOCHAM) at the **"6th National Summit & Awards Corporate Bond Market 2023"** organized on August 3, 2023 at Mumbai.

f) The Company acted as a Lead Manager to Green Bonds Issue of INR 244 Corers by Indore Municipal Corporation (IMC). The Issue received bumper response from investors with total bids received worth INR 720 Corers viz. 5.9 times against the basic issue size of INR 122 Corers.

37. DEPOSITORY SYSTEM

The Equity Shares of the Company are compulsorily traded in electronic form. As on March 31, 2023, out of the Company's total paid-up Equity Share Capital comprising of 66,00,000 Equity Shares, 65,83,281 Equity Shares (constituting 99.75% of the paid-up share capital) have been dematerialized.

As per SEBI notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities is not processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories.

Further, with effect from January 24, 2022, transmission or transposition of securities held in physical or dematerialised form is also effected only in dematerialised form.

Therefore, Members holding securities in physical form are requested to take necessary action to dematerialize their holdings.

38. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the applicable provisions of Companies Act, 2013 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 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 unclaimed and un-encashed dividends for last seven years and the details of such members whose unclaimed dividend / shares have been transferred to IEPF Authority is also available on the Company's website www.akgroup.co.in

During the year, the Company has transferred the unclaimed and un-encashed dividends for the Financial Year 2014-2015 of INR 1,77,822/- (Indian Rupees One Lakh Seventy-Seven Thousand Eight Hundred and Twenty-Two Only). Further, the unclaimed and un-encashed dividends for the Financial Year 2015-2016 of INR 1,08,288/- (Indian Rupees One Lakh Eight Thousand Two Hundred and Eighty Eight Only) is due for transfer to IEPF Authority in October 2023.

Further, 2,300 corresponding shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. The details of the resultant benefits arising out of shares already transferred to the IEPF, year-wise amounts of unclaimed / un-encashed dividends lying in the unpaid dividend account up to the year, and the corresponding shares, which are liable to be transferred, are also available on our website, at www.akgroup.co.in.

39. COMPLIANCE WITH SECRETARIAL STANDARD

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

40. WEBLINK OF ANNUAL RETURN

A weblink of Annual Return for the Financial Year ended March 31, 2023, 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_FY%202022-23.pdf

41. PARTICULARS OF EMPLOYEES

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

Information as required in terms of the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection by the Members at the Registered Office of the Company between 2 p.m. to 4 p.m. on any working day (Monday to Friday) upto the date of 30th 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. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

As on March 31, 2023 there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

43. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

There is no one time settlement done with bank or any financial institution.

44. 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.

45. ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

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

Place: Mumbai
Date: August 5, 2023

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 directors 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 the functional heads, by whatever name called and the Company Secretary and the 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. Whole-time Director, 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 atleast two third is 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 Chairperson, 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) No independent director, who resigns from the Company, shall be appointed as an executive / whole time director on the board of the Company, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director

(iv) 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 may 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, KMP & SENIOR MANAGEMENT :

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 determine 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; and

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

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

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2022 – 23

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. **A BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:** A detailed Corporate Social Responsibility Policy ("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. Monitoring and reporting Mechanism

   The CSR Policy is in compliance with the provisions of the Companies Act, 2013 ("the Act") read with rules made thereunder, including amendment(s) thereto.

   The Company's participation focuses on those funds which shall supplement and complement government 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 meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. A. K. Mittal	Chairman / Managing Director	2	2
2.	Mr. Subhash Chandra Bhargava	Member / Independent Director	2	2
3.	Mr. Vikas Jain	Member / Whole-time Director	2	2

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

Composition of CSR committee	https://www.akgroup.co.in/docs/DETAILS%20OF%20BOARD%20COMMITTEES-20211231153124010589 2.pdf
Company's CSR policy	https://www.akgroup.co.in/docs/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY-akcsl.pdf
CSR projects	https://www.akgroup.co.in/docs/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY-akcsl.pdf

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** NOT APPLICABLE

5.

a) Average net profit of the company as per sub-section (5) of section 135: INR 28,19,02,211/-
b) Two percent of average net profit of the company as per sub-section (5) of Section 135 : INR 56,38,044/-
c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NA
d) Amount required to be set off for the financial year, if any: INR 1,12,957/-
e) Total CSR obligation for the financial year (b+c-d): INR 55,25,087/-

6.

a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 55,50,000
b) Amount spent on Administrative Overheads: NA
c) Amount spent on Impact Assessment, if applicable: NA
d) Total amount spent for the Financial Year (a+b+c): INR 55,50,000/-
e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	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 (in INR)	Date of transfer	Name of the Fund	Amount (in INR)	Date of transfer
INR 55,50,000/-	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

f) Excess amount for set off, if any:

Sr No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135 (after set off of excess amount of INR 1,12,957/-)	55,25,087/-
(ii)	Total amount spent for the Financial Year	55,50,000/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)	24,913/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	24,913/-

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in INR)	Balance Amount in 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 second provisio section 135(5), if any			Amount remaining to be spent in succeeding Financial Years (in INR)	Deficiency, if any
					Name of the Fund	Amount (in INR)	Date of transfer		
1	2019-20	-	-	-	Prime Minister's National Relief Fund	40,00,000/-	13/03/2020 19/03/2020	16,84,039	-
					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		
2	2020-21	-	-	-	PM Cares Fund	76,51,000/-	26/03/2021	-	-
3	2021-22	-	-	-	Swachh Bharat KoshNational Relief Fund	15,00,000/-	24/03/2022	-	-
					Clean Ganga Fund	15,00,000/-	24/03/2022		
					PM Cares Fund	15,00,000/-	25/03/2022		
					Prime Minister's National Relief Fund	15,00,000/-	25/03/2022		

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

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

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

Place: Mumbai
Date: August 5, 2023

A. K. Mittal
(DIN: 00698377)
(Managing Director & Chairman CSR Committee)

Vikas Jain
(DIN:07887754)
(Whole-time Director & Member CSR Committee)

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, 2023

To,

The Members,

A. K. Capital Services Limited

CIN- L74899MH1993PLC274881

603, 6th Floor, Windsor, Off CST Road,

Kalina, Santacruz (East) , Mumbai - 400 098

We, Ragini Chokshi & Co, Company Secretaries, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. A. K. Capital Services Limited** ("AK Capital"/ "Company") having its Registered Office at 603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400 098. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on the verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended as on March 31, 2023 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 as on March 31, 2023 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 and Sweat Equity) Regulation 2014; ***(Not applicable during the audit period)***

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; ***(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 therein under.

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

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.

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 events /actions reported having major bearing on company's operations;

1. Declaration and payment final dividend of INR 3/- (Indian Rupees Three) per equity share having face value of INR 10/- (Indian Rupees Ten) each for the Financial Year ended March 31, 2022
2. Declaration and payment of interim dividend at INR 6/- (Indian Rupees Six) per equity share having face value of INR 10/- (Indian Rupees Ten) each for the Financial Year ended March 31, 2023
3. Incorporation of Step down Subsidiary A.K. Alternative Asset Managers Private Limited
4. Re-appointment of M/s PYS & Co, LLP as Statutory Auditor of the Company and fixation of their remuneration
5. Issuance of Commercial Paper within the overall borrowing limits set forth under Section 180 (1) (c) of the Companies Act, 2013
6. Re-appointment of Mr. Ashish Agarwal as the Whole-time Director of the Company
7. Re-appointment of Mr. Vikas Jain as the Whole-time Director of the Company
8. Re-appointment of Mr. Khimji Shamji Pandav (DIN: 01070944) as Independent Director of the Company for a second term

FOR RAGINI CHOKSHI & CO

UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 # CP No- 11161
UDIN: A022133E000340110
ICSI Unique Code: P1988MH056900
Peer Review Certificate No -659/2020

Date: May 19, 2023
Place: Mumbai

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: A022133E000340110
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No -659/2020

Date: May 19, 2023
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 Financial Year ended March 31, 2023, were at arm's length basis.

II. Details of material contracts or arrangements 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)	37,709.13	FY 2022-23	The related party transactions (RPTs) entered during the financial 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. The said transactions were also approved by the shareholders at the 29th Annual General Meeting of the Company held on September 17, 2022.	Nil
2	Sale of Investments (excluding accrued interest)	41,108.92				
3	Corporate Guarantee given	27,500.00				
4	Dividend Received	540.00				

2) Name and Relationship with Related Party: A. K. Services Private Limited, Promoter Group

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)	1,470.08	FY 2022-23	The related party transactions (RPTs) entered during the financial 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. The said transactions were also approved by the shareholders at the 29th Annual General Meeting of the Company held on September 17, 2022.	Nil
2	Sale of Investments (excluding accrued interest)	6,008.99				

3) 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)	697.71	FY 2022-23	The related party transactions (RPTs) entered during the financial 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)	2,156.27				
3	Brokerage Expenses	6.02				
4	Demat Charges	0.05				
5	Balance payable	0.10				

4) 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 2022-23	The related party transactions (RPTs) entered during the financial 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	Rent Deposit given outstanding as at year end	48.00	FY 2022-23			

5) Name and Relationship with Related Party: India Bond Private Limited, Enterprises 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	110.00	FY 2022-23	The related party transactions (RPTs) entered during the financial 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	Incentive Expense	102.50				
3	Balance Payable	8.06				

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: August 5, 2023

ANNEXURE - 5

DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE 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	15.54%
		Mr. Vikas Jain	17.45%
2	The percentage increase in remuneration of each Director, Chief Financial Officer and the Company Secretary in the Financial Year	**Name of the Directors**	**Ratio**
		Mr. A. K. Mittal	NA
		Mr. Ashish Agarwal	15.25%
		Mr. Vikas Jain	12.00%
		Percentage mentioned above for Mr. Ashish Agarwal and Mr. Vikas Jain is calculated on the basis of fixed remuneration.	
		Key Managerial Personnel	**Ratio**
		Mr. Mahesh Bhootra - Chief Financial Officer	8.68%
		Mr. Tejas Dawda - Company Secretary	15.35%
		Percentage mentioned above for Mr. Mahesh Bhootra and Mr. Tejas Dawda 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 2022-2023, the percentage increase in the median remuneration of employees as compared to previous year was approximately 14.67%.	
4	The number of permanent employees on the rolls of Company	There were 102 employees as on March 31, 2023	
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 fixed salary of employees other than managerial personnel is 18.82%. Remuneration paid to Mr. Mahesh Bhootra, Chief Financial Officer was increased by 8.68% based on the responsibilities entrusted on him. Remuneration paid to Mr. Tejas Dawda was increased by 15.35% 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 employees.	

For A. K. Capital Services Limited

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

Vikas Jain
Whole-time Director
(DIN: 07887754)

Place: Mumbai
Date: August 5, 2023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Indian Economy

Indian economy in the financial year 2022-23 successfully navigated through global headwinds showing strong resilience and continues to be one of the fastest-growing major economies in the world. The economy is expected to post a real Gross Domestic Product (GDP) growth of 7.0% in the financial year i.e., FY 2022-23 as per the NSO's second advance estimates despite the omicron wave, the Russia-Ukraine offensive with subsequent elevated crude prices, and persistent global supply chain disruptions. Financial assistance provided during the COVID period and pent-up demand created inflationary pressure across the major economies. This was accompanied by a tightening monetary policy stance, which in turn created a ripple effect in global markets. Despite inflationary pressures and global macroeconomic uncertainties, the Indian economy grew by 13.2% in Q1 FY23, 6.3% in Q2 FY23, and 4.4% in Q3 FY23 on the back of strong private consumption and investment and fixed investment growth, as well as a strong recovery of demand in the services sector, replacing the export stimuli. Private consumption as a percentage of GDP stood at 61.6% in Q3 of FY23, supported by a rebound in contact-intensive services such as trade, hotels, and transport. The increase in private consumption has also increased industrial activity, which has resulted in an uptick in capacity utilization across industries to 74.3% in Q3 FY23 from 74.0% recorded in Q2 FY23, as per RBI data.

The fiscal and monetary levers of macroeconomic policy have both been used to manage the problems that have arisen during the past year. In order to control inflation and encourage economic growth, the Reserve Bank of India (RBI) implemented monetary and liquidity measures. In addition, the Central Government cut excise duty on fuel and took supply-side measures to ease food inflation. In the year under review, India overtook the United Kingdom to become the fifth-largest economy in the world. Capital expenditure by the government remained one of the primary growth drivers of India's economy; as per the Ministry of Finance, central government capex during April–February 2023 was 21.7% higher compared to the corresponding period of the previous year. The Centre's budgeted capex for FY24 stands 33% higher than the previous year at 3.3% of the GDP and is expected to provide additional thrust. Buoyancy in tax collection, a 13% increase in GST revenue, and a 20.33% increase in gross direct tax collection Y-o-Y in FY23 have enabled the Central Government to stay on the capital expenditure path without deviating from the fiscal consolidation path. In the Union Budget of 2023–24, the government has retained India's fiscal deficit target at 6.4% of GDP for FY23 while reducing its deficit target to 5.9% of GDP for FY24.

On the external front, India's CAD rose to 2.7% of GDP during April–December 2022 from 1.1% in April –December 2021 on account of a sharp increase in the merchandise trade deficit. The estimated value of services exported for FY23 registered a growth to USD 322.72 billion as compared to USD 254.53 billion in FY22. Overall, the estimated trade deficit stood at USD 122 billion in FY23 compared to USD 85 billion in FY22, owing to a slowdown in external trade in the last quarter of FY23. On the financing side, net FDI inflows remained strong at USD 22.3 billion during April–December 2022. Interest rate hikes by the Federal Reserve resulted in an outflow from emerging countries, and FPI remained a net seller in Indian Capital Market in FY23. According to World Bank, India has one of the highest holdings of international reserves that can act as a buffer against global spillovers, totaling USD 578.4 billion as on 31st March, 2023.

2. The Growth Environment

The financial year started with a sense of careful optimism as pandemic-related restrictions were lifted worldwide and economic activities appeared to be gradually recovering. However, the conflict between Russia and Ukraine resulted in supply chain disruption, leading to a surge in commodity prices, which exacerbated already surging global inflation. The implementation of China's zero-COVID policy led to frequent lockdowns, reduced demand, and disruptions in the supply chain across Asia. In an effort to address inflationary pressures, central banks in both advanced and emerging market economies adopted measures such as quantitative tightening, which further contributed to the slowing of demand. Amid financial sector turmoil, high inflation, the ongoing effects of the Russia-Ukraine war, and three years of COVID, the IMF's April 2023 world economic outlook publication forecast global growth to fall from 3.4% in 2022 to 2.8% in 2023 before settling at 3.0% in 2024. With inflation gradually declining and a gradual recovery from the Ukraine war, the pace of growth is projected to pick up from 2024.

India recovered quickly from the pandemic-induced slowdown, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. The normal monsoon forecast by the India Meteorological Department (IMD), the fiscal thrust on infrastructure, the bumper Rabi harvest would strengthen rural demand, and sustained buoyancy in contact-intensive services augur well for Indian growth. With corporate balance sheets strengthening and the consequent rise in credit financing it has been able to generate, a sustained increase in private capex is also imminent. The Economic Survey 2022-23 and the RBI project the Indian economy to register a real GDP growth rate of 6.5% in FY24. IMF's April's WEO projects India as the fastest growing economy at 5.9% for the current fiscal FY 2023-24.

3. Industry Structure and Bond Market Developments

India's economic activity rapidly recovered in the financial year 2022-23 despite high inflationary pressures both internally and externally. RBI's main focus during the last fiscal year was to curb inflation, which involved steps such as modulation of liquidity through variable repo rate auctions in the second half of FY 2021-22, the introduction of the standing deposit facility in April 2022 at a rate 40 bps above the fixed rate reverse repo rate of 3.35%, and a cumulative increase of 250 bps in the policy repo rate during 2022-23. With the help of supply side measures, headline CPI inflation gradually decreased from its peak of 7.8% in April 2022 to 5.66% in March 2023. The RBI predicts that inflation will further ease to 5.2% in FY 2023, a reduction of 150 basis points compared to 6.7% inflation recorded in FY 2023. However, although monetary policy has achieved significant disinflation, there is still a long way to go before inflation reaches the target of 4%, on a sustainable basis. Furthermore, there are still risks to inflation projections due to OPEC+ output cuts and uncertainty related to the monsoon.

In late FY 2023, the failure of mid-sized banks in the US and Europe triggered by the faster-than-expected policy rate hike by central banks in a bid to tame high inflation heightened the vulnerability of the financial system in emerging countries like India. However, India's financial system is expected to remain insulated as banks are limited to investing around 23% of deposits in held-to-maturity securities. Further, they use an investment fluctuation fund to absorb losses from changes in the value of their securities investments. The top 10 Indian banks are relatively immune to yield hikes because loans make up more than 50% of all of their assets. Also, 63% of deposits are

made by households, which are regarded as sticky. Additionally, because public sector banks hold more than 60% of deposits, Indian depositors is reassured that their money is safe.

During the year, SEBI announced the establishment of the Corporate Debt Market Development Fund (CDMDF). The main aim of this fund is to increase investor confidence in the corporate debt market by providing a backup facility for the purchase of investment grade corporate debt securities during times of stress or market dislocation. Additionally, the fund will also enhance the liquidity of the secondary market. The CDMDF will be an AIF category 1 fund and SBI Mutual Fund has been given the responsibility to manage it. The CDMDF is expected to be established with an initial capital of INR 3,000 crore, which will be contributed by mutual funds. The fund has received government approval to leverage up to 10 times its initial corpus, which means that the CDMDF could potentially raise additional funds up to INR 30,000 crore.

In the previous financial year RBI issued two trenches of green bonds of INR 8,000 crores each amounting to INR 16,000 crores. This makes India as one the largest issuers of sovereign green bonds. The framework for the issuance was published in October, 2022, aligning itself with International Capital Market Association's Green Bond Principles. The issue obtained oversubscription of more than four times; enabling primary market spread compression of 2 bps on the 10-year, and 3 bps basis points on the 5-year tranche. The yields on these bonds were inside the Yield curve of corresponding maturity resulting in an unexpected "Greenium". The strong demand from domestic investors for sovereign green bond in local currency creates an opportunity for the private sector to utilize the sustainable finance market as a means of raising capital to facilitate the transition. Further, RBI has notified the issuance of Sovereign Green Bonds in the second half of the fiscal year 2023-24.

4. Our Business

i. A. K. Capital Services Limited (**"AK Capital"/ "Company"**), incorporated on October 5, 1993, is Flagship Company of the AK 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 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 motto of "Building Bonds". 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.

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

AK Capital has 5 subsidiaries and 2 step down subsidiaries which conduct their operations through a network of branches spread over 7 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.

ii. 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") and categorised as Investment and Credit Company (NBFC-ICC) and classified as Middle Layer NBFC as per Scale Based Regulation issued by RBI. 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 & treasury 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 0.02% NPAs in its portfolio as on March 31, 2023.

iii. 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 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 registered as a Depository Participant with the Central Depository Services (India) Limited ("CDSL") and National Securities Depository Limited ("NSDL") for seamless settlement and clearing of securities.

From FY 2019-20 till date, AK Stockmart has distributed debt products of private sector companies as well as public sector company such as Tata Capital Financial Services Limited, Tata Capital Housing Finance Limited, L&T Finance Limited, Mahindra & Mahindra Financial Services Limited, Cholamandalam Investment and Finance Company Limited, Muthoot Finance Limited, Shriram Transport Finance Company Limited, Piramal Capital & Housing Finance Ltd., Poonawalla Fincorp Limited (formerly Magma Fincorp Limited), Navi Finserv Limited (formerly Navi Finserv Private Limited), Credit Access Gramin Limited, JM Financial Products Limited, Shriram City Union Finance Limited, Indiabulls Housing Finance Limited, Indore Municipal Corporation, National Highways Infrastructure Trust (NHAI InvIT) and Power Finance Corporation Limited.

iv. 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, 2023, AK Wealth had 69 clients with Asset Under Management of INR 64.68 Crores.

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

vi. A. K. Capital (Singapore) Pte. Ltd. (**"AK Singapore"**), domiciled in Singapore, was incorporated on July 29, 2013 as a wholly owned subsidiary of AK Capital. AK Singapore is registered with Monetary Authority of Singapore as a financial services company and provides financial advisory services to its clients across the globe. It offers cross border funding solutions by identifying potential

investors to meet the fund raising needs of its clients. AK Singapore also offers the full range of money market operations in India to meet both the lending and borrowing needs of its clients. The 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.

vii. Family Home Finance Private Limited (**"Family Home Finance"**), is a step-down subsidiary of AK Capital through AK Capital Finance. Family Home Finance is registered as a Housing Finance Company with the National Housing Bank and classified as Middle Layer NBFC as per Scale Based Regulation issued by RBI. Family Home Finance primarily offers Home Loans, LAP and secured lending products through co-lending, strategic partnership, Securitization and DA model with channel partners.

viii. A. K. Alternative Asset Managers Private Limited (**"AK Alternative"**), incorporated in December 2022 is a step-down subsidiary of AK Capital through AK Wealth. AK Alternative shall act as an Investment Manager and provide Investment Management Services to SEBI registered Alternative Investment Funds. During the year, A.K. Alternative did not commence its operations to act as Investment Manager.

5. Execution and other services

AK Capital has marked a glorious journey of over 30 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 Investment Trusts (InvITs);

l. Real Estate Investment Trusts ("REITs");

m. Infrastructure Developers; and

n. Manufacturing and Services sector companies.

The Company acted as Sole Lead Manager and was instrumental in successfully closing the Maiden Public issue of NCDs by Credit Access Grameen Limited which is one of India's Largest NBFC – Microfinance Institution. The NCD issue got listed on November 25, 2022 at National Stock Exchange. The NCD Issue aggregating to INR 500 Crores saw oversubscription on the first day of the Issue opening, getting oversubscribed by 3 times over the base issue size.

The Company also acted as a Lead Manager to Green Bonds Issue of INR 244 Corers by Indore Municipal Corporation (IMC). The Issue received bumper response from investors with total bids received worth INR 720 Corers viz. 5.9 times against the basic issue size of INR 122 Corers.

Also, the Company acted as a Lead Manager to Bonds Issue of INR 1,500 Crores by National Highways Infrastructure Trust (NHAI InvIT) which had tenor of upto 25 years. The Issue received bumper response from investors with total bids received worth INR 5,201 Crores viz. 6.69 times against the basic issue size of INR 750 Crores.

6. Recognition, Awards & Accolades

i. The Company has been awarded **"Investment Banker / Merchant Banker of the year"** by Associated Chambers of Commerce and Industry of India (ASSOCHAM) at the "5th National Summit & Awards Corporate Bond Market 2022" organized on May 12, 2022 at Mumbai.

ii. 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 marked its presence along with other Asian countries' bond houses like HSBC, Credit Suisse, CIMB, ANZ & Bank of China.

iii. Ms. Aditi Mittal – Non-executive Woman Director of the Company was invited as an esteemed panelist for a panel discussion on the theme **"Innovative Solutions for Financing Infrastructure"** organized by IIFCL a Government of India undertaking under Ministry of Finance on January 6, 2023.

iv. The Company has been awarded **"Issuer Investment Banker / Merchant Banker of the year" - Runner Up** by Associated Chambers of Commerce and Industry of India (ASSOCHAM) at the "6th National Summit & Awards Corporate Bond Market 2023" organized on August 3, 2023 at Mumbai.

v. A. K. Stockmart Private Limited has been rated as No. 1 Mobiliser of subscription in public issues of bonds/debentures over a decade (01-Apr-2012 to 31-Mar-2022) having mobilized INR 60,101.13 Crores in 123 public issues of bonds/ debentures *(Source: PRIME Database).*

vi. The Company is one of the few merchant banking groups to have CBLO - CCIL membership.

vii. 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, 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 and securitization of pool 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

i. Global financial advisory, cross border funding solutions, foreign currency bonds.

7. Outlook and Strategy

In the first quarter of FY 2023, the Reserve Bank of India (RBI) shifted its focus from crisis management to crisis prevention by prioritizing its inflation goals over growth. This resulted in the RBI implementing policy actions in each month of the quarter, including off-cycle repo rate hikes and increasing the cash reserve ratio to 4.50%. The RBI is giving more information about their future plans on macroeconomic data to help the government borrow money smoothly in a market that is unpredictable. The global economy has been affected by inflation driven by geopolitical events, resulting in central banks following the hawkish path set by the US Federal Reserve. Amid this global turmoil, the RBI faced the undesirable trade-off between inflation and growth amid relentless rupee depreciation. The Indian bond market was also impacted by declining liquidity amid hardening interest rates across the yield curve. However, the year of 2022 also saw innovations with the potential to have a lasting impact on the Indian financial system, including the launch of pilot trials of the Digital Rupee, India's Central Bank Digital Currency (CBDC) in both wholesale and retail segments, finalization of the framework for India's first Sovereign Green Bond (SGrB) issuance and opening up of the channels for India's trade settlement in the rupee. The RBI Governor has indicated that future actions will be carefully calibrated to the incoming data and evolving scenario without being constrained by conventional approach to policy making.

