A. K. Capital Services Ltd.

REGISTERED OFFICE :
30-38, 3RD FLOOR, FREE PRESS HOUSE,
FREE PRESS JOURNAL MARG,
215, NARIMAN POINT, MUMBAI - 400 021 (INDIA)
CIN : L74899MH1993PLC274881
TEL. : +