During FY 2022-23, the regulatory authorities have initiated structural reforms towards bond market in India:

a) Streamlining the process of debt public issues and redressal of Investor grievances.

b) Issue of regulatory framework for issue and listing of Non-convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper.

c) Standardized framework for industry classification across sectors and in securities market for credit rating agency.

d) Review of provisions pertaining to Electronic Book Provider platform for private placement of debt securities.

e) Credit Ratings supported by Credit Enhancement.

f) Firewall between Credit Rating Agencies and their Affiliates.

g) Disclosures and compliance requirements for Issuance and Listing of Municipal Debt Securities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, which fall within the definition of "green debt security".

h) Registration and regulatory framework for Online Bond Platform Providers.

i) Reduction in denomination for debt securities and non-convertible redeemable preference shares.

j) Transaction in Corporate Bonds through Request for Quote (RFQ) platform by Alternative Investment Funds (AIFs).

k) Introduction of future contracts on Corporate Bond Indices.

l) Enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence.

m) Extension of compliance period – fund raising by large corporates through issuance of debt securities to the extent of 25% of their incremental borrowings in a financial year.

n) Green Debt Securities for issue and listing of Non-Convertible Securities (NCS), Securitized Debt Instruments (SDI), Security Receipts (SR), Municipal Debt Securities and Commercial Paper (CP).

o) Fully Accessible Route for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds.

8. Opportunities and Challenges

Opportunities

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

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

FY 2022-23		FY 2012-13	
Total No. of issues	**Amount (INR in Crores)**	**Total No. of issues**	**Amount (INR in Crores)**
204	2,75,531.19	150	80,705.62

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.

9. 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.

10. Financial and Operational Performance of the Company

On standalone basis, your Company earned total revenue of INR 11,534.52 Lakhs during the financial year under review. The profit before tax is INR 3,906.26 Lakhs. After making provision for tax, the net profit of your Company is INR 3,071.41 Lakhs.

The consolidated total revenue of your Company stood at INR 40,680.68 Lakhs for the financial year ended March 31, 2023. The consolidated profit before tax is INR 11,793.98 Lakhs for the current financial year. After making provision for tax, the consolidated net profit of your Company is INR 8,841.58 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 2022-23	Financial Year 2021-22
1.	Debtors Turnover Ratio	23.37	19.46
2.	Interest Coverage Ratio*	2.40	3.53
3.	Debt Equity Ratio	1.08	1.04
4.	Operating profit margin	33.85%	38.00%
5.	Net profit margin	26.63%	30.29%
6.	Return on net worth#	6.59%	5.97%
7.	Inventory Turnover Ratio	Not Applicable	
8.	Current Ratio	Not Applicable	

* Interest Coverage Ratio: On a standalone basis, the Interest Coverage Ratio as on March 31, 2023 stood at 2.40 as against 3.53 as on March 31, 2022. The decrease is on account of increase in borrowings of the Company.

\# Return on net worth: On a standalone basis, the Return on net worth as on March 31, 2023 stood at 6.59% as against 5.97% as on March 31, 2022. The increase is on account of increase in profits.

11. 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.

Health and safety of all our employees is of utmost concern and priority. During the Covid-19 situation, appropriate measures were taken to ensure that employees and their families remained safe.

As on March 31, 2023, the Company had 102 employees on its payroll.

i. 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 you 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.

Our Management Trainee program is designed to provide opportunities to fresher's from Management as well as Professional Institutes. The program focusses on nourishing young talent which are mentored by industry veterans within the Company and make them industry ready.

ii. 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.

iii. 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.

Annual cricketing event which involved participation of employees from various functions which fostered team spirit. This employee engagement activity proved to be an ice breaker between new incumbents & fostered inter-functional and inter-department communication.

Birthday celebrations, Festive celebrations & Team outings are another method in which an environment is created for employees to connect, celebrate & discuss ideas.

12. 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.

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.

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.

14. 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.

CORPORATE GOVERNANCE REPORT

The Board of Directors presents the Company's Report on Corporate Governance for the financial year ended March 31, 2023, in terms of Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, KMPs' 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 ("Company/the Company") completed the journey of more than 29 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 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 comprising of 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 ("ICSI").

(i) Appointment of Directors since last Annual General Meeting

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

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

Sr. No	Name of the Director	DIN	Current Designation	Date of first Appointment on the Board
1	Mr. Rajiv Bakshi	00264007	Non-Executive, Independent Director (Additional)	August 5, 2023
2	Mr. Ashish Vyas	10264901	Non-Executive, Independent Director (Additional)	August 5, 2023

All the Directors appointed by the Board since last Annual General Meeting shall hold office up to the date of 30th Annual General Meeting of the Company. Accordingly, your Directors recommend the regularization of appointment and their terms of appointment at the 30th Annual General Meeting.

(ii) Category of the Board of Directors as on March 31, 2023 and Directors' attendance record

Sr. No.	Name of the Director, DIN Category and No. of Shares held	Number of directorships	Presence in Committees		No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM held on September 17, 2022
			As a member	As a chairperson			
1	Mr. A. K. Mittal (DIN: 00698377) Promoter & Managing Director No. of Shares held: 10,62,187	3	1	0	4	4	Yes
2	Mr. Subhash Chandra Bhargava (DIN: 00020021) Non-Executive Chairman & Independent Director No. of Shares held: Nil	8	9	5	4	4	Yes
3	Mr. Khimji Shamji Pandav (DIN: 01070944) Non-Executive Independent Director No. of Shares held: Nil	3	2	1	4	4	Yes
4	Ms. Aditi Mittal (DIN: 00698397) Non-Executive, Non-Independent, Woman Director	4	1	1	4	3	Yes
5	Mr. Ashish Agarwal (DIN: 08064196) Whole-time Director No. of Shares held: Nil	1	0	0	4	4	Yes
6	Mr. Vikas Jain (DIN: 07887754) Whole-time Director No. of Shares held: Nil	4	1	0	4	2	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 2022-23, four Meetings of the Board were held on May 28, 2022, August 6, 2022, November 11, 2022 and February 8, 2023.
5. All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Act and other applicable laws for the time being in force.

(iii) Composition of the Board of Directors as on March 31, 2023

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.

Total No. of Directors	6
Total No. of Executive Directors	3
Total No. of Non-Executive Directors	3
Out of Total No. of Non-Executive Directors, No. of Independent Directors	2
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 adherence to the criteria of independence as laid down under Section 149(6) & (7) of the Act, read with Rule 5 and 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) and Regulation 25(8) of the Listing Regulations as amended from time to time. Further, in the opinion of the Board, the independent directors fulfill the conditions specified in Listing Regulations and are independent of the management.

The members of the Company had passed special resolutions, at the 25th and 29th 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.

(iv) Names of the other listed entities where the director is a director and the category of directorship as on March 31, 2023

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	Ms. Aditi Mittal (DIN: 00698397) Non-Executive, Non-Independent, Woman Director	A. K. Capital Finance Limited*	Director
3	Mr. Subhash Chandra Bhargava (DIN: 00020021) Non-ExecutiveChairman & Independent Director	Aditya Birla Capital Limited Aditya Birla Finance Limited#	Non-Executive Independent Director
4	Mr. Khimji Shamji Pandav (DIN: 01070944) Non-ExecutiveIndependent Director	A. K. Capital Finance Limited*	Non-Executive Independent Director

Notes:
1) None of the other directors hold position of Directors in other listed entity.
2) *A. K. Capital Finance Limited is a high value debt listed Company.
3) # Aditya Birla Finance Limited is high value debt listed Company

(v) Retirement by rotation

The Members may note that pursuant to the provisions of Section 152 of the Act, 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)©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 Act 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, Ms. Aditi Mittal (DIN: 00698397), Non-Executive Non-Independent, Woman Director shall be liable to retire by rotation and being eligible offers herself for re-appointment. The brief profile of Ms. Aditi Mittal is also enclosed along with the notice convening 30th Annual General Meeting of the Company.

(vi) Details of familiarization program imparted to independent directors

The Company has designed a 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 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-FY%202022-23-20220606180303880572 1.pdf

(vii) The table below summarizes qualifications, core skills/expertise/competencies with respect to each Directors of the Board required in the context of its business(es) and sector(s):

In terms of the requirement of the Listing Regulations, as on March 31, 2023 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	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	✓	✓	✓	✓	✓	✓

(viii) Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:

None of the Independent Director of the Company has resigned before the expiry of his respective tenure(s) during the FY 2022-23.

(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 Act and Regulation 18 of the Listing Regulations.

Purpose and Objective of Audit Committee

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 performs its role as provided under 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-20211231153124010589 2.pdf

Composition of Audit Committee and Meetings held/ attended by members during Financial Year 2022-23:

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

Attendees:

The Internal Auditor, Chief Financial Officer, representatives of Internal Financial Control Auditors 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. Khimji Shamji Pandav, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 17, 2022.

(ii) NOMINATION AND REMUNERATION COMMITTEE

The Company has a qualified Nomination and Remuneration Committee which has been formed in pursuance of the Section 178 of the Act and Regulation 19 of the Listing Regulations.

Purpose and Objective of Nomination and Remuneration Committee

The purpose of the Nomination and Remuneration Committee 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 senior management remuneration arrangements to enable the recruitment, motivation and retention of senior management.

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

Brief description of terms of reference of Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee performs 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 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-20211231153124010589 2.pdf

Composition of Nomination and Remuneration Committee and Meetings held/ attended by members during Financial Year 2022-23:

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	Ms. Aditi Mittal Member	Non-Executive Non-Independent Woman Director	4	4
3	Mr. Subhash Chandra Bhargava Member	Non-Executive Independent Director	4	4

Criteria for Performance Evaluation of Independent Directors

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

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.

Criteria of making payments to non-executive directors

The Nomination and Remuneration Committee decides the basis for determining the compensation, both Fixed and variable, payable to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise.

The Committee takes 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 Act, Listing Regulations and such other factors as may deem fit for determining the compensation. The Board determines the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution, if applicable.

Remuneration of Directors

Non-Executive 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 herein below:

Name of the Directors	Sitting fees for the Board Meetings paid/payable for the Financial Year 2022-23 (Amount in INR)
Mr. Subhash Chandra Bhargava	1,00,000
Mr. Khimji Shamji Pandav	1,00,000
Ms. Aditi Mittal	75,000

Executive Directors

Remuneration 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 Director(s) during the Financial Year 2022-23 are as under:

(Amount in INR)

Particulars	Mr. A. K. Mittal	Mr. Ashish Agarwal	Mr. Vikas Jain
Salary, bonus and allowances	-	1,62,79,996	1,82,63,596
Perquisites (other benefits)	-	-	-
Total (A)	-	**1,62,79,996**	**1,82,63,596**
Value of Stock Option	NA	-	-
Value of Sweat Equity	NA	-	-
Others (Retirals)	NA	-	-
Total (B)	-	-	-
Total (A+B)	**-**	**1,62,79,996**	**1,82,63,596**

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.

Particulars of Senior Management

As on March 31, 2023, 5 employees were designated as Senior Management (as defined in Listing Regulations) of the Company (Excluding Board of the Directors, Company Secretary and Chief Financial Officer).

There was no change in Senior Management since the close of the previous financial year.

(iii) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has an independent Stakeholders' Relationship Committee which has been formed in pursuance of the sub-section 5 of Section 178 of the Act and Regulation 20 of the Listing Regulations.

Purpose and Objective of Stakeholders' Relationship Committee

The purpose of the Stakeholders Relationship Committee ("SRC") is to assist the Board in understanding and addressing the needs of various stakeholders in a time bound manner. The SRC considers various aspects 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, 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.

f) any other activities as may be specified from time to time in the Act and Listing Regulations.

The Stakeholder' Relationship Committee is guided by its terms of reference. The Charter explaining exhaustive 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-20211231153124010589 2.pdf

Composition of Stakeholders' Relationship Committee and Meetings held/ attended by members of the Committee during Financial Year 2022-23:

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. Khimji Shamji Pandav Member	Non-Executive Independent Director	4	4

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

During the year under review, the Company did not receive any complaint from the shareholders.

(iv) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee is constituted in accordance with Section 135 of the Act 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 Act;

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 Committee during Financial Year 2022-23:

Sr. No	Name of the Members	Category	No. of CSR Committee Meetings held	No. of Meetings attended
1	Mr. A. K. Mittal Chairman	Managing Director	2	2
2	Mr. Vikas Jain Member	Whole-time Director	2	2
3	Mr. Subhash Chandra Bhargava Member	Non-Executive Independent Director	2	2

The Company has formulated CSR Policy, which is uploaded on the website of the Company, www.akgroup.co.in. The CSR Committee met twice during Financial Year 2022-23 on May 28, 2022 and November 11, 2022.

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:

Sr. No.	Name of the Members	Designation
1	Mr. A. K. Mittal	Managing Director
2	Mr. Ashish Agarwal	Whole-time Director
3	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 Bank;

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

i) To consider, negotiate, transact and approve the matter relating to raising of funds/ capital by issue of Non-Convertible Debentures, Commercial Paper(s), Preference Shares and other permissible securities/ instruments up to the limit authorized by the Shareholders (to the extent applicable) on such terms and conditions as it may deem fit from time to time.

j) 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 Board at its meeting held on February 8, 2023 had approved realignment of Management and Infrastructure Committee of the Board and merged both the Committee; the Committee is named as Management Committee.

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

Sr. No.	Name of the Members	Designation
1	Mr. A. K. Mittal	Managing Director
2	Ms. Aditi Mittal	Non-Executive Non-Independent Woman Director
3	Mr. Ashish Agarwal	Whole-time Director
4	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;

g) To consider matters connected with smooth conduct of administration and operations of the Company.

h) To do specific acts or classes of acts, defining the range of their terms of office;

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

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

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

l) 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.

m) 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 financial year.

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

Financial Year	Date	Time	Venue	Whether any Special resolutions passed
2021-22	September 17, 2022	9.00 a.m.	*603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz - (East), Mumbai – 400 098	Yes
2020-21	September 18, 2021	9.00 a.m.	*30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400 021	Yes
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

*The Ministry of Corporate Affairs ("MCA") vide its General Circular No. 2/2022 dated May 5, 2022 (in continuation of Circular number 20/2020 dated May 5, 2020 read with circular number 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 2/2021 dated January 13, 2021 and 21/2021 dated December 14, 2021 (collectively referred to as "MCA Circulars") and the SEBI vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred to as "SEBI Circulars"), permit for holding the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the above MCA Circulars and SEBI Circulars, the provisions of the Companies Act, 2013 ("hereinafter referred as "Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("hereinafter referred to as "LODR Regulations"), the AGM of the Company is being held through VC / OAVM.

No postal ballot was conducted during the Financial Year 2022-23.

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 two English newspapers (Financial Express and Business Standard) and in Marathi newspaper (Pratahkal).

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 also 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 30th Annual General Meeting of the Company:

The 30th Annual General Meeting of the Company will be held on 16th day, September, 2023 at 9.00 a.m., through Video Conferencing/ Other Audio Visual Means (VC/ OAVM), which does not require physical presence of members at a common venue.

Guidelines for participation in the AGM through VC/ OAVM are laid down in the Notice convening the said meeting and have also been uploaded on the Company's website at https://www.akgroup.co.in/

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 15, 2023.

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 2023-24 to BSE.

v. Stock Code and ISIN:

BSE Scrip Code: 530499

International Securities Identification Number (ISIN): INE701G01012

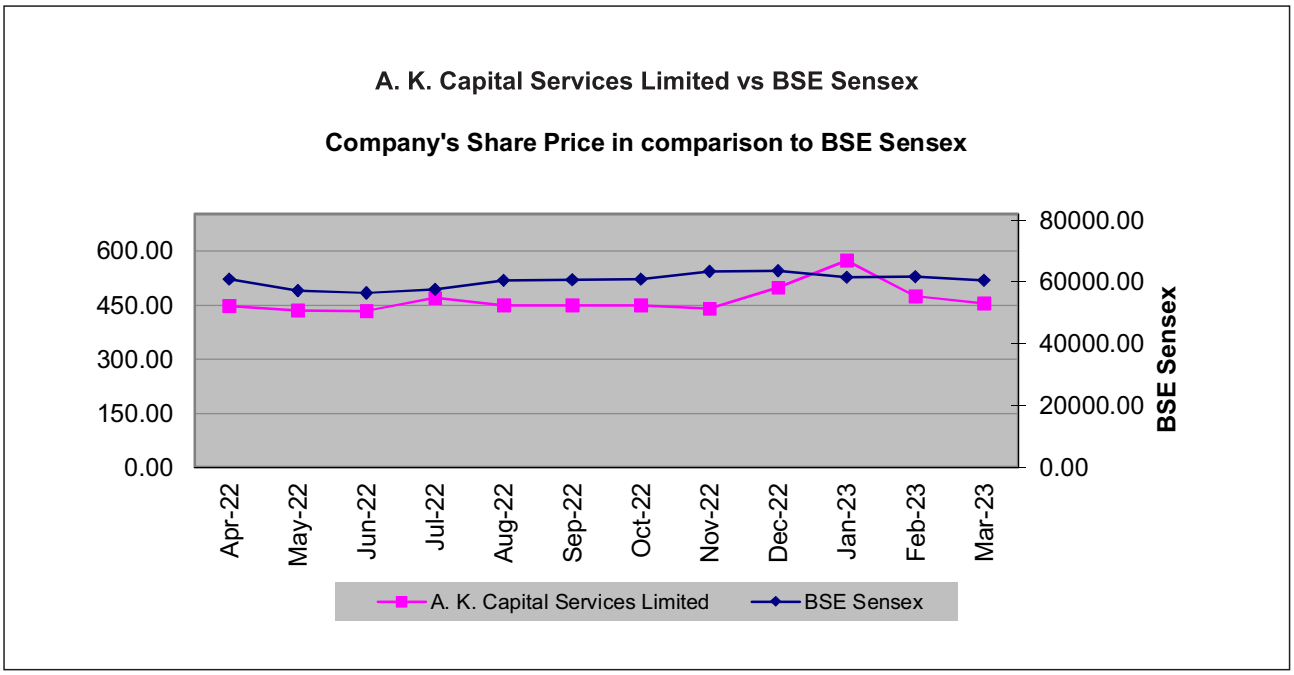
vi. Market Price data- high, low during each month in last financial year:

The table below gives the monthly high and low quotations of equity shares traded at BSE Limited (BSE) for the Financial Year 2022-23.

Month	High Price (INR)	Low Price (INR)	No. of shares traded
April 2022	447.90	386.00	38,195
May 2022	434.00	390.00	27,186
June 2022	433.90	353.00	23,444
July 2022	469.00	401.30	21,698
August 2022	449.95	412.05	23,281
September 2022	449.00	410.05	23,674
October 2022	449.00	390.00	21,614
November 2022	439.85	402.10	16,634
December 2022	498.00	413.00	42,988
January 2023	573.05	411.30	48,715
February 2023	475.00	419.80	17,656
March 2023	455.00	399.00	13,641

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 2022-23.

ix. Registrar to an Issue and Share Transfer Agent

Link Intime India Private Limited

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

E-mail: rnt.helpdesk@linkintime.co.in | Website: www.linkintime.co.in

x. Share transfer system:

The Company's shares are compulsorily traded in electronic form in demat mode on BSE. 99.75% of the paid-up equity share capital of the Company are held in demat mode. Transfer of equity shares in electronic form are effected through the depositories without any involvement of the Company.

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialization.

xi. Distribution of Shareholding:

Distribution schedule of Equity shareholding of the Company as at March 31, 2023 is as follows:

Category			Number of Shareholders	% of total Shareholders	Total number of shares held	% of total Shareholding
From		To				
1	-	500	2,007	88.26	1,66,559	2.52
501	-	1,000	118	5.19	91,769	1.39
1,001	-	2,000	58	2.55	83,997	1.27
2,001	-	3,000	20	0.88	49,512	0.75
3,001	-	4,000	17	0.75	58,148	0.88
4,001	-	5,000	8	0.35	37,963	0.58
5,001	-	10,000	18	0.79	1,34,364	2.04
10,001	-	Above	28	1.23	59,77,688	90.57
Total			**2,274**	**100.00**	**66,00,000**	**100.00**

Note:

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

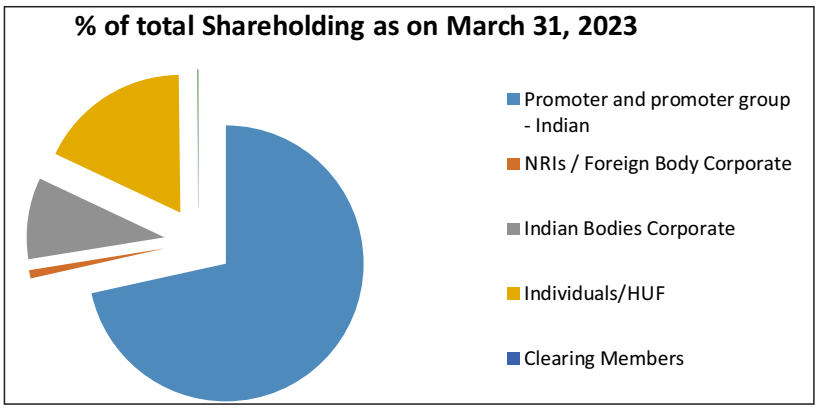
(ii) Number of Shareholders are calculated on the basis of Folio Numbers.

Equity Shareholding Pattern of the Company as at March 31, 2023 is as follows:

Category	Number of shares	% of total Shareholding
Promoter and promoter group (A)		
Indian	47,18,730	71.50
Sub-total (A)	**47,18,730**	**71.50**
Public (B)		
NRIs	62,283	0.94
Indian Bodies Corporate/LLP	6,30,205	9.55
Individuals/HUF	11,79,147	17.86
Clearing Members	1	0.00
IEPF	9,634	0.15
Sub-total (B)	**18,81,270**	**28.50**
Total Shareholding (A) + (B)	**66,00,000**	**100.00**

Note:

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



xii. Dematerialization of Shares and Liquidity:

As on March 31, 2023, 99.75% of the paid-up Equity Share Capital of the Company was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 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. Further as on March 31, 2023, the Company has outstanding Commercial Paper amounting to INR 45 Crores.

The Company has not issued any other instrument (s) such as Preference Shares/ American Depository Receipts/ Global Depository Receipts 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 does 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 (W) 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
603, 6th Floor, Windsor, Off CST Road, Kalina,
Santacruz (East), Mumbai – 400 098
Tel: +91 22 67546500 | Fax: +91 22 66100594
E-mail: compliance@akgroup.co.in
Website:www.akgroup.co.in

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

Chief Financial Officer
A. K. Capital Services Limited
603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai – 400 098
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 Agency	Rating	Instruments	Rating Action	Date
Acuité Ratings & Research Limited	ACUITE AA- (ACUITE Double A Minus) (Outlook: Stable)	Long Term Instruments	Reaffirmed	April 7, 2022
CARE Ratings Limited	CARE A1+ (A One Plus)	Commercial Paper	Assigned	July 19, 2022
Acuité Ratings & Research Limited	ACUITE AA- (ACUITE Double A Minus) (Outlook: Stable)	Long Term Instruments	Reaffirmed	January 5, 2023
CARE Ratings Limited	CARE A1+ (A One Plus)	Commercial Paper	Reaffirmed	February 8, 2023

(6) OTHER DISCLOSURES:

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

i. All the Related Party Transactions (RPTs) that were entered during the Financial Year 2022-23 were on arm's length basis and were in the 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.

All Related Party Transactions as required under Indian Accounting Standards-24 are reported in Note No. 32 of Notes to the Standalone Financial Statements and Note No. 37 of Notes to the Consolidated Financial Statements of your Company.

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.

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, 2023, 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) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Company has appointed separate persons to the post of Chairperson and the Managing Director. The Chairperson of the Board is a Non-executive Independent Director and is not related to the Managing Director as per the definition of the term "relative" as defined in the Act.

e) 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 had one material subsidiary in the financial year 2022-23. 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%20Subsidiary.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%20RPT.pdf

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

viii During the Financial Year 2022-23, 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 recommendations 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 2022-23 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 a part.

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

The Company has constituted the Internal Complaints Committee (ICC) consisting of such members and representatives as prescribed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with the rules made thereunder.

During the financial year 2022-23, no case in the nature of sexual harassment was reported at any workplace of the Company.

xiii. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested :

The information in respect of the loans and advances in the nature of loans to firms/companies in which directors are interested is provided in Notes to the standalone Financial Statements.

xiv. Details of material subsidiaries of the listed entity in the financial year 2022-23; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Sr. No.	Name of material subsidiary	Date of incorporation	Place of incorporation	Name of Statutory Auditor	Date of appointment
1	A. K. Capital Finance Limited	03/02/2006	Kolkata	M/s. S. Bhandari and Co. LLP	24/11/2021

xv. 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 Regulation to the extent applicable to the Company.

xvi. 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 (2) of the Listing Regulations:

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations as applicable to the Company during the year under review.

Compliance Certificate from M/s. PYS & Co LLP., Statutory Auditors of the Company confirming compliance with the of conditions of Corporate Governance for the financial year ended March 31, 2023 in terms of Schedule V(E) to the Listing Regulations is annexed to this Report.

(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) Disclosure of certain types of agreements binding listed entities:

During the year under review, there was no agreement entered as mentioned in clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

(10) CEO/CFO Certification:

The Managing Director and Chief Financial Officer of the Company have certified to the Board, *inter alia* the accuracy of financial statements and adequacy of internal controls for the financial year ended March 31, 2023, as required under Regulation 17(8) read with Part B of Schedule II 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 2022-23.

For A. K. Capital Services Limited

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

Place: Mumbai
Date: August 5, 2023

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 2022-23 and we certify that:
   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

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

For A. K. Capital Services Limited

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

Mahesh Bhootra
Chief Financial Officer

Place: Mumbai
Date: August 5, 2023

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 of

A. K. Capital Services Limited

603, 6th Floor, Windsor, Off CST Road, Kalina

Santacruz (East), Mumbai - 400098

We, Ragini Chokshi & Co, Company Secretaries, 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 its Registered Office at 603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East) , Mumbai - 400 098 (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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

In our opinion and to the best of our information and according to the verifications (including Director 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 have been debarred or disqualified from being appointed or continuing to act as Directors of the Company for the Financial Year ending March 31, 2023, 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 Woman Director	03-02-2018	00698397
4	Mr. Khimji Shamji Pandav	Non-Executive Independent Director	11-08-2018	01070944
5	Mr. Vikas Santosh Jain	Whole time Director	03-02-2018	07887754
6	Mr. Ashish Agarwal	Whole time Director	03-02-2018	08064196

**Date of original appointment*

Ensuring the eligibility for 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

Umashankar K. Hegde
Partner
M.No- ACS 2213 # C.P. No-11161
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No -659/2020
UDIN: A022133E000340044

Place: Mumbai
Date: May 19, 2023

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
603, 6th Floor, Windsor Off CST Road, Kalina
Santacruz (East) Mumbai - 400098

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 2023. 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 have 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 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 2022 to 31 March 2023;

      a) Board of Directors meeting

      b) Audit committee

      c) Annual General meeting

      d) Nomination and Remuneration committee

      e) Stakeholders' Relationship committee

      f) Corporate Social Responsibility committee

   v) Obtained necessary representations and declarations from Directors of the Company including the independent directors; and

   vi) Performed necessary inquiries with the management and also obtained necessary specific representations from 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 2023, 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

Sanjay Kokate
Partner
Membership No.: 130007
UDIN: 23130007BGRWUW3472
Certificate No.: 23023

Place: Mumbai
Date: July 13, 2023

INDEPENDENT AUDITOR'S 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,** (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 March 2023, 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 the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 as amended (Ind AS) and the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules 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 opinion on the standalone financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1	**Measurement of investments in accordance with Ind AS 109 "Financial Instruments"** On initial recognition, investments are recognized at fair value, in case of Investments which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the investments. The Company's investments are subsequently classified into following categories based 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. • The Company has assessed the following two business model: - Held to collect contractual cash flows - Realising cash flows through the sale of investments. The Company makes decisions based on the assets' fair values and manages the assets to realise those fair values. Since valuation of investments at fair value involves critical assumptions, significant risk in valuation and complexity in assessment of business model, the valuation of investments as per Ind AS 109 is determined to be a key audit matter in our audit of the standalone financial statements. (Refer note 2, 6, 35, 36 and 38 to the Standalone Financial Statements)	**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. • Obtained and assessed the valuation certificate of independent valuer in respect of fair value of investments; and • Assessed the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework. • Broadly reviewed the IT systems and internal controls related to investment in place.

Sr. No.	Key Audit Matter	How Our audit addressed the key audit matter
2	**Related party transactions and disclosures** 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 standalone financial statements and regulatory compliance thereon during the year ended 31 March 2023. (Refer note 32 to the Standalone Financial Statements)	**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. • Tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents for appropriate authorization and approval for such transactions. • 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 standalone financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report namely Directors' Report, Annexures to Board Report, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility Statement, but does not include the financial statements and our auditor's report thereon. The Reports are expected to be made available to us after the date of this auditors' report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board report including Annexures to Board Report, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) 'The Auditor's responsibilities Relating to Other Information'.

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

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

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

Auditors' Responsibilities 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 scepticism throughout the audit. We also

a) 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.

b) 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

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

d) 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.

e) 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 year 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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as, it appears from our examination of those books;

c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;

e) On the basis of the written representations received from the directors as on 31 March 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023, 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note No. 34 to the standalone financial statements);

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

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

iv. a) The Management has represented that, to the best of its knowledge and belief, as mentioned in note 50 (a) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or

otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, as mentioned in note 50 (b) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances , nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v. In respect of dividend:

a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

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

Sanjay Kokate
Partner
Membership No.: 130007
UDIN: 23130007BGRWUA6043

Place: Mumbai
Date: 27 May 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date of A. K. Capital Services Limited)

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets, according to the information and explanations given to us and on the basis of our examination of the records of the Company:

a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

b) The Company has a regular programme for physical verification of its property, plant and equipment by which all the assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all the property, plant and equipment have been physically verified by the management during the year and no discrepancy were observed in such verification.

c) The title deeds of immovable properties are held in the name of the Company.

d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as of 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of the Company's inventories:

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

b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. According to information and explanations given to us and the records examined by us, the quarterly returns or statements including revised, if any filed by the Company during the year with such banks are in agreement with books of account.

(iii) According to the information and explanations given to us, the Company has not provided any guarantee or security or granted any secured loans or secured or unsecured advances in the nature of loans, to companies, firms, limited liability partnerships or any other parties except loans to an employee. The Company has made investments in debt securities of government and other companies during the year for which the requisite information is given below. Further, the Company has not made investments in or granted any secured or unsecured loans to firms and limited liability partnerships during the year.

a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to an employee and the details of the same is given as below:

Particulars	Amount (Rs. in Lakhs)
Aggregate amount of loan given during the year	
- Employee	-
Balance outstanding as at 31 March 2023	
- Employee	17.79

b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made by the Company and the terms and conditions of the loans granted to an employee are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee or security or any advances in the nature of loan during the year.

c) In respect of the aforesaid loan to an employee of the Company, the schedule of repayment of principal and payment of interest has been stipulated under the Sanction letter. The principal and interest are being repaid by the employee regularly as per the terms of the Sanction letter.

d) There was no amount overdue with respect to the aforesaid loan given to an employee of the Company and accordingly, reporting under Clause 3(iii)(d) of the Order is not applicable to the Company.

e) During the year, no loan or advance has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties and accordingly, reporting under Clause 3(iii)(e) of the Order is not applicable to the Company.

f) During the year, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment and accordingly, reporting under Clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made, guarantees, and securities provided, as applicable.

(v) The Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and provision of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(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 is generally regular in depositing the undisputed statutory dues including provident fund, goods and service tax, income tax, cess and any other statutory dues applicable to it with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year for the period of more than six month from the date they became payable. As explained to us, the Company did not have any dues on account of duty of excise, sales tax and value added tax.

(b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and other statutory dues which have not been deposited on account of any dispute with the appropriate authorities except the following dues of income tax:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Period which the amount relates	Forums where the Dispute is pending
Income Tax Act, 1961	Income Tax	124.59*	Assessment Year 2018-19	Commissioner of Income Tax (Appeals), Mumbai

*Disputed demand of Rs. 159.54 Lakhs has been adjusted against the refund order issued for the assessment year 2022-23 of Rs. 2.95 Lakhs. Further, an amount of Rs. 32.00 Lakhs has been paid under protest against the said demand.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) In respect of borrowings:

(a) During the year, the Company has not defaulted in repayment of loans or other borrowings in the payment of interest thereon to any lender and hence, reporting under Clause 3(ix) (a) of the Order is not applicable to the Company.

(b) The Company is not declared wilful defaulter by any bank or financial institution or other lender and hence, reporting under Clause 3(ix) (b) of the Order is not applicable to the Company.

(c) The Company has applied the term loans for the purpose for which the loans were obtained.

(d) During the year, the funds raised on short term basis by the Company have not been utilized for long-term purposes.

(e) During the year, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and hence, reporting under Clause 3(ix) (e) of the Order is not applicable to the Company.

(f) During the year, the Company has not raised any loan on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence, reporting under Clause 3(ix) (f) of the Order is not applicable to the Company.

(x) In respect of issue of shares or debt instruments:

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) In respect of frauds and whistle blower complaints:

(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) No whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

(xii) The Company is not a Nidhi Company and hence, reporting under clause (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 related parties are in compliance with Sections 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) In respect of internal audit system:

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) In respect of the Reserve Bank of India Act, 1934:

(a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Hence, reporting under Clause 3(xvi) (b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under Clause 3(xvi) (c) of the Order is not applicable to the Company.

(d) In our opinion, the Group does not have more than one Core Investment Company (CIC) as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Hence, reporting under Clause 3(xvi) (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In respect of Corporate Social Responsibility (CSR):

(a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under Clause 3(xx)(a) of the Order is not applicable to the Company.

(b) There are no amounts that required to be transfer to unspent Corporate Social Responsibility (CSR) account as at the end of the previous financial year and for this financial year also hence, provisions of Section 135 of the said Act are not applicable to the Company during the year. Accordingly, reporting under Clause 3(xx) (b) of the Order is not applicable to the Company.

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

Sanjay Kokate
Partner
Membership No.: 130007
UDIN: 23130007BGRWUA6043

Place: Mumbai
Date: 27 May 2023

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

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

We have audited the internal financial controls over financial reporting of **A. K. Capital Services Limited** (the Company) as of 31March 2023 in conjunction with our audit of the 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, 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

Sanjay Kokate
Partner
Membership No.: 130007
UDIN: 23130007BGRWUA6043

Place: Mumbai
Date: 27 May 2023

BALANCE SHEET AS AT MARCH 31, 2023

₹ in Lakhs

	Note No.	As at 31-03-2023	As at 31-03-2022
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3 (a)	273.61	38.99
(b) Bank balances other than (a) above	3 (b)	29.64	29.83
(c) Trade receivables	4	246.22	237.58
(d) Loans	5	17.79	33.67
(e) Investments	6	92,988.92	87,014.04
(f) Other financial assets	7	853.53	508.59
Total financial assets		**94,409.71**	**87,862.70**
(2) Non-financial assets			
(a) Current tax assets (net)		15.92	2.40
(b) Investment properties	8	2,595.19	2,652.57
(c) Property, plant and equipment	9	1,227.95	1,100.34
(d) Capital work-in-progress	10	-	84.61
(e) Intangible assets	11	4.68	11.82
(f) Other non financial assets	12	105.21	77.04
Total non-financial assets		**3,948.95**	**3,928.78**
TOTAL ASSETS		**98,358.66**	**91,791.48**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Trade payables	13		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		95.69	93.94
(b) Borrowings (other than debt securities)	14	50,132.52	45,950.18
(c) Deposits	15	179.79	164.95
(d) Other financial liabilities	16	686.36	729.18
Total financial liabilities		**51,094.36**	**46,938.25**
(2) Non-financial liabilities			
(a) Provisions	17	251.58	212.65
(b) Deferred tax liabilities (net)	18	292.28	377.37
(c) Other non-financial liabilities	19	144.70	156.77
Total non-financial liabilities		688.56	746.79
TOTAL LIABILITIES		**51,782.92**	**47,685.04**
EQUITY			
(a) Equity share capital	20 (a)	660.00	660.00
(b) Other equity	20 (b)	45,915.74	43,446.44
TOTAL EQUITY		**46,575.74**	**44,106.44**
TOTAL LIABILITIES AND EQUITY		**98,358.66**	**91,791.48**

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

Sanjay Kokate
Partner
Membership No. 130007
Place: Mumbai
Date: May 27, 2023

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 27, 2023

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, 2023

₹ in Lakhs

	Note No.	Current Year 2022-2023	Previous Year 2021-2022
Revenue from operations			
Sale of services	21	5,653.27	4,460.77
Net gain on fair value changes	22	1,777.26	1,852.74
Net gain on derecognition of financial instrument under amortised cost category		-	9.26
Interest income	23	3,326.08	1,557.25
Dividend income		540.00	540.00
Rental income		210.89	210.89
Total revenue from operations		**11,507.50**	**8,630.91**
Other income	24	27.02	58.10
Total income		**11,534.52**	**8,689.01**
EXPENSES			
Finance costs	25	2,783.27	1,293.67
Fees and commission expense		922.76	847.54
Employee benefits expenses	26	2,812.73	2,462.67
Impairment of financial instruments		(2.67)	(148.80)
Depreciation and amortization expenses	8, 9, 11	273.62	319.87
Other expenses	27	838.55	635.13
Total expenses		**7,628.26**	**5,410.08**
Profit before exceptional items and tax		3,906.26	3,278.93
Exceptional Items		-	-
Profit before tax		**3,906.26**	**3,278.93**
Tax expense:			
Current tax		920.00	603.00
Prior period tax adjustments		(2.78)	(50.85)
Deferred tax expense/ (credit)		(82.37)	94.63
Profit for the year [A]		**3,071.41**	**2,632.15**
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit and loss	30	(10.83)	0.83
Less: Income tax expense on above		2.72	(0.20)
Other comprehensive income for the year [B]		**(8.11)**	**0.63**
Total comprehensive income for the year [A+B]		**3,063.30**	**2,632.78**
Earnings per equity share (Rs.)	31		
Basic		46.54	39.88
Diluted		46.54	39.88

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

Sanjay Kokate
Partner
Membership No. 130007
Place: Mumbai
Date: May 27, 2023

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 27, 2023

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, 2023

₹ in Lakhs

		Current Year 2022-2023	Previous Year 2021-2022
(A)	**Cash flow from/(used in) operating activities**		
	Profit before tax	3,906.26	3,278.93
	Adjustment for:		
	Depreciation and amortisation	273.62	319.87
	Profit on sale of property, plant and equipment	-	(9.72)
	Liabilities and provisions written back	(8.28)	(46.28)
	Impairment on financial instruments	(2.67)	(148.80)
	Gain on termination/modification/waiver of lease	(0.07)	(1.09)
	Interest income on deposits	(1.05)	(0.47)
	Interest income on loans and others	(10.89)	(16.70)
	Interest income on investments	(3,314.14)	(1,540.08)
	Rental income	(210.89)	(210.89)
	Dividend income	(540.00)	(540.00)
	Net gain on fair value changes	(1,777.26)	(1,852.74)
	Net gain on derecognition of financial instrument under amortised cost category	-	(9.26)
	Interest expenses	2,783.27	1,293.67
	Movement in working capital:		
	Increase/(decrease) in trade payable and other financial liabilities	14.25	(150.29)
	(Increase)/decrease in trade receivables and other financial assets	(27.94)	(25.09)
	(Increase)/decrease in loans and other financial assets	15.88	12.08
	(Increase)/decrease in other non financial assets	9.73	(24.44)
	Increase/(decrease) in provisions	28.10	22.66
	Increase/(decrease) in other non financial liabilities	2.80	4.79
	Cash generated from operations	**1,140.72**	**356.15**
	Income tax paid	(934.19)	(682.40)
	Cash generated from operations [A]	**206.53**	**(326.25)**
(B)	**Cash flow from/(used in) investing activities**		
	Proceeds from sale/(payment for purchases) of investments (net)	(4,194.95)	(34,970.86)
	Payment for acquisition of property, plant and equipment (including capital work-in-progress and capital advances)	(206.47)	(203.30)
	Payment for acquisition of intangible assets	-	(11.57)
	Proceeds from sale of property, plant and equipment	-	9.72
	Proceeds/(Investments) in fixed deposits	(0.64)	(10.00)
	Interest received on investments	2,985.50	1,261.63
	Interest received on loans and deposits	4.45	5.02
	Dividend received	540.00	540.00
	Rent received	196.02	196.02
	Cash generated from investing activities [B]	**(676.09)**	**(33,183.34)**
(C)	**Cash flow from/(used in) financing activities**		
	Proceeds from/(Repayment of) short term borrowings	5,549.81	33,088.41
	Repayment of long term borrowings	(1,371.29)	(1,624.77)
	Proceeds from long term borrowings	-	3,800.00
	Interest paid on borrowings	(2,763.86)	(1,281.27)
	Dividends paid	(594.00)	(396.00)
	Payment of lease liabilities	(116.48)	(166.53)
	Cash generated from/(used in) financing activities [C]	**704.18**	**33,419.84**
	Net increase/(decrease) in cash and cash equivalents [A+B+C]	**234.62**	**(89.75)**
	Add: Cash and cash equivalents at the beginning of the year	38.99	128.74
	Cash and cash equivalents at the end of the year	273.61	38.99

Reconciliation of liabilities arising from financing activities

₹ in Lakhs

Particulars	As at 31-03-2022	Cash Flows	Transaction cost	Interest accrual	As at 31-03-2023
Long-term borrowings	4,441.29	(1,371.29)	(0.53)	-	3,069.47
Short-term borrowings	41,508.89	5,549.81	4.35	-	47,063.05
Lease liabilities	504.58	(162.97)	77.82	46.29	465.72
Interest on above borrowings	-	(2,763.86)	31.45	2,733.53	1.12
Total liabilities from financing activities	**46,454.76**	**1,251.69**	**113.09**	**2,779.82**	**50,599.36**

Particulars	As at 31-03-2021	Cash Flows	Transaction cost	Interest accrual	As at 31-03-2022
Long-term borrowings	2,264.03	2,175.23	2.03	-	4,441.29
Short-term borrowings	8,432.07	33,088.41	(11.59)	-	41,508.89
Lease liabilities	176.01	(183.49)	496.20	15.86	504.58
Interest on above borrowings	1.18	(1,281.27)	2.28	1,277.81	-
Total liabilities from financing activities	**10,873.29**	**33,798.88**	**488.92**	**1,293.67**	**46,454.76**

Significant accounting policies (Refer Note 2)

The accompanying notes are an integral part of the standalone 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

Sanjay Kokate
Partner
Membership No. 130007
Place: Mumbai
Date: May 27, 2023

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 27, 2023

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, 2023

A. EQUITY SHARE CAPITAL

₹ in Lakhs

	Number of shares	Amount
At 31 March 2021	6,600,000	660.00
Changes in equity share capital due to prior period errors	-	-
Restated balance at 31 March 2021	6,600,000	660.00
Issue of share capital	-	-
At 31 March 2022	**6,600,000**	**660.00**
Changes in equity share capital due to prior period errors	-	-
Restated balance at 31 March 2022	6,600,000	660.00
Issue of share capital	-	-
At 31 March 2023	**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 2021	675.00	4,960.89	3,440.00	32,749.09	65.83	(681.15)	**41,209.66**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	**-**
Restated balance at 31 March 2021	**675.00**	**4,960.89**	**3,440.00**	**32,749.09**	**65.83**	**(681.15)**	**41,209.66**
Profit for the year	-	-	-	2,632.15	-	-	**2,632.15**
Other comprehensive income net of tax for the year	-	-	-	-	0.63	-	**0.63**
Dividend paid	-	-	-	(396.00)	-	-	**(396.00)**
Balance at 31 March 2022	**675.00**	**4,960.89**	**3,440.00**	**34,985.24**	**66.46**	(681.15)	**43,446.44**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	**-**
Restated balance at 31 March 2022	**675.00**	**4,960.89**	**3,440.00**	**34,985.24**	**66.46**	(681.15)	**43,446.44**
Profit for the year	-	-	-	3,071.41	-	-	**3,071.41**
Other comprehensive income net of tax for the year	-	-	-	-	(8.11)	-	**(8.11)**
Dividend paid	-	-	-	(594.00)	-	-	**(594.00)**
Balance at 31 March 2023	**675.00**	**4,960.89**	**3,440.00**	**37,462.65**	**58.5**	**(681.15)**	**45,915.74**

Significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the standalone 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

Sanjay Kokate
Partner
Membership No. 130007
Place: Mumbai
Date: May 27, 2023

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 27, 2023

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, 2023

NOTE - 1

CORPORATE INFORMATION

A. K. Capital Services Limited ("the Company") is a listed Company having its registered office at 603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai - 400098 and incorporated on 5 October 1993 under the provisions of the Companies Act, 1956. The Company is a SEBI Registered Category I Merchant Banker. The Financial statements are approved by the Company's Board of Directors on 27 May 2023.

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, 2023

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

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

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

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, 2023

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, 2023

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 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 'other income' in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023

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.

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, 2023

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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below;

Ind AS 1 - Presentation of Financial Statements -

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors -

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023.

Ind AS 12 - Income Taxes -

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023.

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, 2023

₹ in Lakhs

NOTE - 3 (A) CASH AND CASH EQUIVALENTS	As at 31-03-2023	As at 31-03-2022
Cash on hand	3.30	7.99
Balances with banks	270.31	31.00
	273.61	**38.99**
(B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Balance with banks in unpaid dividend account	10.55	11.38
Fixed deposits with banks*	19.09	18.45
	29.64	**29.83**
*Lien against guarantee and overdraft accounts		

NOTE - 4 TRADE RECEIVABLES		
Undisputed trade receivables considered good - unsecured	246.22	237.58
	246.22	**237.58**
Undisputed trade receivable - considered good		
Outstanding for following periods from due date of payment	246.22	237.58
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	**246.22**	**237.58**

a) There are no disputed receivables as on 31 March 2023 and 31 March 2022.
b) There are no unbilled revenues as on 31 March 2023 and 31 March 2022.

NOTE - 5 LOANS (AT AMORTISED COST)	As at 31-03-2023	As at 31-03-2022
(A) Loans		
(i) Loan to an employee	17.79	33.67
Total (A) - Gross	**17.79**	**33.67**
Less: Impairment loss allowance	-	-
Total (A) - Net	**17.79**	**33.67**
(B)		
(i) Secured	-	-
(ii) Unsecured	17.79	33.67
Total (B)-Gross	**17.79**	**33.67**
Less: Impairment loss allowance	-	-
Total (B) - Net	**17.79**	**33.67**
(C) Loans in India		
(i) Public sector	-	-
(ii) Others	17.79	33.67
Total (C) - Gross	**17.79**	**33.67**
Less: Impairment loss allowance	-	-
Total (C) - Net	**17.79**	**33.67**

Disclosure in relation to loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are;

(a) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayment on demand as on 31 March 2023 and 31 March 2022.

(b) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are without specifying any terms or period of repayment as on 31 March 2023 and 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 6

INVESTMENTS

₹ in Lakhs

Particulars	As at 31-03-2023					
	Amortised cost	At fair value		Subtotal	At cost	Total
		Through other comprehensive Income*	Through profit or loss			
(I) Debt securities	**-**	**-**	**56,446.37**	**56,446.37**	**-**	**56,446.37**
i) Quoted	-	-	54,688.27	54,688.27	-	54,688.27
ii) Unquoted	-	-	1,758.10	1,758.10	-	1,758.10
(II) Alternate Investment Fund	**-**	**-**	**100.46**	**100.46**	**-**	**100.46**
i) Unquoted	-	-	100.46	100.46	-	100.46
(III) Equity instruments	-	0.46	-	**0.46**	**31,391.63**	**31,392.09**
i) Unquoted						
- in subsidiaries	**-**	**-**	**-**	**-**	**31,391.63**	**31,391.63**
12,000,000 Equity shares of A. K. Stockmart Private Limited of ₹ 10 each	-	-	-	-	1,200.00	1,200.00
2,100,000 Equity shares of A. K. Capital Corporation Private Limited of ₹ 10 each	-	-	-	-	210.00	210.00
2,250,000 Equity shares of A. K. Wealth Management Private Limited of ₹10 each	-	-	-	-	225.00	225.00
865,000 Equity shares of A.K. Capital (Singapore) PTE. Limited of 1 SGD each	-	-	-	-	451.39	451.39
22,997,490 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						
415,000 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
(IV) Preference instruments	**-**	**-**	**-**	**-**	**5,050.00**	**5,050.00**
i) Unquoted						
- in subsidiaries						
4,500,000 Compulsory Convertible Preference shares of A. K. Capital Finance Limited of ₹ 100 each**	-	-	-	-	5,050.00	5,050.00
			-	-	-	-
(V) Units of Venture Capital Fund	-	-	-	-	-	-
Nil units of Urban Infra Opportunity Fund	-	-				
Total – Gross (A)	**-**	**0.46**	**56,546.83**	**56,547.29**	**36,441.63**	**92,988.92**
(i) Investments outside India	-	-	-	-	451.39	451.39
(ii) Investments in India	-	0.46	56,546.83	56,547.29	35,990.24	92,537.53
Total (B)	**-**	**0.46**	**56,546.83**	**56,547.29**	**36,441.63**	**92,988.92**
Total (A) to tally with (B)						
Less: Allowance for Impairment loss (C)	**-**	**-**	**-**	**-**	**-**	**-**
Total – Net D= (A)-(C)	**-**	**0.46**	**56,546.83**	**56,547.29**	**36,441.63**	**92,988.92**

* Investments measured at fair value through other comprehensive income

** 4,500,000 Compulsory Convertible Preference shares of A. K. Capital Finance Limited of Rs 100 each is convertible on 28 September 2024

₹ in Lakhs

Particulars	As at 31-03-2022					
	Amortised cost	At fair value		Subtotal	At cost	Total
		Through other comprehensive Income*	Through profit or loss			
(I) Debt securities	**500.58**	**-**	**49,796.03**	**49,796.03**	**-**	**50,296.61**
i) Quoted	-	-	48,087.28	48,087.28	-	48,087.28
ii) Unquoted	500.58	-	1,708.75	1,708.75	-	2,209.33
(II) Pass through certificates	**-**	**-**	**273.47**	**273.47**	**-**	**273.47**
i) Quoted		-	273.47	273.47	-	273.47
(III) Equity instruments	**-**	**0.46**	**-**	**0.46**	**31,391.63**	**31,392.09**
i) Unquoted						
- in subsidiaries	**-**	**-**	**-**	**-**	**31,391.63**	**31,391.63**
12,000,000 Equity shares of A. K. Stockmart Private Limited of Rs 10 each	-	-	-	-	1,200.00	1,200.00
2,100,000 Equity shares of A. K. Capital Corporation Private Limited of Rs 10 each	-	-	-	-	210.00	210.00
2,250,000 Equity shares of A. K. Wealth Management Private Limited of Rs 10 each	-	-	-	-	225.00	225.00
865,000 Equity shares of A. K. Capital (Singapore) Pte. Limited of 1 SGD each	-	-	-	-	451.39	451.39
22,997,490 Equity shares of A. K. Capital Finance Limited of Rs 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						
415,000 Equity Shares of Neesa Leisure Limited of Rs 10 each*	-	-	-	-	-	-
8,500 Equity shares of Shamken Spinners Limited of Rs 10 each*	-	-	-	-	-	-
4,600 Equity shares of Intelligroup Advisors Private Limited of Rs 10 each*	-	0.46	-	0.46	-	0.46
(IV) Preference instruments	**-**	**-**	**-**	**-**	**5,050.00**	**5,050.00**
i) Unquoted						
- in subsidiaries						
4,500,000 Compulsory Convertible Preference shares of A. K. Capital Finance Limited of Rs 100 each	-	-	-	-	5,050.00	5,050.00
(V)Units of Venture Capital Fund	**-**	**-**	**4.54**	**4.54**	-	4.54
70 units of Urban Infra Opportunity Fund	-	-	4.54	4.54	-	**4.54**
Total – Gross (A)	**500.58**	**0.46**	**50,074.04**	**50,074.50**	**36,441.63**	**87,016.71**
(i) Investments outside India	-	-	-	-	451.39	451.39
(ii) Investments in India	500.58	0.46	50,074.04	50,074.50	35,990.24	86,565.32
Total (B)	**500.58**	**0.46**	**50,074.04**	**50,074.50**	**36,441.63**	**87,016.71**
Total (A) to tally with (B)						
Less: Allowance for Impairment loss (C)	2.67	-	-	-	-	2.67
Total – Net D= (A)-(C)	**497.91**	**0.46**	**50,074.04**	**50,074.50**	**36,441.63**	**87,014.04**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 7

OTHER FINANCIAL ASSETS

₹ in Lakhs

	As at 31-03-2023	As at 31-03-2022
(A) Measured at amortised cost		
(i) Deposits		
- Earnest money deposits	60.10	48.85
- Rental deposits		
i) with relatives and directors	39.69	47.15
ii) with others	47.19	43.37
- Security deposits for utilities	4.61	6.63
(ii) Receivable from/Balance with stock broker	-	9.98
(iii) Income receivable on financial assets	0.67	0.86
(iv) Other receivables	20.88	-
(B) Measured at fair value		
(i) Interest accrued but not due on investments	680.39	351.75
	853.53	**508.59**

NOTE - 8

INVESTMENT PROPERTY

₹ in Lakhs

	Building	Total
Gross block		
As at 31 March 2021	2,939.63	2,939.63
Additions	-	-
Disposals	-	-
As at 31 March 2022	**2,939.63**	**2,939.63**
Additions	-	-
Disposals	-	-
As at 31 March 2023	**2,939.63**	**2,939.63**
Accumulated depreciation		
As at 31 March 2021	229.68	229.68
Additions	57.38	57.38
Disposals	-	-
As at 31 March 2022	**287.06**	**287.06**
Additions	57.38	57.38
Disposals	-	-
As at 31 March 2023	**344.44**	**344.44**
Net block		
As at 31 March 2022	**2,652.57**	**2,652.57**
As at 31 March 2023	**2,595.19**	**2,595.19**

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

The fair value of the Company's investment properties as at 31 March 2022 was arrived on the basis of valuation carried out by an external independent valuer registered with the authority which governs the valuer in India. However, for the year ended 31 March 2023, the management has considered the input based on prevailing average market rate of the nearby similar properties. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. Considering the type of the asset, market approach (sales comparable method) to estimate the fair value of the subject property is adopted. Since the fair value of the properties is determined by the management for the year ended 31 March 2023, the management has considered to give the sensitivity analysis for the value of the properties.

Sensitivity Level (a hypothetical increase / (decrease) by) 10% would result in increase / (decrease) in fair value by Rs.458.10 Lakhs.

₹ in Lakhs

Particulars	Building	Total
As at 31 March 2021	4,497.53	4,497.53
Changes in the fair value	10.23	10.23
As at 31 March 2022	**4,507.76**	**4,507.76**
Changes in the fair value	73.24	73.24
As at 31 March 2023	**4,581.00**	**4,581.00**

8.b INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

₹ in Lakhs

Particulars	Current Year 2022-2023	Previous Year 2021-2022
Rental income derived from investment property	196.02	196.02
Less: Direct operating expenses (including repairs & maintenance)generating rental income	23.97	28.14
Less: Direct operating expenses (including repairs & maintenance) that did not generate rental income	-	-
Profit arising from investment property before depreciation and indirect expenses	**172.05**	**167.88**
Less: Depreciation	57.38	57.38
Profit arising from investment property before indirect expenses	**114.67**	**110.50**

8.c THE TITLE DEED OF ALL IMMOVABLE PROPERTIES ARE HELD IN THE NAME OF THE COMPANY

Description of item of property	Building
Gross carrying value	2,939.63
Title deeds held in the name of	The Company
Whether title deed holder is relative of promoter/director or employee of promoter/director	No
Property held since which date	24 June 2008
Reason for not being held in the name of the Company	NA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 9
PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Plant and machinery	Computers	Furniture and fixtures	Office equipments	Office building	Vehicles	Leasehold Improvements	Building Right-of-use (Refer note 38)	Total
Gross block									
As at 31 March 2021	0.23	115.53	40.19	17.33	414.73	95.04	-	590.25	**1,273.30**
Additions	-	15.43	1.75	5.96	112.31	-	-	517.93	**653.38**
Disposals	-	-	-	-	-	-	-	(471.85)	**(471.85)**
As at 31 March 2022	**0.23**	**130.96**	**41.94**	**23.29**	**527.04**	**95.04**	**-**	**636.33**	**1,454.83**
Additions	-	24.30	11.97	5.70	96.59	-	109.14	89.01	**336.71**
Disposals	-	-	-	-	-	-	-	(118.41)	**(118.41)**
As at 31 March 2023	**0.23**	**155.26**	**53.91**	**28.99**	**623.63**	**95.04**	**109.14**	**606.93**	**1,673.13**
Accumulated depreciation									
As at 31 March 2021	0.23	53.27	33.46	11.00	24.69	38.53	-	413.28	**574.46**
Additions	-	19.14	1.48	2.27	7.77	11.89	-	209.33	**251.88**
Disposals	-	-	-	-	-	-	-	(471.85)	**(471.85)**
As at 31 March 2022	**0.23**	**72.41**	**34.94**	**13.27**	**32.46**	**50.42**	**-**	**150.76**	**354.49**
Additions	-	24.79	2.58	3.49	10.12	11.89	14.91	141.32	**209.10**
Disposals	-	-	-	-	-	-	-	(118.41)	**(118.41)**
As at 31 March 2023	**0.23**	**97.20**	**37.52**	**16.76**	**42.58**	**62.31**	**14.91**	**173.67**	**445.18**
Net block									
As at 31 March 2022	**-**	**58.55**	**7.00**	**10.02**	**494.58**	**44.62**	**-**	**485.57**	**1,100.34**
As at 31 March 2023	**-**	**58.06**	**16.39**	**12.23**	**581.05**	**32.73**	**94.23**	**433.26**	**1,227.95**

1) Vehicles include vehicles hypothecated against loan taken having net block of ₹ Nil (as at 31 March 2022 ₹ 44.62 Lakhs).

2) The Company has not revalued any of its property, plant and equipment (including Right-of-Use Assets) during the year.

3) There was no impairment loss on the property, plant and equipment on the basis of review carried out by the management in accordance with Accounting Standard (Ind AS) - 36 'Impairment of Assets'

4) The title deed of all immovable properties are held in the name of the Company, details are as under:

₹ in Lakhs

Description of item of property	Building	Building	Building	Building	Building	Building	Building	Total
Gross carrying value	57.99	107.48	9.22	71.56	168.48	112.31	96.59	623.63
Title deeds held in the name of	The Company	The Company	The Company	The Company	The Company	The Company	The Company	The Company
Whether title deed holder is relative of promoter/director or employee of promoter/director	No	No	No	No	No	No	No	No
Property held since which date	01-Feb-01	06-Aug-08	29-Jul-09	01-Feb-13	31-May-19	15-Mar-22	23-Nov-22	
Reason for not being held in the name of the Company	NA	NA	NA	NA	NA	NA	NA	NA

NOTE - 10
CAPITAL WORK-IN-PROGRESS (CWIP)

	As at 31-03-2023	As at 31-03-2022
Leasehold improvements	-	84.61
Total	**-**	**84.61**
(a) (i) CWIP aging schedule for leasehold improvements in progress		
Less than 1 year	-	84.61
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**-**	**84.61**

(a) (ii) There is no capital work-in-progress which are temporarily suspended as on 31 March 2023 and 31 March 2022.

(b) There is no capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 11
INTANGIBLE ASSETS

₹ in Lakhs

	Software	Total
Gross block		
As at 31 March 2021	42.62	42.62
Additions	2.09	2.09
Disposals	-	-
As at 31 March 2022	**44.71**	**44.71**
Additions	-	-
Disposals	-	-
As at 31 March 2023	**44.71**	**44.71**
Accumulated amortisation		
As at 31 March 2021	22.28	22.28
Additions	10.61	10.61
Disposals	-	-
As at 31 March 2022	**32.89**	**32.89**
Additions	7.14	7.14
Disposals	-	-
As at 31 March 2023	**40.03**	**40.03**
Net block		
As at 31 March 2022	**11.82**	**11.82**
As at 31 March 2023	**4.68**	**4.68**

1) The Company has not revalued any of its Intangible Assets during the year.

NOTE - 12
OTHER NON-FINANCIAL ASSETS

₹ in Lakhs

	As at 31-03-2023	As at 31-03-2022
Other advances	3.69	7.55
Prepaid expenses	50.11	62.05
Capital advances	34.08	-
Balance with government authorities	17.33	7.44
	105.21	**77.04**

NOTE - 13
TRADE PAYABLES

(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprisesand small enterprises	95.69	93.94
	95.69	**93.94**

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 31-03-2023	As at 31-03-2022
(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

Ageing schedule of Undisputed Trade Payable	As at 31-03-2023	As at 31-03-2022
Outstanding for following periods from due date of payment		
Less than 1 year	94.65	84.43
1-2 years	-	2.40
2-3 years	0.14	0.13
More than 3 years	-	-
Unbilled dues	0.90	6.98
Total	**95.69**	**93.94**

(i) There are no outstanding of disputed trade payables from due date of payment as on 31 March 2023 and 31 March 2022.
(ii) There are no outstanding of undisputed or disputed trade payables from micro, medium and small enterprises from due date of payment as on 31 March 2023 and 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 14
BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

₹ in Lakhs

	As at 31-03-2023	As at 31-03-2022
(a)Term loans		
(i) from banks*	3,069.47	4,430.00
(b) Loans repayable on demand		
(i) from banks**	42,582.94	41,508.89
(c) Other loans		
(i) vehicle loans***	-	11.29
(d) Commercial papers	4,480.11	-
Total (A)	**50,132.52**	**45,950.18**
Borrowings in India	50,132.52	45,950.18
Borrowings outside India	-	-
Total (B)	**50,132.52**	**45,950.18**
Secured	45,652.41	45,950.18
Unsecured	4,480.11	-
Total (C)	**50,132.52**	**45,950.18**

* 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 were repayable in 60 equated monthly installments along with interest from the date of loan. The loans were secured hypothecation of motor vehicle purchased there against. The vehicle loans were fully repaid during the year.

a) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

b) The quarterly returns and / or statements of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts and there is no discrepancies in the same.

c) The Company is not declared a wilful defaulter by any bank or financial institution or other lender.

d) The Company has registered all the charges towards secured borrowings outstanding as on 31 March 2023 and 31 March 2022. There is no satisfaction of charge pending on secured borrowings which are repaid during the financial year ended 31 March 2023 and 31 March 2022.

e) Refer Note - 50 for utilisation of borrowed funds.

NOTE - 15
DEPOSITS (AT AMORTISED COST)

₹ in Lakhs

	As at 31-03-2023	As at 31-03-2022
Rental deposits from others (Unsecured)	179.79	164.95
	179.79	**164.95**

NOTE - 16
OTHER FINANCIAL LIABILITIES

Employee dues	135.93	124.38
Lease liabilities (Refer Note - 33)	465.72	504.58
Unpaid dividends*	10.55	11.38
Interest accrued but not due	1.12	-
Other payables	65.58	72.08
Creditors for capital goods	7.46	16.76
	686.36	**729.18**

* During the year ended 31 March 2023, ₹ 1.78 Lakhs (Previous year ₹ 1.61 Lakhs) has been credited into Investor Education and Protection Fund under Section 124 of the Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 17 PROVISIONS	As at 31-03-2023	As at 31-03-2022
Provision for employee benefits		
Gratuity (refer note 29)	251.58	212.65
	251.58	**212.65**

NOTE - 18 DEFERRED TAX LIABILITIES/ (ASSETS) (NET)		
Deferred tax liabilities		
On the account of		
Depreciation on property, plant and equipments, investment properties and intangible assets	364.05	370.76
Fair value gain / (loss) on investments	5.87	70.75
Less: Deferred tax assets:		
Expenses allowable on payment basis (gratuity)	(63.32)	(53.52)
Right-of-use and lease liabilities	(14.32)	(9.95)
Impairment on financial instruments	-	(0.67)
Deferred tax liabilities / (assets) (net)	**292.28**	**377.37**

NOTE - 19 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues	129.79	126.99
Deferred lease income	14.91	29.78
	144.70	**156.77**

NOTE - 20
(a) SHARE CAPITAL
Equity share capital

₹ in Lakhs

Particulars	As at 31-03-2023		As at 31-03-2022	
	Numbers of shares	Amount	Numbers of shares	Amount
Authorised:				
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		**13,500.00**		**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		**660.00**		**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 Rs.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 31-03-2023		As at 31-03-2022	
	Numbers of shares	Percentage of shareholding	Numbers of shares	Percentage of shareholding
Family Home Consultancy Services Private Limited	3,259,738	49.39%	3,259,738	49.39%
A. K. Mittal	1,062,187	16.09%	1,055,208	15.99%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 20

(a) SHARE CAPITAL (CONTD.)

Details of shares held by promoters in the Company :

Name of the shareholder	As at 31 March 2023		
	Numbers of shares	Percentage of shareholding	% Change during the year
Family Home Consultancy Services Private Limited	3,259,738	49.39%	-
A. K. Mittal	1,062,187	16.09%	0.10%
Aditi Mittal	186,958	2.83%	0.02%
A. K. Mittal HUF	119,848	1.82%	-
Sanjiv Kumar	29,100	0.44%	-
Sanjeev Kumar HUF	28,500	0.43%	-
Kavita Garg	24,899	0.38%	-
Dinesh Kumar Gupta	7,500	0.11%	-

Name of the shareholder	As at 31 March 2022		
	Numbers of shares	Percentage of shareholding	% Change during the year
Family Home Consultancy Services Private Limited	3,259,738	49.39%	0.39%
A. K. Mittal	1,055,208	15.99%	0.23%
Aditi Mittal	185,346	2.81%	0.24%
A. K. Mittal HUF	119,848	1.82%	-
Sanjiv Kumar	29,100	0.44%	-
Sanjeev Kumar HUF	28,500	0.43%	-
Kavita Garg	24,899	0.38%	-
Dinesh Kumar Gupta	7,500	0.11%	-

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

Particulars	As at 31-03-2023	As at 31-03-2022
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 31-03-2023	As at 31-03-2022
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		
At the beginning of the year	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		
At the beginning of the year	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		
At the beginning of the year	34,985.24	32,749.09
Add: Profit for the year	3,071.41	2,632.15
Profit available for appropriation	**38,056.65**	**35,381.24**
Less: Dividend paid*	594.00	396.00
At the close of the year	**37,462.65**	**34,985.24**
Other comprehensive income		
At the beginning of the year	(614.69)	(615.32)
Add: Other comprehensive income for the year	(8.11)	0.63
At the close of the year	**(622.80)**	**(614.69)**
	45,915.74	**43,446.44**

Refer Note - 50 for utilisation of securities premium

* During the year 2022-23, the Board of Directors of the Company had paid a final dividend of ₹ 3 per equity share (previous year ₹ 1 per equity share pertaining to financial year ended 31 March 2021) having face value of ₹10 each for the year ended 31 March 2022. The same is approved by the shareholders of the Company in the annual general meeting held on 17 September 2022 (previous year's annual general meeting held on 18 September 2021). The total cash outflow of Rs. 198.00 Lakhs (previous year ₹66.00 Lakhs).

* During the year 2022-23, the Board of Directors of the Company had paid interim dividend of ₹ 6 per equity share (previous year ₹ 5 per equity share) having face value of ₹10 each for the year ended 31 March 2023, on its board meeting held on 08 February 2023 (previous year's board meeting held on 05 February 2022). The total cash outflow of ₹ 396.00 Lakhs (previous year ₹ 330.00 Lakhs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

NOTE - 21
SALE OF SERVICES

	Current Year 2022-2023	Previous Year 2021-2022
Merchant banking fees	5,608.34	4,417.20
Brokerage income	44.93	43.57
	5,653.27	**4,460.77**

21 (a) 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.

Sale of services (Merchant banking fees)		
Arranger and advisory fees	5,284.85	4,372.20
Lead manager fees	323.49	45.00
Brokerage income	44.93	43.57
Total revenue from contracts with the customers	**5,653.27**	**4,460.77**
Geographical markets		
-India		
-Outside India	5,653.27	4,460.77
Total revenue from contracts with the customers	-	-
	5,653.27	**4,460.77**
Relation with customer		
-Non related party	5,653.27	4,460.77
-Related Party	-	-
Total revenue from contracts with the customers	**5,653.27**	**4,460.77**
Timing of revenue recognition		
-Service transferred over a period of time	323.49	45.00
-Service transferred over a point in time	5,329.78	4,415.77
Total revenue from contracts with the customers	**5,653.27**	**4,460.77**

NOTE - 22
NET GAIN ON FAIR VALUE CHANGES

Net gain/(loss) on investments at fair value through profit and loss		
- Realised	1,747.12	1,558.97
- Unrealised	30.14	293.77
	1,777.26	**1,852.74**
Additional Information :		
Profit on sale of investments (actual) (A)	2,035.03	1,554.63
Net gain/(loss) on investments due to fair value change (B)		
- Realised	(287.91)	4.34
- Unrealised	30.14	293.77
	(257.77)	**298.11**
Total (A+B)	**1,777.26**	**1,852.74**

NOTE - 23
INTEREST INCOME

₹ in Lakhs

Particulars	Current Year 2022-2023		Previous Year 2021-2022	
	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	34.90	3,279.24	71.31	1,468.77
Interest on deposits with banks	1.05	-	0.47	-
Interest income on loans	3.07	-	4.91	-
Other interest incomes	7.82	-	11.79	-
	46.84	**3,279.24**	**88.48**	**1,468.77**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

	Current Year 2022-2023	Previous Year 2021-2022
NOTE - 24		
OTHER INCOME		
Liabilities and provisions written back	8.28	46.28
Gain on termination/modification/waiver of lease	0.20	1.09
Support services	18.00	-
Profit on sale of property, plant and equipment	-	9.72
Miscellaneous incomes	0.54	1.01
	27.02	**58.10**
NOTE - 25		
FINANCE COSTS (AT AMORTISED COST)		
Interest on borrowings	2,718.49	1,263.13
Interest on income tax	3.45	-
Unwinding interest cost	61.33	30.54
	2,783.27	**1,293.67**
NOTE - 26		
EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	2,686.26	2,395.43
Gratuity	40.66	35.93
Contribution to provident and other funds	50.19	18.43
Staff welfare expenses	35.62	12.88
	2,812.73	**2,462.67**
NOTE - 27		
OTHER EXPENSES		
Rent, taxes and energy costs	59.63	83.33
Repairs and maintenance	37.54	57.21
Software expenses	135.13	115.79
Printing and stationery	7.98	4.97
Advertisement and business promotion	22.21	37.84
Auditor's remuneration		
-for audit fees	3.45	3.00
-for tax audit fees	0.69	0.60
-for other services	3.39	2.70
Legal and professional charges	102.79	30.88
Travelling expense	173.75	76.27
Corporate social responsibilities (Refer note 28)	56.38	58.87
Directors' sitting fees	2.75	3.50
Communication cost	37.47	36.39
Insurance expenses	17.13	15.96
Miscellaneous expenses	178.26	107.82
	838.55	**635.13**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 28

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	For the year ended 31-March-2023
Amount required to be spent by the company during the year	56.38
Less: Previous years' excess	(1.13)
Net amount required to be spent by the Company during the financial year	**55.25**
Amount of expenditure incurred	55.50
Short fall / (Excess) in CSR Expenditure carried forward to next financial year	(0.25)
Total of previous year shortfall	Nil
Reason for shorfall	NA
Nature of CSR activities	Contribution to any fund set up by the Central Government for socio-economic development and relief qualifies
Details of related party transaction	NA

NOTE - 29

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 2022-2023	Previous Year 2021-2022
Employer's contribution to provident fund	50.08	18.27

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 2022-2023	Previous Year 2021-2022
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	25.09	22.74
Past service cost	-	-
Interest cost on defined benefit obligation	15.57	13.19
(Gain) / losses on settlement	-	-
Total expense charged to profit & loss account (included in salaries, wages & incentives) (A)	**40.66**	**35.93**
(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	(1.81)	(3.67)
Actuarial loss / (gain) arising from change in demographical assumptions	0.50	(0.01)
Actuarial loss / (gain) arising on account of experience changes	12.14	2.85
Amount recognised in OCI (B)	**10.83**	**(0.83)**
Gratuity expense recognised in the statement of profit and loss and OCI (A+B)	**51.49**	**35.10**
(c) Reconciliation of net liability / asset		
Opening defined benefit liability / (assets)	212.65	190.82
Expense charged to profit & loss account	40.66	35.93
Amount recognised in outside profit and loss account	10.83	(0.83)
Benefit paid/ payable	(12.56)	(13.28)
Others	-	0.01
Closing net defined benefit liability / (asset)	**251.58**	**212.65**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 29
EMPLOYEE BENEFIT OBLIGATION (CONTD.)

₹ in Lakhs

Particulars	Current Year 2022-2023	Previous Year 2021-2022
(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	212.65	190.82
Current service cost	25.09	22.74
Past service cost	-	-
Interest on defined benefit obligation	15.57	13.19
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	(1.81)	(3.67)
Actuarial loss / (gain) arising from change in demographical assumptions	0.50	(0.01)
Actuarial loss / (gain) arising on account of experience changes	12.14	2.85
Benefit paid/ payable	(12.56)	(13.28)
Others	-	0.01
Closing defined benefit obligation [liability/(asset)] recognised in balance sheet	**251.58**	**212.65**
(e) The principal assumptions used in determining gratuity benefit obligation for the company's plans are shown below:		
Discount rate	7.50%	7.32%
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
Upto 30 years	29.00%	30.00%
From 31 to 44 years	21.00%	22.00%
Above 45 years	23.00%	22.00%
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	(4.64)	(3.93)
Impact on defined benefit obligation -decrease of sensitivity level	4.81	4.07
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	4.90	4.14
Impact on defined benefit obligation-decrease of sensitivity level	(4.77)	(4.03)

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

₹ in Lakhs

Particulars	Current Year 2022-2023	Previous Year 2021-2022
Within 1-2 year	82.39	68.74
2-3 year	94.86	78.96
3-4 year	110.31	90.57
4-5 year	125.33	102.96
5-6 year	141.63	115.62

The average duration of the defined benefit plan obligation at the end of the reporting period is 12.38 years (31 March 2022 - 12.87 years)

NOTE - 30
OTHER COMPREHENSIVE INCOME

₹ in Lakhs

	As at 31-03-2023	As at 31-03-2022
Items that will not be reclassified to profit or loss		
a. Remeasurement of defined benefit obligation	(10.83)	0.83
Total	**(10.83)**	**0.83**

NOTE - 31
EARNINGS PER SHARE

Particulars	Current Year 2022-2023	Previous Year 2021-2022
Profit for the year as per statement of profit and loss (₹ in Lakhs)	3,071.41	2,632.15
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 (₹)	46.54	39.88
Nominal value of share (₹)	10.00	10.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 32
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. Khimji Shamji Pandav - Independent Director
Mrs. Aditi Mittal - Non-executive women 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)
A. K. Alternative Asset Managers Private Limited (step down subsidiary)

Relative of key management personnel

Mr. Abhinav Kumar Mittal
Mrs. Aditi Mittal - Non-executive women Director

Enterprise controlled by key management personnel

A. K. Services Private Limited
India Bond 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 2022-2023	Previous Year 2021-2022
Key managerial remuneration *		
Short term benefits (including perquisites)	486.76	437.28
Directors' sitting fees	2.75	3.50
Brokerage expense		
A. K. Stockmart Private Limited	6.02	5.73
Incentive Expense		
India Bond Private Limited	102.50	16.58
Software expenses		
India Bond Private Limited	110.00	84.00
Dividend received		
A. K. Capital Finance Limited	540.00	540.00
Demat charges		
A. K. Stockmart Private Limited	0.05	0.02
Purchase of office building		
Abhinav Kumar Mittal	-	102.65

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 32
RELATED PARTY DISCLOSURE (CONTD.)

₹ in Lakhs

II Details of related party transactions are as follows:	Current Year 2022-2023	Previous Year 2021-2022
Rent expense		
A. K. Mittal	28.80	28.80
Purchase of investments (excluding accrued interest)		
A. K. Capital Finance Limited	37,709.13	47,030.97
A. K. Stockmart Private Limited	697.71	2,601.86
A. K. Services Private Limited	1,470.08	5,767.18
Sale of investments (excluding accrued interest)		
A. K. Capital Finance Limited	41,108.92	74,969.15
A. K. Stockmart Private Limited	2,156.27	2,646.89
A. K. Services Private Limited	6,008.99	1,036.31
A. K. Capital Corporation Private Limited	-	202.54
A. K. Wealth Management Private Limited	-	153.95
Family Home Finance Private Limited	-	170.15
Interest expenses		
A. K. Capital Finance Limited	-	282.87
Interest income on investment in debt securities		
A. K. Capital Finance Limited	-	3.26
Investment in debt securities bought back by issuer		
A. K. Capital Finance Limited	-	1,250.00
Loan taken during the year		
A. K. Capital Finance Limited (Revolving Credit Sanction Limits Current Year Rs.Nil. (Previous Year amounting upto a maximum amount of Rs.5,000 lakhs upto 31 December 2021 and Rs.3,500 lakhs from 16 February 2022 to 31 March 2022)	-	28,600.00
Loan repaid during the year		
A. K. Capital Finance Limited (Revolving Credit Sanction Limits Current Year Rs.Nil. (Previous Year amounting upto a maximum amount of Rs.5,000 lakhs upto 31 December 2021 and Rs.3,500 lakhs from 16 February 2022 to 31 March 2022)	-	28,600.00

₹ in Lakhs

III Balances with related parties:	As at 31-03-2023	As at 31-03-2022
Balance receivable		
A. K. Stockmart Private Limited (Stock Exchange Payout)	-	9.98
Balance payable		
A. K. Stockmart Private Limited	0.10	0.06
India Bond Private Limited	8.06	1.32
Rent deposit given outstanding as at year end		
A. K. Mittal	48.00	48.00
Corporate guarantee given to a bank in respect of secured working capital demand loan taken by a subsidiary company (Refer Note 34)		
A. K. Capital Finance Limited	27,500.00	27,500.00

Note: Transaction amount is excluding taxes, wherever applicable.

(a) 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 and accordingly the same is not included in above disclosure.

(b) Reimbursement of expenses has not been considered for above disclosure.

(c) Transaction amount is excluding taxes, wherever applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 33
LEASES

I Lease commitments as lessee:

The Company has entered into agreements for taking on lease certain guest house and office on lease and licence basis. The lease term is for a period ranging from 12 to 60 months. The Company has contracts which have fixed rentals.

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 2022-2023	Previous Year 2021-2022
Opening gross block value of account on adoption of Ind AS 116	**636.33**	**590.25**
Reclassified on account of adoption of Ind AS 116	-	-
Deduction on account of termination of lease	(118.41)	(471.85)
Addition on account of New contracts entered	89.01	517.93
Closing gross block value of account on adoption of Ind AS 116	**606.93**	**636.33**
Opening accumulated depreciation of account on adoption of Ind AS 116	**150.76**	**413.28**
Depreciation charged for the year	141.32	209.33
Deduction on account of termination of lease	(118.41)	(471.85)
Closing accumulated depreciation of account on adoption of Ind AS 116	**173.67**	**150.76**
Closing net block	**433.26**	**485.57**

(b) The following is the movement in lease liabilities (disclosed under note 16 - other financial liabilities):

₹ in Lakhs

Particulars	Current Year 2022-2023	Previous Year 2021-2022
Balance at the beginning of the year	504.58	176.01
Additions	77.82	496.20
Finance cost accrued during the year	46.49	16.96
Deletions	(0.20)	(1.10)
Payment of lease liabilities	(162.97)	(183.49)
Balance at the end of the year	**465.72**	**504.58**

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

₹ in Lakhs

Particulars	Current Year 2022-203	Previous Year 2021-2022
Not later than one year	163.69	135.96
Later than one year and not later than five years	379.67	482.19
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 2022-2023 is ₹162.97 Lakhs (previous year ₹ 183.49 Lakhs).

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 2022-2023	Previous Year 2021-2022
Not later than one year	196.02	196.02
Later than one year and not later than five years	-	196.02
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 Rs. 210.89 Lakhs (previous year ₹ 210.89 Lakhs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 34
CONTINGENT LIABILITIES

₹ in Lakhs

Particulars	Current Year 2022-2023	Previous Year 2021-2022
Corporate guarantee given to a bank in respect of secured working capital facility and cash credit facility taken by a subsidiary company (Refer Note (a) below)	27,500.00	27,500.00
Contingent liabilities not provided for – Income tax matters under dispute (Refer Note (b) below)	-	-
Total	**27,500.00**	**27,500.00**

Note:

(a) The above facility is fully secured by providing required security cover by the subsidiary company over the outstanding amount as mentioned in the bank sanction letter.

(b) In Financial year 2022-23, disputed demand of Rs. 159.54 Lakhs in respect of Assessment Year 2018-19 has been adjusted against the refund order issued for the assessment year 2022-23 of Rs. 2.95 Lakhs. Further, an amount of Rs. 32.00 Lakhs has been paid under protest against the said demand. The Company has already got favourable Order from ITAT in similar matter in earlier years and is of the opinion that there will be no liability arise in this regard and hence, not considered as contingent liability.

NOTE - 35
FINANCIAL INSTRUMENTS

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

The carrying value and fair value of financial instrument by categories as of March 31, 2023 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	273.61	-	-	273.61	273.61
Bank balances other than above	29.64	-	-	29.64	29.64
Trade receivables	246.22	-	-	246.22	246.22
Loans	17.79	-	-	17.79	17.79
Investments excluding subsidiary & associates	-	56,546.83	0.46	56,547.29	56,547.29
Other financial assets	173.14	680.39	-	853.53	853.53
TOTAL	**740.40**	**57,227.22**	**0.46**	**57,968.08**	**57,968.08**
Liabilities:					
Trade payables	95.69	-	-	95.69	95.69
Borrowings (other then debt securities)	50,132.52	-	-	50,132.52	50,174.26
Deposits	179.79	-	-	179.79	179.79
Other financial liabilities	686.36	-	-	686.36	686.36
TOTAL	**51,094.36**	**-**	**-**	**51,094.36**	**51,136.10**

The carrying value and fair value of financial instrument by categories as of 31 March 2022 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	38.99	-	-	38.99	38.99
Bank balances other than above	29.83	-	-	29.83	29.83
Trade receivables	237.58	-	-	237.58	237.58
Loans	33.67	-	-	33.67	33.67
Investments	497.91	50,074.04	0.46	50,572.41	50,588.05
Other financial assets	156.84	351.75	-	508.59	508.59
TOTAL	**994.82**	**50,425.79**	**0.46**	**51,421.07**	**51,436.71**
Liabilities:					
Trade payables	93.94	-	-	93.94	93.94
Borrowings (other then debt securities)	45,950.18	-	-	45,950.18	45,995.74
Deposits	164.95	-	-	164.95	164.95
Other financial liabilities	729.18	-	-	729.18	729.18
TOTAL	**46,938.25**	**-**	**-**	**46,938.25**	**46,983.81**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 36
RISK MANAGEMENT

Financial risk management

"The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and 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 Rs. 246.22 Lakhs and Rs. 237.58 Lakhs as at 31 March 2023 and 31 March 2022. 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 2022-2023	Previous Year 2021-2022
Revenue from top customer	2,163.75	671.27
Revenue from top 5 customers	3,874.14	2,170.13

(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 31-03-2023	As at 31-03-2022
Within credit days	246.22	237.58

(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 31-03-2023	As at 31-03-2022
Trade receivables:		
Less than 90 days	-	-
91 to 180 days	-	-
181 to 270 days	-	-
Total	-	-

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, 2023

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 31-03-2023	As at 31-03-2022
Financial assets		
Interest bearing		
- fixed interest rate		
Loans	17.79	33.67
Bank balances other than cash and cash equivalents	19.09	18.45
Investments	54,863.71	44,976.58
- floating interest rate		
Investments	1,582.66	5,593.50
- non interest bearing		
Investment	36,542.55	36,446.63
Cash and cash equivalents	284.16	50.37
Trade receivables	246.22	237.58
Other financial assets	853.53	508.59
Total	**94,409.71**	**87,865.37**
Financial Liabilities		
Interest bearing		
- fixed interest rate		
Borrowings (Term Loan)	2,800.00	3,800.00
Borrowings (Vehicle loans)	-	11.29
Lease liabilities	465.72	504.58
Borrowings (Commercial Papers)	4,480.11	-
- floating interest rate		
Borrowings (Term loans)	269.47	630.00
Borrowings (Repayable on demand)	42,582.94	41,508.89
- non interest bearing		
Trade payables	95.69	93.94
Deposits	179.79	164.95
Other financial liabilities	220.64	224.60
Total	**51,094.36**	**46,938.25**

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 2022-2023	Previous Year 2021-2022
Increase in basis points	50	50
Effect on profit before tax	(206.35)	(182.73)
Decrease in basis points	50	50
Effect on profit before tax	206.35	182.73

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 37

LIQUIDITY RISK

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The Company's maximum exposure to liquidity risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 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 to 12 months	1 to 5 years	>5 years	Total
As at 31 March 2023						
Borrowings	11,124.15	32,158.51	5,681.65	1,958.73	-	**50,923.04**
Trade and other payables	-	95.69	-	-	-	**95.69**
Deposits	-	-	-	179.79	-	**179.79**
Other financial liabilities	10.55	250.97	122.81	379.67	-	**764.00**
	11,134.70	**32,505.17**	**5,804.46**	**2,518.19**	**-**	**51,962.52**
As at 31 March 2022						
Borrowings	14,074.46	27,981.10	1,233.65	3,527.79	-	**46,817.00**
Trade and other payables	-	93.94	-	-	-	**93.94**
Deposits	-	-	-	164.95	-	**164.95**
Other financial liabilities	11.38	249.48	99.70	482.19	-	**842.75**
	14,085.84	**28,324.52**	**1,333.35**	**4,174.93**	-	**47,918.64**

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 31-03-2023	As at 31-03-2022
Borrowings	50,132.52	45,950.18
Trade payables	95.69	93.94
Deposits	179.79	164.95
Other financial liabilities	686.36	729.18
Less: cash and cash equivalents	(273.61)	(38.99)
Net debt (A)	**50,820.75**	**46,899.26**
Equity share capital	660.00	660.00
Other equity	45,915.74	43,446.44
Total member's capital (B)	**46,575.74**	**44,106.44**
Capital and net debt (C=A+B)	**97,396.49**	**91,005.70**
Gearing ratio (%) (A/C)	**52.18**	**51.53**

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, 2023

NOTE - 38
FAIR VALUE HIERARCHY

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2023:

₹ in Lakhs

Particulars	As at 31-03-2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments in AIF FVTPL	100.46	-	100.46	-
Debt instruments FVTPL	56,446.37	-	56,446.37	-
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 31 March 2022:

₹ in Lakhs

Particulars	As at 31-03-2022	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments in hybrid instruments FVTPL	4.54	-	4.54	-
Debt instruments FVTPL	49,796.03	-	49,796.03	-
Pass through certificates FVTPL	273.47	-	273.47	-
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 7 days from the measurement date or, latest traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-7 days, whichever is later. 2.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 0-7 days. 3.Future cash flows are discounted using a discount rate arrived at by adding the spread provided by FIMMDA or other approved agencies and annualised government security yield provided by regulatory authorities.
Alternative Investmet Fund measured at FVTPL	Level II	The valuation is done based on the rating agency valuation provided by the Alternative Investment Fund.
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, 2023

NOTE - 39
INCOME TAX

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

₹ in Lakhs

Particulars	Current Year 2022-2023	Previous Year 2021-2022
Current income tax:		
Current income tax charge	920.00	603.00
Adjustments in respect of previous year	(2.78)	(50.85)
Deferred tax:		
Relating to origination and reversal of temporary differences	(82.37)	94.63
Income tax expense reported in the statement of profit or loss	**834.85**	**646.78**

B The income tax expense for the year can be reconciled to the accounting profit as follows

₹ in Lakhs

Particulars	Current Year 2022-2023	Previous Year 2021-2022
Profit before tax	3,906.26	3,278.93
Applicable tax rate	25.17%	25.17%
Computed expected tax expenses	983.13	825.24
Tax effect of :		
Tax effect due to non-deductible expenses	16.92	20.54
Tax effect due to deductible items	(14.08)	(14.08)
Tax effect due to deduction under income tax	(135.91)	(135.91)
Tax effect due to different tax rate	(15.09)	-
Adjustments in respect of current income tax of previous year	(2.78)	(50.85)
Others	2.66	1.84
Income tax expense reported in the statement of profit or loss	**834.85**	**646.78**

C The Gross movement in the current income tax asset/(Liability) for the year ended 31 March 2023 and 31 March 2022 is as follows

₹ in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Net current income tax asset/(liability) at the beginning of the year	2.40	(127.85)
Income tax paid	934.19	682.40
Current tax expenses	(920.00)	(603.00)
Interest on tax expenses	(3.45)	-
Excess/(short) provision of earlier year	2.78	50.85
Net current income tax asset/(liability) at the end of the year	**15.92**	**2.40**

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

₹ in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Net deferred tax liabilities at the begining of the year	(377.37)	(282.53)
Fair value gain on investments in debt securities	64.88	(75.03)
Impairment on financial instruments	(0.67)	(37.45)
Right-of-use and lease liabilities	4.37	10.18
Gratuity	9.80	5.50
Property plant and equipments	6.71	1.96
Net deferred tax liabilities at the end of the year	**(292.28)**	**(377.37)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 40

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

(a) Employee benefit plans

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

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

Based on periodic review of the demographic assumptions, attrition rate assumption used for actuarial valuation of liability related to gratuity has been re-assessed during the year ended 31 March 2023. For the purpose of assessing the attrition rate, the Company considered the historical attrition trend and expected rate based on such trend/ experience. The change in assumption resulted in a increase of closing gratuity by Rs. 10.83 Lakhs for the year ended 31 March 2023.

Further details about gratuity obligations are given in Note - 29.

(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.

(c) Leases

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

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

(d) Taxes

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

NOTE - 41

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 - 42

The Company does not have any intangible assets under development.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 43

The Company does not hold any Benami Property as defined under Benami Transactions (Prohibition) Act, 1988.

NOTE - 44

The Company does not have any undisclosed income during the financial year ended 31 March 2023 and 31 March 2022.

NOTE - 45

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year ended 31 March 2023 and 31 March 2022.

NOTE - 46

The Company does not have any investments and relationships with Struck off companies during the financial year ended 31 March 2023 and 31 March 2022.

NOTE - 47

The Company has complied with the number of layer prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017.

NOTE - 48

The ratios pertaining to Capital to risk-weighted assets ratio (CRAR), Tier I CRAR, Tier II CRAR and Liquidity Coverage Ratio is not applicable to the Company.

NOTE - 49

There is no scheme of arrangement of Company which has been approved by the Competent Authority in terms of section 230 to 237 of the Companies Act, 2013.

NOTE - 50

UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

(a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE - 51

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 - 52

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 - 53

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 - 54

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 55

Subsequent events

(a) Subsequent to the balance sheet date, the Company has issued its fresh commercial papers which are listed on BSE Limited on 09 May 2023.

(b) The Board of Directors of the Company in its meeting held on 27 May 2023, have recommended a final dividend of Rs. 6 per equity share having face value of Rs. 10 each for the year ended 31 March 2023. 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 Rs. 396.00 Lakhs.

NOTE - 56

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

SIGNATURES TO 1 TO 56

As per our report of even date attached

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

Sanjay Kokate	A. K. Mittal	Vikas Jain	Mahesh Bhootra	Tejas Davda
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
Membership No. 130007	(DIN: 00698377)	(DIN:07887754)		(ACS: A27660)

Place: Mumbai
Date: May 27, 2023

Place: Mumbai
Date: May 27, 2023

INDEPENDENT AUDITOR'S 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 31 March 2023, 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 31 March 2023, consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its 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.

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"** 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 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 the 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.

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. (Refer note 2, 6, 7(a), 40, 41 and 43 to 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. • Broadly reviewed the IT systems and internal controls related to investment in place.
1(b)	**Impairment loss on investments measured at amortized cost:** 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. 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. (Refer note 2, 6, 40 and 41 to 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; • 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** The value of loans as at 31 March 2023 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;	**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: • Read and understood the methodology and policy laid down for loans given by the Group; • Verified loan agreements and related financial and non financial covenants on sample basis;

Sr. No.	Key Audit Matter	Auditor's response
	• Calculation of probability of default rate / Loss given default rate; • 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. • 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. • (Refer note 2, 5, 40 and 41 of the consolidated financial statements)	• Verified the existence of recovery process plan in the event of default; • Verified the historical trends of repayment of principal amount of loan and repayment of interest; • Tested the reliability of key data inputs and related management controls; • Checked the stage classification as at the balance sheet date as per definition of default of the Group • 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.

Information Other than the Consolidated 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 the annual report namely Directors' Report, Annexures to Board Report, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility Statement, 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 identified above when it becomes available 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.

When we read the Directors' Report including Annexures to Board Report, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 (including consolidated total comprehensive income), consolidated changes in equity and consolidated cash flows 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)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiaries which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

We did not audit the financial statements of 6 subsidiaries, whose financial statements reflect total assets of Rs 250,669.06 Lakhs as at 31 March 2023, total revenues of Rs. 29,510.29 Lakhs, total profit before tax of Rs. 8,271.54 Lakhs, total net profit after tax of Rs. 6,181.01 Lakhs and total net cash outflows amounting to Rs. 1,110.99 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.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. 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 31 March 2023 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 31 March 2023 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) The Group has disclosed the impact of pending litigation on its financial position in its consolidated financial statements (Refer Note No. 32 to the consolidated financial statements)

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

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

(iv) a) The respective Managements of the Holding Company and its subsidiaries, whose financial statements have been audited under the Act, have represented to us and other auditors of the subsidiaries that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective Managements of the Holding Company and its subsidiaries, whose financial statements have been audited under the Act, have represented to us and other auditors of subsidiary that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances and the reports of the auditors of its subsidiaries, whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) In respect of the dividend:

a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

b) The interim dividend declared and paid by the Holding Company during the year and until the date of this report is in compliance with Section 123 of the Act.

c) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from 01 April 2023 to the Holding Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Sanjay Kokate
Partner
Membership No.: 130007
UDIN: 231300007BGRWUB3688

Place: Mumbai
Date: 27 May 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the A. K. Capital Services Limited ("the Holding Company") as of and for the year ended 31 March 2023, 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 2023, 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) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it related to 6 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

Sanjay Kokate
Partner
Membership No.: 130007
UDIN: 231300007BGRWUB3688

Place: Mumbai
Date: 27 May 2023

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

₹ in Lakhs

	Note No.	As at 31-03-2023	As at 31-03-2022
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3(a)	2,773.26	3,621.10
(b) Bank balances other than (a) above	3(b)	643.28	126.83
(c) Trade receivables	4	552.40	551.83
(d) Loans	5	56,785.42	40,617.49
(e) Investments	6	183,830.04	146,179.89
(f) Other financial assets			
(i) Stock of securities	7(a)	54,167.17	68,333.02
(ii) Other financial assets	7(b)	4,759.17	3,335.11
Total financial assets		**303,510.74**	**262,765.27**
(2) Non-financial assets			
(a) Current tax assets (net)		33.28	84.15
(b) Deferred tax assets (net)	8	59.41	46.07
(c) Investment properties	9	2,595.19	3,644.74
(d) Property, plant and equipment	10	3,960.27	3,762.87
(e) Goodwill		399.97	399.97
(f) Capital work-in-progress	11	-	262.60
(g) Intangible assets	12	12.46	29.56
(h) Other non financial assets	13	384.51	401.09
(i) Assets held for sale	9 (d)	875.00	-
Total non-financial assets		**8,320.09**	**8,631.05**
TOTAL ASSETS		**311,830.83**	**271,396.32**
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 and small enterprises	14	563.48	309.08
(b) Debt securities	15	64,731.41	70,401.82
(c) Borrowings (other than debt securities)	16	151,454.21	113,914.49
(d) Deposits	17	213.48	197.89
(e) Other financial liabilities	18	6,177.62	6,313.11
Total financial liabilities		**223,140.20**	**191,136.39**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)		18.30	18.46
(b) Provisions	19	573.80	449.69
(c) Deferred tax liabilities (net)	20	442.31	528.01
(d) Other non-financial liabilities	21	889.74	520.04
Total non-financial liabilities		**1,924.15**	**1,516.20**
TOTAL LIABILITIES		**225,064.35**	**192,652.59**
EQUITY			
(a) Equity share capital	22(a)	660.00	660.00
(b) Other equity	22(b)	83,277.50	75,322.67
(c) Non controlling interest		2,828.98	2,761.06
TOTAL EQUITY		**86,766.48**	**78,743.73**
TOTAL LIABILITIES AND EQUITY		**311,830.83**	**271,396.32**

Significant accounting policies (Refer note 2)
The accompanying notes are an integral part of consolidated financial statements
As per our report of even date attached

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

Sanjay Kokate
Partner
Membership No. 130007
Place: Mumbai
Date: May 27, 2023

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 27, 2023

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, 2023

₹ in Lakhs

	Note No.	Current Year 2022-2023	Previous Year 2021-2022
Revenue from operations			
Interest income	23	21,145.38	15,544.60
Sale of services	24	10,692.53	7,984.15
Net gain on fair value changes	25	8,018.21	7,857.34
Net gain on derecognition of financial instruments under amortised cost category		480.78	561.41
Dividend income		-	0.88
Rental income		309.50	258.94
Total revenue from operations		**40,646.40**	**32,207.32**
Other income	26	34.28	81.79
Total income		**40,680.68**	**32,289.11**
EXPENSES			
Finance costs	27	13,056.49	9,243.22
Fees and commission expense		2,651.10	2,291.48
Impairment on financial instruments	28	(12.34)	(677.62)
Employee benefits expense	29	8,385.46	7,240.86
Depreciation and amortization expense	9,10,12	789.27	756.49
Other expenses	30	4,016.72	2,570.32
Total expenses		**28,886.70**	**21,424.75**
Profit before exceptional items and tax		11,793.98	10,864.36
Exceptional Items		-	-
Profit before tax		**11,793.98**	**10,864.36**
Tax expense:			
Current tax		3,048.30	2,135.99
Prior period tax adjustments		(9.23)	(59.72)
Deferred tax expense/ (credit)		(86.67)	487.53
Profit for the year [A]		**8,841.58**	**8,300.56**
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit and loss	31	(30.43)	(26.08)
Less: Income tax expense on above		12.35	6.91
Other comprehensive income for the year [B]		**(18.08)**	**(19.17)**
Total comprehensive income for the year [A+B]		**8,823.50**	**8,281.39**
Profit for the year attributable to:		**8,841.58**	**8,300.56**
Owners of the Company		8,763.40	8,227.07
Non-controlling interest		78.18	73.49
Other comprehensive income attributable to:		**(18.08)**	**(19.17)**
Owners of the Company		(17.73)	(19.10)
Non-controlling interest		(0.35)	(0.07)
Total comprehensive income attributable to:		**8,823.50**	**8,281.39**
Owners of the Company		8,745.67	8,207.97
Non-controlling interest		77.83	73.42
Earnings per equity share (Rs.)	35		
Basic		132.78	124.65
Diluted		132.78	124.65

Significant accounting policies (Refer Note 2)

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

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

Sanjay Kokate
Partner
Membership No. 130007
Place: Mumbai
Date: May 27, 2023

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 27, 2023

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 MARCH 31, 2023

₹ in Lakhs

	Current Year 2022-2023	Previous Year 2021-2022
Cash flow generated from / (used in) operating activities		
Profit before tax	11,793.98	10,864.36
Adjustment for:		
Depreciation and amortization expense	789.27	756.49
Profit on sale of property, plant and equipment (net)	(0.51)	(9.96)
Expected loss on sale of assets held for sale	101.29	-
Gain on termination/modification/waiver of lease	(0.07)	(9.99)
Profit on modification due to restructuring of loan	-	(6.55)
Liabilities and provisions written back	(8.28)	(46.28)
Impairment of financial instruments	(12.34)	(677.62)
Amortisation of processing fees income	108.22	-
Amortisation of processing fees expenses	2.30	-
Unwinding Income	(14.31)	-
Effective interest rate on securities held till maturity	1.38	5.42
Interest Reversal on restructuring of loan	2.11	3.63
Dividend income	-	(0.88)
Interest income	(11,929.92)	(9,037.44)
Rental income	(309.50)	(258.94)
Net gain on fair value changes on investments	(3,673.07)	(3,883.63)
Net gain on derecognition of finanical instruments under amortised cost category	(480.78)	(561.41)
Net gain on fair value changes on stock of securities (unrealised)	(802.51)	(819.38)
Interest expenses	13,056.49	9,243.22
Movement in working capital:		
Increase/(decrease) in trade payable and other financial liabilities	(654.09)	(1,562.65)
Increase/(decrease) in non-financial liabilities	457.19	207.85
(Increase)/decrease in loans	(16,303.48)	(7,223.50)
(Increase)/decrease in trade receivables and other financial assets	15,316.25	(6,444.13)
(Increase)/decrease in non-financial assets	18.48	(25.56)
Cash generated from / (used in) operations	7,458.10	(9,486.95)
Income tax paid	(2,996.55)	(2,369.86)
Net cash generated from / (used in) operating activities [A]	**4,461.55**	**(11,856.81)**
Cash flow used in investing activities		
Proceeds from sale/(payment for purchases) of investments (net)	(33,439.19)	(31,117.86)
Payment for acquisition of property, plant and equipment (including capital work-in-progress and capital advances)	(608.68)	(395.25)
Payment for acquisition of intangibles	-	(34.76)
Proceeds from sale of property, plant and equipment	0.51	9.96
Proceeds from /(payment for) investments in fixed deposits	(516.90)	(27.00)
Interest income received	11,225.25	9,543.83
Dividend income received	-	0.88
Rent income received	294.63	249.54
Cash used in investing activities [B]	**(23,044.38)**	**(21,770.66)**
Cash flow gernerated from financing activities		
Proceeds from long-term borrowings (including debt securities)	41,100.00	43,800.00
Repayments of long-term borrowings (including debt securities)	(28,295.79)	(32,468.99)
Proceeds from /(Repayment of) short term borrowings (net)	19,095.03	34,130.63
Interest paid	(12,897.59)	(8,889.37)
Dividends paid	(834.00)	(636.00)
Payment of lease liabilities	(432.66)	(340.71)
Cash flow generated from financing activities [C]	**17,734.99**	**35,595.56**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	(847.84)	1,968.09
Add: Cash and cash equivalents at the beginning of the year	3,621.10	1,653.01
Cash and cash equivalents at the end of the year	2,773.26	3,621.10

Reconciliation of liabilities arising from financing activities

₹ in Lakhs

Particulars	As at 31-03-2022	Cash Flows	Transaction cost	Interest accrual	As at 31-03-2023
Long-term borrowings	90,108.54	12,804.21	(54.34)	-	102,858.41
Short-term borrowings	94,207.77	19,095.03	24.41	-	113,327.21
Lease liabilites	1,843.30	(560.31)	102.80	125.71	1,511.50
Interest on above borrowings	3,664.42	(12,897.59)	89.50	12,920.72	3,777.05
Total liabilities from financing activities	**189,824.03**	**18,441.34**	**162.37**	**13,046.43**	**221,474.17**

Particulars	As at 31-03-2021	Cash Flows	Transaction cost	Interest accrual	As at 31-03-2022
Long-term borrowings	78,713.73	11,331.01	63.80	-	90,108.54
Short-term borrowings	60,078.67	34,130.63	(1.53)	-	94,207.77
Lease liabilites	430.17	(390.37)	1,737.34	66.16	1,843.30
Interest on above borrowings	3,344.34	(8,889.37)	-	9,209.45	3,664.42
Total liabilities from financing activities	**142,566.91**	**36,181.90**	**1,799.61**	**9,275.61**	**189,824.03**

Significant accounting policies (Refer Note 2)

1. The above cash flow statement has been prepared under 'Indirect Method' as set out in the Indian Accounting Standard-7 on 'Statement of Cash Flows' notified by Central Government of India.

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

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

Sanjay Kokate
Partner
Membership No. 130007
Place: Mumbai
Date: May 27, 2023

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 27, 2023

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, 2023

₹ in Lakhs

A. EQUITY SHARE CAPITAL

	Number of shares	Amount
At 31 March 2021	**6,600,000**	**660.00**
Changes in equity share capital due to prior period errors	-	-
Restated balance at 31 March 2021	**6,600,000**	**660.00**
Issue of share capital	-	-
At 31 March 2022	**6,600,000**	**660.00**
Changes in equity share capital due to prior period errors	-	-
Restated balance at 31 March 2022	**6,600,000**	**660.00**
Issue of share capital	-	-
At 31 March 2023	**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 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**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated 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**
Profit for the year	-	-	-	-	-	8,227.07	-	-	73.49	**8,300.56**
Other comprehensive income net of tax for the year	-	-	-	-	-	-	(20.42)	1.32	(0.07)	**(19.17)**
Transfer to/(from) reserves	-	-	1,158.00	-	-	(1,158.00)	-	-	-	-
Addition to translation reserves	-	-	-	-	15.51	-	-	-	-	**15.51**
Dividend paid	-	-	-	-	-	(626.09)	-	-	(9.91)	**(636.00)**
Balance at 31 March 2022	**675.00**	**4,960.89**	**6,820.65**	**3,657.35**	**19.08**	**61,580.06**	**(83.18)**	**(2,307.18)**	**2,761.06**	**78,083.73**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at 31 March 2022	**675.00**	**4,960.89**	**6,820.65**	**3,657.35**	**19.08**	**61,580.06**	**(83.18)**	**(2,307.18)**	**2,761.06**	**78,083.73**
Profit for the year	-	-	-	-	-	8,763.40	-	-	78.18	**8,841.58**
Other comprehensive income net of tax for the year	-	-	-	-	-	-	(36.38)	18.65	(0.35)	**(18.08)**
Transfer to/(from) reserves	-	-	1,184.32	-	-	(1,184.32)	-	-	-	-
Addition to translation reserves	-	-	-	-	33.25	-	-	-	-	**33.25**
Dividend paid	-	-	-	-	-	(824.09)	-	-	(9.91)	**(834.00)**
Balance at 31 March 2023	**675.00**	**4,960.89**	**8,004.97**	**3,657.35**	**52.33**	**68,335.05**	**(119.56)**	**(2,288.53)**	**2,828.98**	**86,106.48**

Significant accounting policies (Refer Note 2)

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

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

Sanjay Kokate
Partner
Membership No. 130007
Place: Mumbai
Date: May 27, 2023

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 27, 2023

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, 2023

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 05 October 1993. The registered address of the Company is situated at 603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai - 400098.The Company is a SEBI Registered Category I Merchant Banker. The financial statements of the Group for the year ended 31 March 2023 were authorized by the Board of Directors on 27 May 2023.

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 31 March 2023. 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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(e) C**hanges 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 31-03-2023	As at 31-03-2022
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*
A. K. Alternative Asset Managers Private Limited	India	Indian Rupees	20-12-2022	Fund Management services	100	Nil

*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, 2023

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 & 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.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 & 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 Non-financial assets held for sale

Non-financial assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. In accordance with Ind AS 105, the Group is committed to sell these assets. Non-financial assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell.

2.10 Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

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.

2.11 Borrowing costs

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

2.12 Provisions, contingent liabilities and contingent assets

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

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

2.13 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.

2.14 Financial instruments

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

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

(a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel

(b) The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed

(c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

(d) The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

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 & Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit & 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Financial liabilities:

Initial recognition and measurement

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

Subsequent measurement

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

(a) Borrowings:

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

(b) Trade and other payables:

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

(c) Deposits:

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

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

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

Offsetting of financial instruments

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

2.15 Segment reporting:

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

Segment policies:

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

Segment information

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 Group'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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

2.18 Lease

As a lessee:

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

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

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

As a lessor:

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

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 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.

2.20 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below;

Ind AS 1 - Presentation of Financial Statements -

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors -

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023.

Ind AS 12 - Income Taxes -

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023.

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, 2023

₹ in Lakhs

NOTE - 3 (A) CASH AND CASH EQUIVALENTS	As at 31-03-2023	As at 31-03-2022
Cash on hand	10.79	23.35
Balances with banks	2,622.47	3,422.75
Fixed deposits with bank with maturity of less than 3 months	140.00	175.00
	2,773.26	**3,621.10**
(B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Balance with banks in unpaid dividend account	10.55	11.38
Fixed deposits with banks*	632.73	115.45
	643.28	**126.83**

*Fixed deposit with banks is lien against Guarantee, overdraft accounts with banks and term loans with financial institutions as at 31 March 2023 of ₹ 552.35 lakhs (as at 31 March 2022 ₹ 35.45 lakhs) and fixed deposit with bank as at 31 March 2023 amounting to ₹ 80.38 lakhs (as at 31 March 2022 ₹ 80.00 lakhs) is held as margin money or security deposit with stock exchange, FIMMDA and overdraft facilities with banks.

₹ in Lakhs

NOTE - 4 TRADE RECEIVABLES	As at 31-03-2023	As at 31-03-2022
Trade receivables considered good - unsecured	552.40	551.83
	552.40	**551.83**
Undisputed trade receivable - considered good		
Outstanding for following period from due date of payment		
Less than 6 months	552.00	551.34
6 months - 1 year	0.23	0.20
1-2 years	0.09	0.20
2-3 years	0.01	0.02
More than 3 years	0.07	0.07
	552.40	**551.83**

a) There are no disputed receivables as on 31 March 2023 and 31 March 2022
b) There are no unbilled revenues as on 31 March 2023 and 31 March 2022

₹ in Lakhs

NOTE - 5 LOANS (AT AMORTISED COST)	As at 31-03-2023	As at 31-03-2022
(A) Loans		
(I Loan to an employee	17.79	33.67
(ii) Loan repayable on demand	7,500.00	4,500.00
(iii) Term loans	49,529.28	36,341.49
Total (A) - Gross	**57,047.07**	**40,875.16**
Less: Impairment loss allowance	261.65	257.67
Total (A) - Net	**56,785.42**	**40,617.49**
(B)		
(i) Secured	52,483.96	35,176.81
(ii) Unsecured	4,563.11	5,698.35
Total (B) - Gross	**57,047.07**	**40,875.16**
Less: Impairment loss allowance	261.65	257.67
Total (B) - Net	**56,785.42**	**40,617.49**
(C) Loans in India		
(i) Public sector	-	-
(ii) Others	57,047.07	40,875.16
Total (C) - Gross	**57,047.07**	**40,875.16**
Less: Impairment loss allowance	261.65	257.67
Total (C) - Net	**56,785.42**	**40,617.49**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(A) Disclosure in relation to loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are;

(a) Repayble on demand

Type of Borrower	As at 31 March 2023	
	Amount of loan or advance in the nature of loans outstanding (Rs. In lakhs)	Percentage to the loan or advance in the nature of loans outstanding
Promoters	-	-
Directors	-	-
KMPs	-	-
Related parties	7,500.00	13.15%

Type of Borrower	As at 31 March 2022	
	Amount of loan or advance in the nature of loans outstanding (Rs. In lakhs)	Percentage to the loan or advance in the nature of loans outstanding
Promoters	-	-
Directors	-	-
KMPs	-	-
Related parties	4,500.00	11.01%

(b) The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are without specifying any terms or period of repayment as on 31 March 2023 and 31 March 2022

(B) (a) Credit quality of assets

₹ in Lakhs

Particulars	As at 31-March-2023	As at 31-March-2022
Stage 1	56,978.04	40,875.16
Stage 2	60.08	-
Stage 3	8.95	-

(b) (i) An analysis of changes in gross carrying amount and corresponding Impairment Loss allowances in relation to lending as at 31 March 2023 is as follows;

₹ in Lakhs

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount opening balance	40,875.16	-	-
New assets orginated / repaid (excluding write offs)	16,194.91	-	(17.15)
Transfer to / from Stage 1	-	92.03	-
Transfer to / from Stage 2	(92.03)	-	26.10
Transfer to / from Stage 3	-	(26.10)	-
Amount written off	-	(5.85)	-
Gross carrying amount closing balance	**56,978.04**	**60.08**	**8.95**

(b) (ii) An analysis of changes in gross carrying amount and corresponding Impairment Loss allowances in relation to lending as at 31 March 2022 is as follows;

₹ in Lakhs

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount opening balance	33,625.01	-	-
New assets orginated / repaid (excluding write offs)	7,266.72	-	-
Transfer to / from Stage 1	-	16.57	-
Transfer to / from Stage 2	(16.57)	-	-
Transfer to / from Stage 3	-	-	-
Amount written off	-	(16.57)	-
Gross carrying amount closing balance	**40,875.16**	**-**	**-**

(c) (i) Reconciliation of Impairment Loss allowances in relation to lending as at 31 March 2023 is as follows;

₹ in Lakhs

Particulars	Stage 1	Stage 2	Stage 3
Impairment Loss allowance opening balance	257.67	-	-
New assets orginated / repaid (excluding write offs)	9.83	-	-
Transfer to / from Stage 1	-	35.62	-
Transfer to / from Stage 2	(35.62)	-	8.95
Transfer to / from Stage 3	-	(8.95)	-
Amount written off	-	(5.85)	-
Impairment Loss allowance closing balance	**231.88**	**20.82**	**8.95**

(ii) Reconciliation of Impairment Loss allowances in relation to lending as at 31 March 2022 is as follows;

₹ in Lakhs

Particulars	Stage 1	Stage 2	Stage 3
Impairment Loss allowance opening balance	134.95	-	-
New assets orginated / repaid (excluding write offs)	139.29	-	-
Transfer to / from Stage 1	-	16.57	-
Transfer to / from Stage 2	(16.57)	-	-
Transfer to / from Stage 3	-	-	-
Amount written off	-	(16.57)	-
Impairment Loss allowance closing balance	**257.67**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 6

INVESTMENTS

₹ in Lakhs

Particulars	As at 31-03-2023				
	Amortised cost	At fair value		Subtotal	Total
		Through other comprehensive Income*	Through profit or loss		
(I) Government securities	-	-	37,200.37	37,200.37	37,200.37
i) Quoted	-	-	37,200.37	37,200.37	37,200.37
(II) Mutual fund	-	-	349.95	349.95	349.95
i) Quoted	-	-	349.95	349.95	349.95
(III) Alternative Investment Fund	-	-	5,925.05	5,925.05	5,925.05
i) Unquoted	-	-	5,925.05	5,925.05	5,925.05
(IV) Debt securities	**21,131.47**	**-**	**108,496.00**	**108,496.00**	**129,627.47**
i) Quoted	21,131.47	-	106,737.90	106,737.90	127,869.37
ii) Unquoted	-	-	1,758.10	1,758.10	1,758.10
(V) Pass through certificates	**10,720.03**	**-**	**-**	**-**	**10,720.03**
i) Quoted	10,387.72	-	-	-	10,387.72
ii) Unquoted	332.31	-	-	-	332.31
(VI) Equity instruments					
i) Quoted (fully paid)	**-**	**36.45**	**-**	**36.45**	**36.45**
150,000 Equity shares of UCO Bank of ₹ 10 each	-	36.45	-	36.45	36.45
- in other companies	**-**	**0.46**	**-**	**0.46**	**0.46**
Designated at fair value through other comprehensive income					
636,000 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*	-	-	-	-	-
Total – Gross (A)	**31,851.50**	**36.91**	**151,971.37**	**152,008.28**	**183,859.78**
(i) Investments outside India	-	-	-	-	-
(ii) Investments in India	31,851.50	36.91	151,971.37	152,008.28	183,859.78
Total (B)	**31,851.50**	**36.91**	**151,971.37**	**152,008.28**	**183,859.78**
Total (A) to tally with (B)					
Less: Allowance for impairment loss (C)	29.74	-	-	-	29.74
Total – Net D= (A)-(C)	**31,821.76**	**36.91**	**151,971.37**	**152,008.28**	**183,830.04**

Particulars	As at 31-03-2022				
	Amortised cost	At fair value		Subtotal	Total
		Through other comprehensive Income*	Through profit or loss		
(I) Government securities	**-**	**-**	**6,396.18**	**6,396.18**	**6,396.18**
i) Quoted	-	-	6,396.18	6,396.18	**6,396.18**
(II) Mutual fund	-	-	1,090.14	1,090.14	**1,090.14**
i) Quoted	-	-	1,090.14	1,090.14	**1,090.14**
(III) Debt securities	**27,486.91**	**-**	**85,803.53**	**85,803.53**	**113,290.44**
i) Quoted	26,986.33	-	84,094.78	84,094.78	**111,081.11**
ii) Unquoted	500.58	-	1,708.75	1,708.75	**2,209.33**
(IV) Pass through certificates	**25,158.77**	**-**	**273.47**	**273.47**	**25,432.24**
i) Quoted	24,230.05	-	273.47	273.47	**24,503.52**
ii) Unquoted	928.72	-	-	-	**928.72**
(V) Equity instruments					
i) Quoted (fully paid)	**-**	**17.80**	**-**	**17.80**	**17.80**
150,000 Equity shares of UCO Bank of Rs 10 each	-	17.80	-	17.80	**17.80**
- in other companies	**-**	**0.46**	**-**	**0.46**	**0.46**
Designated at fair value through other comprehensive income	-	-	-	-	
636,000 Equity shares of Neesa Leisure Limited of Rs 10 each*	-	0.46	-	0.46	**-**
4,600 Equity shares of Intelligroup Advisors Private Limited of Rs 10 each*	-	-	-	-	**0.46**
8,500 Equity shares of Shamken Spinners Limited of Rs 10 each*					**-**
(VI) Units of venture capital fund	-	-	4.54	4.54	**4.54**
70 units of Urban Infra Opportunity Fund			4.54	4.54	**4.54**
Total – Gross (A)	**52,645.68**	**18.26**	**93,567.86**	**93,586.12**	**146,231.80**
(i) Investments outside India	-	-	-	-	**-**
(ii) Investments in India	52,645.68	18.26	93,567.86	93,586.12	**146,231.80**
Total (B)	**52,645.68**	**18.26**	**93,567.86**	**93,586.12**	**146,231.80**
Less: Allowance for impairment loss (C)	51.91	-	-	-	51.91
Total – Net D= (A)-(C)	**52,593.77**	**18.26**	**93,567.86**	**93,586.12**	**146,179.89**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

NOTE - 7

(A) STOCK OF SECURITIES (MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS)	As at 31-03-2023	As at 31-03-2022
Debt securities		
(i) Quoted	52,399.86	66,806.04
Exchange traded		
(i) Quoted	1,767.31	1,526.98
Total – Gross (A)	**54,167.17**	**68,333.02**
(i) Stock of securities outside India	-	-
(ii) Stock of securities in India	54,167.17	68,333.02
Total – Net (B)	**54,167.17**	**68,333.02**

(B) OTHER FINANCIAL ASSETS		
(A) Measured at amortised cost		
Deposits		
Earnest money deposits	63.10	51.85
Exchanges/Depository/Clearing house deposits	428.60	528.60
Security deposits for utilities	4.61	6.63
Rental deposits		
i) with related parties	130.10	130.10
ii) with others	158.52	166.25
Other deposits	254.91	138.73
Receivable from/Balance with stock broker	1,446.25	824.49
Income Receivable on financial assets	0.71	0.87
Other receivables	41.31	8.64
(B) Measured at fair value through profit and loss account		
Interest accrued but not due on financial assets	2,231.06	1,478.95
Total	**4,759.17**	**3,335.11**

₹ in Lakhs

NOTE 8

DEFERRED TAX ASSETS (NET)	As at 31-03-2023	As at 31-03-2022
Deferred tax assets		
On account of:		
Depreciation on property, plant and equipments, investment properties and intangible assets	10.61	9.13
Disallowance of share issue expenses	1.44	1.93
Impairment on loans	2.40	-
Expenses allowable on payment basis (gratuity)	33.08	28.03
Transaction costs on financial assets	1.96	-
Unabsorbed Business Losses	2.80	-
Right-of-use and lease liabilities	9.14	7.15
Less: Deferred tax liabilities:		
Fair valuation of securities	(2.02)	(0.17)
Deferred tax assets (net)	**59.41**	**46.07**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 9
INVESTMENT PROPERTIES

₹ in Lakhs

	Building	Total
Gross block		
As at 31 March 2021	4,009.63	4,009.63
Additions	-	-
Disposals	-	-
As at 31 March 2022	**4,009.63**	**4,009.63**
Additions	-	-
Disposals	-	-
Transfer to assets held for sale	1,070.00	1,070.00
As at 31 March 2023	**2,939.63**	**2,939.63**
Accumulated depreciation		
As at 31 March 2021	289.68	289.68
Additions	75.21	75.21
Disposals	-	-
As at 31 March 2022	**364.89**	**364.89**
Additions	73.26	73.26
Disposals	-	-
Impairment loss on asset held for sale	101.29	101.29
Transfer to assets held for sale	195.00	195.00
As at 31 March 2023	**344.44**	**344.44**
Net block		
As at 31 March 2022	**3,644.74**	**3,644.74**
As at 31 March 2023	**2,595.19**	**2,595.19**

9.a Reconciliation of changes in the fair vale of investment properties:

As on 31st March 2022, the fair value of the aforesaid Groups' investment properties have been arrived at on the basis of valuation carried out by an external independent valuer registered with the authority which governs the valuer in India. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. Considering the type of the asset, market approach (sales comparable method) to estimate the fair value of the subject property is adopted.

As on 31 March 2023, the Holding Company has considered the input based on prevailing average market rate of the nearby similar properties. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. Considering the type of the asset, market approach (sales comparable method) to estimate the fair value of the subject property is adopted. Since the fair value of the properties is determined by the management for the year ended 31 March 2023, the management has considered to give the sensitivity analysis for the value of the properties.

Sensitivity Level (a hypothetical increase / (decrease) by) 10% would result in increase / (decrease) in fair value by Rs.458.10 Lakhs.

As on 31st March 2023, the Subsidiary Company had entered into Agreement To Sell (ATS), to sell the aforesaid investment property (comprising of two units) on 11th January 2023 and 27th March, 2023 for an agreed total consideration of Rs. 875 lakhs for both the units, out of which Rs. 370 lakhs had been received upto 31st March 2023 and remaining amount received subsequently before execution of Sale Deed. The Sale deed for the said property has been executed on 6th April 2023. Accordingly, the asset value has been impaired to the agreed sale consideration and transferred to Asset held for Sale.

₹ in Lakhs

Particulars	Building	Total
As at 31 March 2021	**5,698.26**	**5,698.26**
Changes in the fair value	139.65	139.65
As at 31 March 2022	**5,837.91**	**5,837.91**
Changes in the fair value	(381.91)	(381.91)
As at 31 March 2023	**5,456.00**	**5,456.00**

9.b INCOME AND EXPENDITURE OF INVESTMENT PROPERTIES

₹ in Lakhs

Particulars	Current Year 2022-2023	Previous Year 2021-2022
Rental income derived from investment properties	294.63	244.07
Less: Direct operating expenses (including repairs & maintenance) generating rental income	24.88	29.23
Less: Direct operating expenses (including repairs & maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation & indirect expenses	**269.75**	**214.84**
Less: Depreciation	73.27	75.21
Profit arising from investment properties before indirect expenses	**196.48**	**139.63**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 9
INVESTMENT PROPERTIES (CONTD.)

9.c THE TITLE DEED OF ALL IMMOVABLE PROPERTIES ARE HELD IN THE NAME OF THE GROUP

₹ in Lakhs

Particulars	Building	Building
Description of item of property	2,939.63	-
Gross carrying value	-	875.00
Net realisable value (transferred to asset held for sale)	Respective companies	Respective companies
Title deeds held in the name of	of the Group	of the Group
Whether title deed holder is relative of promoter/director or employee of promoter/director	No	No
Property held since which date	24-Jun-08	20-Nov-17
Reason for not being held in the name of the Company	NA	NA

9.d ASSETS HELD FOR SALE

₹ in Lakhs

Particulars	Building under lease	Total
Gross block		
As at 31 March 2023	875.00	875.00
As at 31 March 2023	**875.00**	**875.00**

NOTE - 10
PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Plant and machinery	Computers	Furniture and fixtures	Office equipments	Office buildings	Vehicles	Leasehold Improvements	Building Righ-of-use (refer note 38)	Total
Gross block									
As at 31 March 2021	0.23	236.46	101.21	50.92	1,652.77	463.24	-	1,280.58	**3,785.41**
Additions	-	46.21	4.19	13.18	112.32	-	-	1,843.87	**2,019.77**
Disposals	-	(7.49)	-	-	-	-	-	(1,006.82)	**(1,014.31)**
As at 31 March 2022	**0.23**	**275.18**	**105.40**	**64.10**	**1,765.09**	**463.24**	**-**	**2,117.63**	**4,790.87**
Additions	-	58.40	36.10	27.03	306.08	35.60	344.08	89.01	**896.30**
Disposals	-	(0.16)	-	(0.49)	-	-		(118.41)	**(119.06)**
As at 31 March 2023	**0.23**	**333.42**	**141.50**	**90.64**	**2,071.17**	**498.84**	**344.08**	**2,088.23**	**5,568.11**
Accumulated depreciation									
As at 31 March 2021	0.23	122.14	59.20	37.37	107.44	214.93	-	846.23	**1,387.54**
Additions	-	43.28	8.21	6.42	29.05	57.44	-	510.37	**654.77**
Disposals	-	(7.49)	-	-	-	-	-	(1,006.82)	**(1,014.31)**
As at 31 March 2022	**0.23**	**157.93**	**67.41**	**43.79**	**136.49**	**272.37**	**-**	**349.78**	**1,028.00**
Additions	-	55.53	11.45	9.24	33.28	62.17	47.01	480.23	**698.91**
Disposals	-	(0.16)	-	(0.49)	-	-	-	(118.41)	**(119.06)**
As at 31 March 2023	**0.23**	**213.30**	**78.86**	**52.54**	**169.77**	**334.54**	**47.01**	**711.60**	**1,607.85**
Net block									
As at 31 March 2022	**-**	**117.25**	**37.99**	**20.31**	**1,628.60**	**190.87**	**-**	**1,767.85**	**3,762.87**
As at 31 March 2023	**-**	**120.12**	**62.64**	**38.10**	**1,901.40**	**164.30**	**297.07**	**1,376.63**	**3,960.27**

1) Vehicles include vehicles hypothecated against loan taken having net block as at 31 March 2023 of ₹ Nil (as at 31 March 2022 of ₹ 44.62 Lakhs).

2) Building include premises hypothecated against loan taken having net block as at 31 March 2023 of ₹ 654.64 lakhs (as at 31 March 2022 of ₹ 667.48 lakhs).

3) Building include premises situated at Chennai mortgaged against non convertible debenture issued having net block as at 31 March 2023 of ₹ 9.48 lakhs (as at 31 March 2022 of ₹ 9.66 lakhs).

4) The Group has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

5) There was no impairment loss on the property, plant and equipment on the basis of review carried out by the management in accordance with Accounting Standard (Ind AS) – 36 'Impairment of Assets'.

6) The title deed of all immovable properties are held in the name of the respective companies of the Group, details are as under

Description of item of property	Building	Building	Building	Building	Building	Building	Building	Building	Building	Building	Building	Building	Total
Gross carrying value	57.99	107.48	9.22	71.56	731.69	10.50	495.85	168.48	112.32	96.59	96.59	112.90	2,071.17
Title deeds held in the name of	Respective companies of the Group												
Whether title deed holder is relative of promoter/director or employee of promoter/director	No	No	No	No	No	No	No	No	No	No	No	No	No
Property held since which date	01-Feb-01	06-Aug-08	29-Jul-09	01-Feb-13	28-Mar-14	13-Jul-17	20-Nov-17	31-May-19	15-Mar-22	23-Nov-22	23-Nov-22	23-Nov-22	
Reason for not being held in the name of the Group	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

NOTE - 11
CAPITAL WORK-IN-PROGRESS (CWIP)

	As at 31-03-2023	As at 31-03-2022
Leasehold improvements	-	262.60
Total	-	**262.60**
Capital work-in-progress (CWIP)		
Less than 1 year	-	262.60
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	-	**262.60**

(a) (ii) There is no capital work-in-progress which are temporarily suspended as on 31 March 2023 and 31 March 2022.
(b) There is no capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan.

NOTE - 12
INTANGIBLE ASSETS

	Software	Total
As at 31 March 2021	134.32	134.32
Additions	6.64	6.64
Disposals	-	-
As at 31 March 2022	**140.96**	**140.96**
Additions	-	-
Disposals	-	-
As at 31 March 2023	**140.96**	**140.96**
Accumulated amortisation		
As at 31 March 2021	84.89	84.89
Additions	26.51	26.51
Disposals	-	-
As at 31 March 2022	**111.40**	**111.40**
Additions	17.10	17.10
Disposals	-	-
As at 31 March 2023	**128.50**	**128.50**
Net block		
As at 31 March 2022	**29.56**	**29.56**
As at 31 March 2023	**12.46**	**12.46**

1) The Group has not revalued any of its intangible assets during the year.

₹ in Lakhs

NOTE - 13
OTHER NON-FINANCIAL ASSETS

	As at 31-03-2023	As at 31-03-2022
Prepaid expenses	127.33	143.07
Balance with government authorities	215.79	248.04
Capital Advances	34.08	-
Other advances and receivables	7.31	9.98
	384.51	**401.09**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

NOTE - 14
TRADE PAYABLES

	As at 31-03-2023	As at 31-03-2022
(i) Total outstanding dues of micro enterprises and small enterprises*	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	563.48	309.08
	563.48	**309.08**

*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 and the same have been relied upon by the auditors:

₹ in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
(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	-	-

Ageing schedule of Undisputed Trade Payable

₹ in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
	Others	Others
Outstanding for following period from due date of payment		
Less than 1 year	549.84	286.92
1-2 years	1.11	6.68
2-3 years	0.79	0.48
More than 3 years	-	0.70
Unbilled dues	11.74	14.30
Total	**563.48**	**309.08**

(i) There are no outstanding of disputed trade payable from due date of payment as on 31 March 2023 and 31 March 2022

(ii) There are no outstanding of undisputed or disputed trade payable from micro, medium and small enterprises from due date of payment as on 31 March 2023 and 31 March 2022.

(iii) There are no unbilled disputed dues as on 31 March 2023 and 31 March 2022

₹ in Lakhs

NOTE - 15
DEBT SECURITIES (AT AMORTISED COST)

	As at 31-03-2023	As at 31-03-2022
Non convertible debentures - Secured (Refer note Note 44)	64,731.41	70,401.82
Total (A)	**64,731.41**	**70,401.82**
Debt securities in India	64,731.41	70,401.82
Debt securities outside India	-	-
Total (B)	**64,731.41**	**70,401.82**

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

a) The Group has registered all the charges towards outstanding secured debt securities issued outstanding as on 31 March 2023 and 31 March 2022. There is no satisfaction of charge pending on secured debt securities issued which are matured or repurchased during the financial year ended 31 March 2023 and 31 March 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

NOTE - 16
BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

	As at 31-03-2023	As at 31-03-2022
(a) Term loans		
(i) from banks*	27,872.10	19,268.94
(ii) from NBFCs**	10,254.90	426.49
(b) Loans repayable on demand		
(i) from banks***	77,847.10	79,746.25
(ii) from NBFCs****	6,500.00	-
(c) Other loans		
(i) from Collaterised Borrowing and Lending Obligation*****	24,500.00	4,700.00
(d)Vehicle loans****	-	11.29
(e) Commercial papers	4,480.11	-
(f) Repo*****	-	9,761.52
Total (A)	**151,454.21**	**113,914.49**
Borrowings in India	151,454.21	113,914.49
Borrowings outside India	-	-
Total (B)	**151,454.21**	**113,914.49**
Secured	146,974.10	**113,914.49**
Unsecured	4,480.11	-
Total (C)	**151,454.21**	**113,914.49**

* Term loans from bank to the extent of Rs. 3,069.47 lakhs (as at 31 March 2022 Rs. 4,430.00 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 Rs. 24,802.63 lakhs (as at 31 March 2022 Rs. 14,838.94 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 6 semi-annually, 12 to 20 quarterly and 36 monthly installments along with interest from the date of loan.

**(a) 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.

**(b) Loan from NBFC is repayable in equated monthly installments after a principal moratorium period of 6 months along with interest from each tranche of disbursement. The loans are secured by exclusive charge by way of hypothecation on the identified book debts and receivables of the loans provided by the Company.

*** Loan repayable on demand from bank to the extent of Rs. 42,582.94 lakhs (as at 31 March 2022 Rs. 41,508.89 lakhs) is secured against pledge/lien on debt securities.

"**** Loan repayable on demand from banks to the extent of Rs. 30,871.95 lakhs (as at 31 March 2022 Rs. 38,237.36 lakhs) are secured against:

(a) pledge/lien on government securities and other debt securities and corporate guarantee of Holding Company and demand promissory note.

(b) Loan against receivable is secured by 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."

*** Bank overdraft facilities to the extent of Rs. 4,392.21 Lakhs (as at 31 March 2022 Rs. Nil) are secured against pledge /lien on government securities and other debt securities.

**** Loan from NBFC is secured against pledge on approved list of debt securities of the NBFCs.

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

****** Vehicle loans from banks were repayable in 60 equated monthly instalments along with interest from the date of loan. The loans were secured by hypothecation of motor vehicle purchased there against. The vehicle loans were fully repaid during the year.

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

16. (a) The respective companies in the Group have used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

16. (b) The quarterly returns and / or statements of current assets filed by the respective companies of the Group with banks or financial institutions are in agreement with books of accounts and there is no discrepancies in the same.

16. (c)The Group is not declared a wilful defaulter by any bank or financial institution or other lender.

16. (d) The respecitve companies of the Group have registered all the charges towards secured borrowings outstanding as on 31 March 2023 and 31 March 2022. There is no satisfaction of charge pending on secured borrowings which are repaid during the financial year ended 31 March 2023 and 31 March 2022.

Refer Note - 54 for utilisation of borrowed funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

	As at 31-03-2023	As at 31-03-2022
NOTE - 17 DEPOSITS (AT AMORTISED COST)		
Rental deposits from others (unsecured)	213.48	197.89
	213.48	**197.89**
NOTE - 18 OTHER FINANCIAL LIABILITIES		
Interest accrued but not due on borrowings	3,777.05	3,664.42
Creditors for capital goods	17.57	49.16
Employee dues	710.72	503.31
Lease liabilities (Refer Note 38)	1,511.50	1,843.30
Unpaid dividends*	10.55	11.38
Income received in advance	0.26	-
Other payables	149.97	241.54
	6,177.62	**6,313.11**
* During the year ended 31 March 2023, ₹ 1.78 Lakhs (Previous year ₹ 1.61 Lakhs) has been credited into Investor Education and Protection Fund under Section 124 of the Companies Act, 2013.		
NOTE - 19 PROVISIONS		
Provision for employee benefits		
Gratuity (refer note 36)	573.80	449.69
	573.80	**449.69**
NOTE - 20 DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities		
On the account of		
Depreciation on property, plant & equipments, investment properties & intangible assets	471.76	503.06
Fair value gain / (loss) on investment in debt securities	251.72	235.32
Transaction cost on financial liabilities	-	0.40
Gain on modication due to restructuring of loan	0.20	0.73
Less: Deferred tax assets:		
Expenses allowable on payment basis (gratuity)	(111.35)	(85.15)
Right-of-use and lease liabilities	(42.79)	(31.87)
Impairment on financial instruments	(7.48)	(13.06)
Impairment on loans	(74.56)	(63.98)
EIR of Securiteis at amortised cost	(7.07)	(6.73)
Transaction costs on financial liabilities	(0.18)	-
Transaction costs on financial assets	(37.94)	(10.71)
Deferred tax liabilities (net)	**442.31**	**528.01**
NOTE - 21 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues	504.83	490.26
Advance received for assets held for sale	370.00	-
Deferred lease income	14.91	29.78
	889.74	**520.04**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 22

(a) SHARE CAPITAL

₹ in Lakhs

Particulars	As at 31-03-2023		As at 31-03-2022	
	Numbers of shares	Amount	Numbers of shares	Amount
Authorizeds:				
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
Issued, subscribed and paid-up:				
Equity shares of ₹ 10 each fully paid up	6,600,000	660.00	6,600,000	660.00
Total		**660.00**		**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 Rs.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 31-03-2023		As at 31-03-2022	
	Numbers of shares	Percentage of shareholding	Numbers of shares	Percentage of shareholding
Family Home Consultancy Services Private Limited	3,259,738	49.39%	3,259,738	49.39%
A. K. Mittal	1,062,187	16.09%	1,055,208	15.99%

Details of shares held by promoters in the Holding Company (i.e. A. K. Capital Services Limited):

Name of the shareholder	As at 31 March 2023		
	Numbers of shares	Percentage of shareholding	% Change during the year
Family Home Consultancy Services Private Limited	3,259,738	49.39%	-
A. K. Mittal	1,062,187	16.09%	0.10%
Aditi Mittal	186,958	2.83%	0.02%
A. K. Mittal HUF	119,848	1.82%	-
Sanjiv Kumar	29,100	0.44%	-
Sanjeev Kumar HUF	28,500	0.43%	-
Kavita Garg	24,899	0.38%	-
Dinesh Kumar Gupta	7,500	0.11%	-

Name of the shareholder	As at 31 March 2022		
	Numbers of shares	Percentage of shareholding	% Change during the year
Family Home Consultancy Services Private Limited	3,259,738	49.39%	0.39%
A. K. Mittal	1,055,208	15.99%	0.23%
Aditi Mittal	185,346	2.81%	0.24%
A. K. Mittal HUF	119,848	1.82%	-
Sanjiv Kumar	29,100	0.44%	-
Sanjeev Kumar HUF	28,500	0.43%	-
Kavita Garg	24,899	0.38%	-
Dinesh Kumar Gupta	7,500	0.11%	-

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

Particulars	As at 31-03-2023	As at 31-03-2022
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, 2023

₹ in Lakhs

(b) OTHER EQUITY	As at 31-03-2023	As at 31-03-2022
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	6,820.65	5,662.65
Add: Current year transfer	1,184.32	1,158.00
Closing balance of special reserve*	**8,004.97**	**6,820.65**
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	19.08	3.57
Add: Additions during the year	33.25	15.51
Closing balance of translation reserve	**52.33**	**19.08**
Retained earnings		
Opening balance	61,580.06	55,137.08
Add: Profit for the year	8,763.40	8,227.07
Profit available for appropriation	**70,343.46**	**63,364.15**
Less: Dividend paid on equity**	(594.00)	(396.00)
Less: Dividend paid on CCPS	(230.09)	(230.09)
Less: Transfer to special reserve*	(1,184.32)	(1,158.00)
Closing balance of retained earnings	**68,335.05**	**61,580.06**
Other comprehensive income		
Opening balance	(2,390.36)	(2,371.26)
Add: Other comprehensive income for the year	(17.73)	(19.10)
Closing balance of other comprehensive income	**(2,408.09)**	**(2,390.36)**
	83,277.50	**75,322.67**

Refer Note - 54 for utilisation of securities premium

*(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 2022-23, the Board of Directors of the Holding Company had paid a final dividend of ₹ 3 per equity share (previous year ₹ 1 per equity share pertaining to financial year ended 31 March 2021) having face value of ₹10 each for the year ended 31 March 2022. The same is approved by the shareholders of the Company in the annual general meeting held on 17 September 2022 (previous year's annual general meeting held on 18 September 2021). The total cash outflow of ₹ 198.00 Lakhs (previous year ₹ 66.00 Lakhs).

** During the year 2022-23, the Board of Directors of the Holding Company had paid interim dividend of ₹ 6 per equity share (previous year ₹ 5 per equity share) having face value of ₹10 each for the year ended 31 March 2023, on its board meeting held on 08 February 2023 (previous year's board meeting held on 05 February 2022). The total cash outflow of ₹ 396.00 Lakhs (previous year ₹ 330 Lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 23
INTEREST INCOME

₹ in Lakhs

Particulars	Current Year 2022-2023			Previous Year 2020-2021		
	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	5,623.16	-	5,623.16	3,859.18	-	3,859.18
Processing fees income	70.39	-	70.39	85.30	-	85.30
Interest income from investments	4,677.19	7,240.31	11,917.50	2,822.58	6,140.90	8,963.48
Interest income from stock of securities	-	3,451.64	3,451.64	-	2,579.75	2,579.75
Interest on deposits with banks	19.62	-	19.62	5.81	-	5.81
Interest on other deposits	32.80	-	32.80	21.98	-	21.98
Other interest incomes	30.27	-	30.27	29.10	-	29.10
Total	**10,453.43**	**10,691.95**	**21,145.38**	**6,823.95**	**8,720.65**	**15,544.60**

₹ in Lakhs

NOTE - 24
SALE OF SERVICES

	Current Year 2022-2023	Previous Year 2021-2022
Merchant banking fees	5,608.34	4,417.20
Brokerage income	2,231.68	1,260.87
Syndication and other fees	1,263.65	620.05
Advisory fees	339.32	893.51
Fees and other operative incomes	1,249.54	792.52
	10,692.53	**7,984.15**

NOTE - 25
NET GAIN ON FAIR VALUE CHANGES

Net gain/(loss) on financial instruments at fair value		
-Investments	3,680.00	3,883.64
-Stock of securities	4,338.21	3,973.70
	8,018.21	**7,857.34**
Net gain/(loss) on financial instruments at fair value		
-Realised	7,295.65	6,875.76
-Unrealised	722.56	981.58
	8,018.21	**7,857.34**
Additional Information :		
Profit / (loss) on sale of Investments (actual) (A)	3,828.35	3,642.10
Net gain/(loss) on investments due to fair value change (B)		
-Realised	(69.31)	79.33
-Unrealised	(79.04)	162.21
Total (C=A+B)	**3,680.00**	**3,883.64**
Profit on sale of stock of securities (actual) (D)	**4,106.75**	**2,796.89**
Net gain/(loss) on stock of securities due to fair value change (E)		
-Realised	(570.14)	357.44
-Unrealised	801.60	819.37
Total (F=D+E)	**4,338.21**	**3,973.70**
Total (C+F)	**8,018.21**	**7,857.34**

NOTE - 26
OTHER INCOME

Liabilities and provisions written back	8.28	46.28
Profit on sale of property, plant and equipment (net)	0.49	9.96
Gain on termination/modification/waiver of lease	0.20	9.99
Gain on termination/modification/waiver of loan	-	6.55
Interest on income tax refund	3.99	1.02
Support services	18.00	-
Miscellaneous incomes	3.32	7.99
	34.28	**81.79**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

NOTE - 27
FINANCE COSTS (AT AMORTISED COST)

	Current Year 2022-2023	Previous Year 2021-2022
Interest on borrowings	7,402.84	2,437.03
Interest on debt securities	5,468.49	6,715.07
Interest on income tax	8.19	1.05
Unwinding interest cost	165.72	79.75
Other interest expenses	11.25	10.32
	13,056.49	**9,243.22**

NOTE - 28
IMPAIRMENT OF FINANCIAL INSTRUMENTS

On financial instruments measured at amortised cost		
Loans (net)	3.98	122.73
Investments (net)	(22.17)	(816.92)
Write off - loans and advances	5.85	16.57
	(12.34)	**(677.62)**

NOTE - 29
EMPLOYEE BENEFITS EXPENSES

Salaries and wages	8,020.32	7,056.46
Gratuity (refer note 36)	111.33	92.18
Contribution to provident and other funds	143.85	61.24
Staff welfare expenses	109.96	30.98
	8,385.46	**7,240.86**

NOTE - 30
OTHER EXPENSES

Rent, taxes and energy costs	202.71	207.23
Repairs and maintenance	97.84	87.94
Sotware expenses	582.96	515.35
Printing and stationery	15.50	7.30
Advertisement and business promotion expenses	55.53	129.18
Auditor's remuneration		
-for audit fees	16.43	13.38
-for tax audit fees	1.74	2.05
-for other services	6.18	6.65
Legal and professional charges	460.01	323.02
Travelling expense	520.40	191.46
Corporate social responsibilities (Refer note no.39)	178.88	178.87
Brokerage paid	1,191.31	496.98
Stock exchange expenses	7.39	6.67
Processing and other charges	68.06	0.73
Expected loss on assets held for sale	101.29	-
Communication cost	63.98	62.62
Office expenses	155.89	144.94
Directors' sitting fees	33.29	23.50
Insurance expenses	52.30	50.64
Miscellaneous expenses	205.03	121.81
	4,016.72	**2,570.32**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

NOTE - 31
OTHER COMPREHENSIVE INCOME

	Current Year 2022-2023	Previous Year 2021-2022
Items that will not be reclassified to profit or loss		
a. Remeasurement of defined benefit obligation	(49.08)	(27.40)
b. Equity instruments through other comprehensive income	18.65	1.32
	(30.43)	**(26.08)**

NOTE - 32
CONTINGENT LIABILITIES

	Current Year 2022-2023	Previous Year 2021-2022
Contingent liabilities not provided for – Income tax matters under dispute	-	-
	-	**-**

In Financial year 2022-23, disputed demand of Rs. 159.54 Lakhs in respect of Assessment Year 2018-19 has been adjusted against the refund order issued for the assessment year 2022-23 of Rs. 2.95 Lakhs. Further, an amount of Rs. 32.00 Lakhs has been paid under protest against the said demand. The Holding Company has already got favourable Order from ITAT in similar matter in earlier years and is of the opinion that there will be no liability arise in this regard and hence, not considered as contingent liability.

NOTE - 33
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 2022-2023	Previous Year 2021-2022
Sale of services, fees and commission income		
Arranger and advisory fees	5,624.17	5,265.71
Lead manager fees	323.49	45.00
Brokerage income	2,231.68	1,260.87
Fees and other operative income	2,513.19	1,412.57
Total revenue from contracts with the customers	**10,692.53**	**7,984.15**
Geographical markets		
-India	10,692.53	7,339.97
-Outside India	-	644.18
Total revenue from contracts with the customers	**10,692.53**	**7,984.15**
Relation with customer		
-Non related party	10,690.15	7,982.66
-Related Party	2.38	1.49
Total revenue from contracts with the customers	**10,692.53**	**7,984.15**
Timing of revenue recognition		
-Service transferred over a period of time	323.49	45.00
-Service transferred over a point in time	10,369.04	7,939.15
Total revenue from contracts with the customers	**10,692.53**	**7,984.15**

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

NOTE - 34
SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108, the Group operates in a single operating segment i.e. "Merchant Banking, Advisory Services, Financing and Investment Activities, Stock Broking and Portfolio Management Services" 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, 2023

NOTE - 35
EARNINGS PER SHARE

Particulars	Current Year 2022-2023	Previous Year 2021-2022
Profit after tax available for equity share holders for basic earning per share (₹ in lakhs.)	8,763.40	8,227.07
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 (₹)	132.78	124.65
Diluted earnings per share (₹)	132.78	124.65
Nominal value of share (₹)	10.00	10.00

NOTE - 36
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 2022-2023	Previous Year 2021-2022
Employer's contribution to provident and other funds	143.85	61.24

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 2022-2023	Previous Year 2021-2022
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	78.21	66.76
Past service cost	0.16	-
Interest cost on defined benefit obligation	32.96	25.42
(Gain) / losses on settlement	-	-
Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)	**111.33**	**92.18**
(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	(4.05)	(8.36)
Actuarial loss / (gain) arising from change in demographical assumptions	0.65	3.96
Actuarial loss / (gain) arising on account of experience changes	52.47	31.80
Amount recognised in OCI (B)	**49.08**	**27.40**
Gratuity expense recognised in the statement of profit and loss and OCI (A+B)	**160.41**	**119.58**
(c) Reconciliation of net liability / (asset)		
Opening defined benefit liability / (asset)	449.69	367.85
Expense charged to profit & loss account	111.33	92.18
Amount recognised in outside profit and loss account	49.08	27.40
Benefit paid/ payable	(36.30)	(37.76)
Others	-	0.02
Closing net defined benefit liability / (asset)	**573.80**	**449.69**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 36
EMPLOYEE BENEFIT OBLIGATION (CONTD.)

₹ in Lakhs

Particulars	Current Year 2022-2023	Previous Year 2021-2022
(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	449.69	367.85
Current service cost	78.21	66.76
Past service cost	0.16	-
Interest on defined benefit obligation	32.96	25.42
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	(4.05)	(8.36)
Actuarial loss / (gain) arising from change in demographical assumptions	0.65	3.96
Actuarial loss / (gain) arising on account of experience changes	52.47	31.80
Benefit paid/ payable	(36.30)	(37.76)
Others	-	0.02
Closing defined benefit obligation [liability/(asset)] recognised in balance sheet	**573.80**	**449.69**
(e) The principal assumptions used in determining gratuity benefit obligation for the Group's plans are shown below:		
Discount rate	7.50%	7.32%
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
- Upto 30 years	29.00%	30.00%
- From 31 to 44 years	21.00%	22.00%
- Above 45 years	23.00%	22.00%
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	(10.55)	(8.46)
Impact on defined benefit obligation -decrease of sensitivity level	10.94	8.79
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	9.15	8.94
Impact on defined benefit obligation-decrease of sensitivity level	(8.89)	(8.69)

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

₹ in Lakhs

Particulars	Current Year 2022-2023	Previous Year 2021-2022
Within 1-2 year	204.70	158.34
2-3 year	238.72	196.63
3-4 year	288.78	221.06
4-5 year	319.86	269.08
5-6 year	376.82	307.41

The average duration of the defined benefit plan obligation at the end of the reporting period is 1.59-12.38 years (31 March 2022:- 3.83-12.87 years)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 37
RELATED PARTY DISCLOSURES

I RELATED PARTY RELATIONSHIPS:

a Key managerial personnel (Directors)

Mr. A.K. Mittal
Ms. Aditi Mittal
Mr. Ashish Agarwal
Mr. Vikas Jain
Mr. Prashant Roongta
Mr. Harit Oberoi
Mrs. Kavita Garg
Ms. Annu Garg
Mr. Anil Kewalramani (w.e.f. 20 December 2022)
Mr. Subhash Chandra Bhargava
Mr. Khimji Shamji Pandav
Mr. Rajiv Kumar Bakshi
Mr. Deepak Maheshwari (w.e.f. 06 Februrary 2023)
Mr. Karnad Suvarna (w.e.f. 20 December 2022)
Mr. Vikas Agarwal (w.e.f. 25 October 2021 - Upto 06 February 2023)
Mr. Raghubinder Rai (Upto 29 January 2022)

b Other Key managerial personnel

Mr. Mahesh Bhootra (Group Chief Financial Officer)
Mr. Ajay Tendulkar (CEO of Family Home Finance Private Limited w.e.f. 27 September 2021)
Mr. Tejas Davda (Company Secretary of A. K. Capital Services Limited)
Mr. Ranjit Dutta (CFO of A. K. Stockmart Private Limited)
Mr. Govind Lalwani (Company Secretary of A. K. Capital Finance Limited and Family Home Finance Private Limited)
Mr. Ram Suthar (Company Secretary of A. K. Stockmart Private Limited) (Upto 28 February 2023)

c Relatives of key managerial personnel

Mrs. Anshu
Mr. Abhinav Kumar Mittal
A. K. Mittal HUF
Sanjiv Kumar
Sanjeev Kumar (HUF)

d Enterprise having significant influence in Holding Company

Family Home Consultancy Services Private Limited

e 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
IndiaCredit Private Limited
India Bond Private Limited

f 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 Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures' and the same have been relied upon by the auditors.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 37

RELATED PARTY DISCLOSURES (CONTD).

₹ in Lakhs

Details of transactions with related parties are given as under:	Current Year 2022-2023	Previous Year 2021-2022
II Key managerial remuneration *		
Short term benefits (including perquisites)	1,369.95	1,283.49
Director's sitting fees	30.75	22.25
Remuneration to relative of key managerial personnel		
Anshu	52.64	326.15
Software expenses		
India Bond Private Limited	463.60	378.00
Brokerage received		
A. K. Services Private Limited	2.03	0.46
Sanjiv Kumar	0.01	-
Sanjeev Kumar (HUF)	0.01	-
Aditi Mittal	0.01	0.07
A. K Mittal	0.13	0.09
Annu Garg	0.01	-
Family Home Consultancy Services Private Limited	-	0.02
Kavita Garg	-	-
Brokerage paid		
A. K. Services Private Limited	174.34	-
M Square Financial Consultants and Auto Private Limited	125.73	192.60
India Bond Private Limited	38.20	3.60
Demat charges received		
A. K. Capital Markets Limited	0.02	0.02
A. K Mittal	0.01	0.01
A. K. Services Private Limited	0.09	0.79
M Square Financial Consultants and Auto Private Limited	0.01	0.01
IndiaCredit Private Limited	0.01	0.01
Family Home Consultancy Services Private Limited	0.02	0.02
Goodwill Capital Services Private Limited	0.01	0.01
Sanjiv Kumar	0.01	-
India Bond Private Limited	-	-
Annu Garg	-	-
Kavita Garg	-	-
Sanjeev Kumar (HUF)	-	-
PMS Fees		
India Bond Private Limited	0.03	-
Issuance of Non Convertible Debentures (excluding accrued interest)		
A. K. Services Private Limited	7,900.00	-
Incentive expenses		
A. K. Services Private Limited	-	162.98
India Bond Private Limited	478.99	55.72
Purchase of office building		
Abhinav Kumar Mittal	-	102.65
Sales of securities (excluding accrued interest)		
A. K. Services Private Limited	7,060.91	12,807.47
Purchase of investments (excluding accrued interest)		
A. K. Services Private Limited	11,398.65	33,713.60
Family Home Consultancy Services Private Limited	-	141.41
A. K Mittal	-	114.05
Rent Paid		
A. K. Mittal	28.80	28.80
Aditi Mittal	24.00	24.00
Interest income on loan given		
A. K. Services Private Limited	686.54	592.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

NOTE - 37
RELATED PARTY DISCLOSURES (CONTD.)

	As at 31-03-2023	As at 31-03-2022
Loan given		
A. K. Services Private Limited (Revolving Credit Sanction Limits amounting upto a maximum amount of Rs. 10,000 lakhs) (Previous year Rs. 9,500 Lakhs)	13,500.00	32,389.41
Repayment of loan given		
A. K. Services Private Limited (Revolving Credit Sanction Limits amounting upto a maximum amount of Rs. 10,000 lakhs) (Previous year Rs. 9,500 Lakhs)	10,500.00	32,839.41
Rent deposits repaid		
A. K. Mittal	-	100.00
Anshu	-	50.00
Balances payable		
A. K Mittal (towards Stock Exchange Obligation)	-	0.04
Indiabond Private Limited	122.04	10.92
Annu Garg	0.49	-
Kavita Garg	0.83	-
Sanjiv Kumar	0.86	-
Balances receivable		
Sanjiv Kumar	-	-
Sanjeev Kumar (HUF)	-	-
Rent deposit given outstanding as at year end		
A. K. Mittal	48.00	48.00
Aditi Mittal	100.00	100.00
Loan given outstanding		
A. K.Services Private Limited	7,500.00	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.

Reimbursement of expenses has not been considered for above disclosure.

The amount of financial statements of the company have been reported in Rs.(in Lacs) rounded off to 2 decimals. However, while doing so, some of the above reported amounts might appear as NIL due to rounding off of amounts.

NOTE - 38
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 60 months. The Group has contracts which have fixed rentals.

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 2022-2023	Previous Year 2021-2022
Opening gross block value of account on adoption of Ind AS 116	**2,117.63**	**1,280.58**
Reclassified on account of adoption of Ind AS 116	89.01	1,843.87
Deduction on account of termination of lease	(118.41)	(1,006.82)
Closing gross block value of account on adoption of Ind AS 116	**2,088.23**	**2,117.63**
Opening accumulated depreciation of account on adoption of Ind AS 116	349.78	846.23
Depreciation charged for the year	480.23	510.37
Deduction on account of termination of lease	(118.41)	(1,006.82)
Closing accumulated depreciation of account on adoption of Ind AS 116	**711.60**	**349.78**
Closing net block	**1,376.63**	**1,767.85**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 38
LEASES (CONTD.)

The following is the movement in lease liabilities during the year:(disclosed under note 18 - other financial liabilities):-

₹ in Lakhs

Particulars	Current Year 2022-2023	Previous Year 2021-2022
Balance at the beginning of the year	**1,843.30**	**430.17**
Additions	77.82	1,747.34
Finance cost accrued during the year	150.89	66.16
Deletions	(0.20)	(10.00)
Payment of lease liabilities	(560.31)	(390.37)
Balance at the end of the year	**1,511.50**	**1,843.30**

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

₹ in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Not later than one year	490.88	533.23
Later than one year and not later than five years	1,283.11	1,712.80
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 2022-2023 is ₹ 560.31 Lakhs. (previous year ₹ 390.37 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 31-03-2023	As at 31-03-2022
Not later than one year	196.02	196.02
Later than one year and not later than five years	-	196.02
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 ₹ 309.5 Lakhs (previous year ₹ 258.94 Lakhs)

NOTE - 39
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
Amount required to be spent by the Group during the year	179.18
Less: Previous years' excess	(1.57)
Net amount required to be spent by the Group during the financial year	177.61
Amount of CSR expenditure incurred	178.00
Short fall / (Excess) in CSR Expenditure carried forward to next financial year	(0.39)
Total of previous year shortfall	Nil
Reason for shorfall	NA
Nature of CSR activities	Contribution to any fund set up by the Central Government for socio-economic development and relief qualifies
Details of related party transaction	NA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 40
FINANCIAL INSTRUMENTS

The risk management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Management has overall responsibility for the establishment and oversight of the Group's risk management framework. In performing its operating, investing and financing activities, the Group is exposed to the Credit risk, Liquidity risk and Market risk.

The carrying value and fair value of financial instrument by categories as of 31 March 2023 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	2,773.26	-	-	2,773.26	2,773.26
Bank balances other than above	643.28	-	-	643.28	643.28
Trade receivables	552.40	-	-	552.40	552.40
Loans	56,785.42	-	-	56,785.42	57,187.48
Investments	31,821.76	151,971.37	36.91	183,830.04	184,034.99
Stock of securities	-	54,167.17	-	54,167.17	54,167.17
Other financial assets	2,528.11	2,231.06	-	4,759.17	4,759.17
	95,104.23	**208,369.60**	**36.91**	**303,510.74**	**304,117.75**
Liabilities:					
Trade payables	563.48	-	-	563.48	563.48
Debt Securities	64,731.41	-	-	64,731.41	64,752.00
Borrowings (other then debt securities)	151,454.21	-	-	151,454.21	151,591.54
Deposits	213.48	-	-	213.48	213.48
Other financial liabilities	6,177.62	-	-	6,177.62	6,177.62
	223,140.20	**-**	-	**223,140.20**	**223,298.12**

The carrying value and fair value of financial instrument by categories as of 31 March 2022 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	3,621.10	-	-	3,621.10	3,621.10
Bank balances other than above	126.83	-	-	126.83	126.83
Trade receivables	551.83	-	-	551.83	551.83
Loans	40,617.49	-	-	40,617.49	40,899.38
Investments	52,593.77	93,567.86	18.26	146,179.89	146,535.93
Stock of securities	-	68,333.02	-	68,333.02	68,333.02
Other financial assets	1,856.16	1,478.95	-	3,335.11	3,335.11
	99,367.18	**163,379.83**	**18.26**	**262,765.27**	**263,403.20**
Liabilities:					
Trade payables	309.08	-	-	309.08	309.08
Debt Securities	70,401.82	-	-	70,401.82	70,402.00
Borrowings (other then debt securities)	113,914.49	-	-	113,914.49	114,042.30
Deposits	197.89	-	-	197.89	197.89
Other financial liabilities	6,313.11	-	-	6,313.11	6,313.11
	191,136.39	**-**	**-**	**191,136.39**	**191,264.38**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 41
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 Rs. 552.40 Lakhs and Rs 551.83 Lakhs as at 31 March 2023 and 31 March 2022, 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 2022-2023	Previous Year 2021-2022
Revenue from top customer	2163.75	671.27
Revenue from top 5 customers	5,060.12	2,916.63

(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 31-03-2023	As at 31-03-2022
Within credit days	552.00	551.34

(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 31-03-2023	As at 31-03-2022
Less than 90 days	-	-
91 to 180 days	-	-
181 to 270 days	0.23	0.20
271 to 360 days	-	-
Over 360 days	0.17	0.29
	0.40	**0.49**

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, 2023

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 31-03-2023	As at 31-03-2022
Trade receivables	552.40	551.83
Loans	57,047.07	40,875.16
Investments	31,851.50	52,645.68
Other financial assets	2,528.11	1,856.16
At end of the year	**91,979.08**	**95,928.83**

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 31-03-2023	As at 31-03-2022
Financial assets		
Interest bearing		
- fixed interest rate		
Cash and cash equivalent	140.00	175.00
Bank balances other than cash and cash equivalents	632.73	115.45
Loans	17,452.21	23,816.78
Investments	152,625.69	121,934.21
Stock of securities	51,233.46	57,281.91
- floating interest rate		
Loans	39,594.85	17,058.38
Investments	24,922.19	23,184.65
Stock of securities	1,166.40	9,524.13
Non interest bearing		
Investment	6,311.91	1,112.94
Stock of securities	1,767.31	1,526.98
Cash and cash equivalents	2,643.81	3,457.48
Trade receivables	552.40	551.83
Other financial assets	4,759.17	3,335.11
	303,802.13	**263,074.85**
Financial liabilities		
Interest bearing		
- fixed interest rate		
Borrowings	102,563.04	87,870.84
Lease liabilities	1,511.50	1,843.30
- floating interest rate		
Borrowings	113,622.58	96,445.47
Non interest bearing		
Trade payables	563.48	309.08
Deposits	213.48	197.89
Other financial liabilities	4,666.12	4,469.81
	223,140.20	**191,136.39**

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 2022-2023	Previous Year 2021-2022
Increase in basis points	50.00	50.00
Effect on profit before tax	(239.70)	(233.39)
Decrease in basis points	50.00	50.00
Effect on profit before tax	239.70	233.39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 42

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 31 March 2023 and 31 March 2022 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 2023						
Borrowings including debt securities	11,124.15	97,867.54	29,393.48	92,753.81	-	**231,138.98**
Trade and other payables	-	563.48	-	-	-	**563.48**
Deposits	-	33.69	-	179.79	-	**213.48**
Other financial liabilities	10.55	3,344.12	671.38	2,414.04	-	**6,440.09**
	11,134.70	**101,808.83**	**30,064.86**	**95,347.64**	**-**	**238,356.03**
As at 31 March 2022						
Borrowings including debt securities	14,074.46	99,888.29	7,127.19	78,644.89	31.20	**199,766.03**
Trade and other payables	-	309.08	-	-	-	**309.08**
Deposits	-	32.94	-	164.95	-	**197.89**
Other financial liabilities	11.38	4,195.95	794.04	1,712.80	-	**6,714.17**
	14,085.84	**104,426.26**	**7,921.23**	**80,522.64**	**31.20**	**206,987.17**

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 31-03-2023	As at 31-03-2022
Borrowings	216,185.62	184,316.31
Trade payables	563.48	309.08
Other financial liabilities	6,177.62	6,313.11
Deposits	213.48	197.89
Less: cash and cash equivalents	(2,773.26)	(3,621.10)
Net debt (A)	**220,366.94**	**187,515.29**
Equity share capital	660.00	660.00
Other equity	83,277.50	75,322.67
Non-controlling interest	2,828.98	2,761.06
Total member's capital (B)	**86,766.48**	**78,743.73**
Capital and net debt (C=A+B)	**307,133.42**	**266,259.02**
Gearing ratio (%) (A/C)	**71.75**	**70.43**

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, 2023

NOTE - 43

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, 2023:

₹ in Lakhs

Particulars	As at 31-03-2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Debt instruments FVTPL	108,496.00	-	108,496.00	-
Equity instruments FVTOCI	36.91	36.45	-	0.46
Alternate Investmment Fund at FVTPL	5,925.05		5,925.05	-
Mutual Funds at FVTPL	349.95	349.95	-	-
Government securities at FVTPL	37,200.37	-	37,200.37	-
Stock of securities:				
Exchange Traded funds at FVTPL	1,767.31	1,767.31	-	-
Debt instruments at FVTPL	52,399.86	-	52,399.86	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022:

₹ in Lakhs

Particulars	As at 31-03-2022	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments in hybrid instruments	4.54	-	4.54	-
Debt instruments FVTPL	85,803.53	-	85,803.53	-
Equity instruments FVTOCI	18.26	17.80	-	0.46
Mutual Funds at FVTPL	1,090.14	1,090.14	-	-
Pass through certificate at FVTPL	273.47	-	273.47	
Government securities at FVTPL	6,396.18	-	6,396.18	-
Stock of securities:				
Exchange Traded funds at FVTPL	1,526.98	1,526.98	-	-
Debt instruments at FVTPL	66,806.04	-	66,806.04	-

Description of techniques and valuation inputs used for Level II and Level III hierarchy are under:

Assets class	Fair value hierarchy	Valuation techniques and inputs
Debt instruments, Government securities, commercial paper and state development loan measured at FVTPL	Level II	Valuation techniques and inputs in order of first preference are as under: 1.Cost of securities only if the securities are allotted within last 20 days or purchased within 7 days from the measurement date or, latest traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-7 days, whichever is later. 2.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 0-7 days 3.Future cash flows are discounted using a discount rate arrived at by adding the spread provided by FIMMDA or other approved agencies and annualised government security yield provided by regulatory authorities.
Alternative Investmet Fund measured at FVTPL	Level II	The valuation is done based on the rating agency valuation provided by the Alternative Investment Fund.
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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 44
DETAILS OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

A Details of secured redeemable non-convertible debentures as at March 31, 2023

Name of Security	Number	Amount (Rs. in lakhs)	Allotment Date	Redemption Date
0.00% Non Convertible Debentures - Series MLD- 1	1090.00	10,900.00	26-May-22	26-May-24
0.00% Non Convertible Debentures - Series MLD- 2	530.00	5,300.00	27-Jun-22	27-Jun-24
9.60% Non Convertible Debentures - Series B-I	1,600.00	1,600.00	07-Mar-17	07-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-VI	500.00	500.00	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures - Series B-VII	1,500.00	1,500.00	21-Mar-17	21-Mar-24
8.00% Non Convertible Debentures - Series S	14,300.00	14,300.00	28-May-21	28-May-24
9.00% Non Convertible Debentures - Series E-II	5,852.00	5,852.00	10-Aug-17	10-Aug-24
9.40% Non Convertible Debentures - Series H	7,000.00	7,000.00	06-Dec-17	06-Dec-24
8.05% Non Convertible Debentures - Series T	500.00	5,000.00	30-Mar-22	30-Mar-25
9.75% Non Convertible Debentures - Series K	6,700.00	6,700.00	28-Jun-18	28-Jun-25
9.95% Non Convertible Debentures - Series N	3,500.00	3,500.00	18-Sep-18	18-Sep-25

1. Face value of all the non convertible debentures is ₹1,00,000 except Series T, Series MLD-1 and MLD-2
2. Face value of Series T,Series MLD-1 and MLD-2 non convertible debentures is ₹ 10,00,000.
3. Non convertible debentures Series B, Series E, Series K, Series H, Series N, Series S, Series T, Series MLD-1 and Series MLD-2 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, 2022

Name of Security	Number	Amount (Rs. in lakhs)	Allotment Date	Redemption Date
9.40% Non Convertible Debentures - Series I	5,000.00	5,000.00	03-Apr-18	04-Apr-22
8.00% Non Convertible Debentures - Series Q	5,000.00	5,000.00	05-Oct-20	05-Apr-22
8.00% Non Convertible Debentures - Series R	7,500.00	7,500.00	15-Oct-20	15-Apr-22
9.75% Non Convertible Debentures - Series L	2,500.00	2,500.00	29-Jun-18	29-Jun-23
9.60% Non Convertible Debentures - Series M	500.00	500.00	28-Aug-18	28-Aug-23
9.60% Non Convertible Debentures - Series B-I	1,750.00	1,750.00	07-Mar-17	07-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-VI	500.00	500.00	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures - Series B-VII	1,500.00	1,500.00	21-Mar-17	21-Mar-24
8.00% Non Convertible Debentures - Series S	14,500.00	14,500.00	28-May-21	28-May-24
9.00% Non Convertible Debentures - Series E-II	6,452.00	6,452.00	10-Aug-17	10-Aug-24
9.40% Non Convertible Debentures - Series H	7,000.00	7,000.00	06-Dec-17	06-Dec-24
8.05% Non Convertible Debentures - Series T	500.00	5,000.00	30-Mar-22	30-Mar-25
9.75% Non Convertible Debentures - Series K	7,100.00	7,100.00	28-Jun-18	28-Jun-25
9.95% Non Convertible Debentures - Series N	3,500.00	3,500.00	18-Sep-18	18-Sep-25

1. Face value of all the non convertible debentures is ₹ 1,00,000 except Series T
2. Face value of Series T non convertible debentures is ₹10,00,000.
3. Non convertible debentures Series B, Series E, Series H, Series I, Series K, Series L, Series M, Series N, Series Q,Series R, Series S and Series T are redeemable at a call option in the range of 12 months to 48 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 45
INCOME TAX

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

₹ in Lakhs

Particulars	Current Year 2022-2023	Previous Year 2021-2022
Current income tax:		
Current income tax charge	3,048.30	2,135.99
Adjustments in respect of previous year	(9.23)	(59.72)
Deferred tax:		
Relating to origination and reversal of temporary differences	(86.67)	487.53
Income tax expense reported in the statement of profit or loss	**2,952.40**	**2,563.80**

B) The income tax expense for the year can be reconciled to the accounting profit as follows

₹ in Lakhs

Particulars	Current Year 2022-2023	Previous Year 2021-2022
Profit before tax	11,793.98	10,864.36
Applicable Tax Rate	25.17%	25.17%
Computed expected tax expenses	2,968.31	2,734.34
Tax effect of :		
Tax effect due to non-deductible items	127.91	73.93
Tax effect due to deductible items	(36.42)	(25.34)
Tax effect due to deduction under income tax	-	(9.45)
Tax effect due to different tax rate	(15.09)	(7.22)
Tax effect due to recognition / non recognition of deferred tax assets / (liabilities)	(88.83)	(141.51)
Adjustments in respect of current income tax of previous year	(9.18)	(59.72)
Others	5.70	(1.23)
Income tax expense reported in the statement of profit or loss	**2,952.40**	**2,563.80**

C) The Gross movement in the current income tax asset/(Liability) for the year ended 31 March 2023 and 31 March 2022 is as follows

₹ in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Net current income tax asset/(liability) at the beginning of the year	65.69	(226.85)
Income tax paid	2,996.55	2,369.86
Current tax expenses	(3,048.30)	(2,135.99)
Interest on tax expenses	(8.19)	(1.05)
Excess short provision of earlier year	9.23	59.72
Net current income tax asset/(liability) at the end of the year	**14.98**	**65.69**

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

₹ in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Net deferred tax asset/(liability) at the beginning of the year	(481.94)	(1.33)
Depreciation on property, plant and equipments, investment properties & intangible assets	32.78	0.88
Expenses allowable on payment basis (gratuity)	31.25	20.60
Disallowance of share issue expenses	(0.49)	(2.31)
Fair value gain / (loss) on investment	(18.25)	(356.38)
Impairment on financial instruments	7.40	(175.50)
Transaction costs	29.77	(17.78)
Unabsorbed business loss	2.80	-
EIR of Securiteis at amortised cost	0.34	10.55
Gain on modication due to restructuring of loan	0.53	(0.73)
Right-of-use and lease liabilities	12.91	40.06
Net deferred tax asset/(liability) at the end of the year	**(382.90)**	**(481.94)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 46
INCOME TAX

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

₹ in Lakhs

Particulars	Parent	Subsidiaries	Non controlling interest (NCI)	Adjustment due to consolidation	Total (including NCI)
Net assets	46,575.74	78,355.14	2,828.98	(40,993.38)	86,766.48
As a percentage of consolidated net assets (%)	53.68%	90.31%	3.26%	(47.25%)	100.00%
Share in profit or loss	3,071.41	6,266.03	78.18	(574.04)	8,841.58
As a percentage of consolidated profit or loss (%)	34.74%	70.87%	0.88%	(6.49%)	100.00%
Share in other comprehensive income	(8.11)	(9.97)	(0.35)	0.35	(18.08)
As a percentage of consolidated other comprehensive income (%)	44.86%	55.14%	1.94%	(1.94%)	100.00%
Share in total comprehensive income	3,063.30	6,256.06	77.83	(573.69)	8,823.50
As a percentage of consolidated total comprehensive income (%)	34.72%	70.90%	0.88%	(6.50%)	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

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 Shareholding
1	A. K. Stockmart Private Limited	INR	1,200.00	2,077.99	9,876.23	6,598.24	237.36	4,117.11	429.69	315.38	100.00
2	A. K. Capital Corporation Private Limited	INR	210.00	66.57	282.40	5.83	100.00	23.67	22.48	16.71	100.00
3	A. K. Wealth Management Private Limited	INR	225.00	309.34	663.16	128.82	164.83	377.69	111.21	83.31	100.00
4	A. K. Capital (Singapore) PTE. Limited	INR	451.39	(118.35)	512.23	179.19	-	-	(297.08)	(297.13)	100.00
		SGD*	904,884.00	(298,738.00)	896,305.00	290,159.00	-	-	(518,451.00)	(518,546.00)	
5	A. K. Capital Finance Limited	INR	8,829.38	62,691.58	239,285.94	167,764.98	128,268.85	24,991.82	8,016.35	6,071.05	98.73
6	Family Home Finance Private Limited	INR	2,000.00	370.55	4,082.21	1,711.66	678.58	240.75	112.04	85.02	**98.73
7	A. K. Alternative Asset Managers Private Limited	INR	50.00	(8.31)	49.10	7.41	-	-	(11.11)	(8.31)	**100.00

*As at 31 March 2023 1 SGD = Rs. 61.756081
**Effective shareholding

Notes:

1. Name of subsidiaries which are yet to commence operations: None
2. 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

NOTE - 47
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 31 March 2023. For the purpose of assessing the attrition rate, the Group considered the historical attrition trend and expected rate based on such trend/ experience. The change in assumption resulted in a increase of closing gratuity by Rs.49.08 Lakhs, for the year ended 31 March 2023.

Further details about gratuity obligations are given in Note - 36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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.

(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 - 48

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 Group will evaluate the rules, assess the impact, if any, and account the same once the rules are notified and become effective.

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

The Group does not have any intangible assets under development during the year.

NOTE - 51

The Group does not hold any Benami Property as defined under Benami Transactions (Prohibition) Act (45) of 1988 and rules made thereunder.

NOTE - 52

The Group does not have any investment and relationship with companies struck off under section 248 of Companies Act 2013 or Section 560 of Companies Act 1956, during the financial year ending 31 March 2023 and 31 March 2022

NOTE - 53

The Group has complied with the number of layer prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 54

Utilisation of borrowed funds and share premium

(a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE - 55

The Group does not have any undisclosed income during the financial year ended 31 March 2023 and 31 March 2022.

NOTE - 56

The Group does not traded or invested in Crypto Currency or Virtual Currency during the financial year ended 31 March 2023 and 31 March 2022.

NOTE - 57

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 - 58

Subsequent events

(a) Subsequent to the balance sheet date, the Holding Company has issued its fresh commercial papers which are listed on Bombay Stock Exchange on 09 May 2023.

(b) The Board of Directors of the Holding Company in its meeting held on 27 May 2023, have recommended a final dividend of Rs. 6 per equity share having face value of Rs. 10 each for the year ended 31 March 2023. 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 Rs. 396 Lakhs.

NOTE - 59

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

SIGNATURES TO 1 TO 59

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

Sanjay Kokate
Partner
Membership No. 130007

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 27, 2023

Place: Mumbai
Date: May 27, 2023

NOTES :



a.k.®

BUILDING BONDS

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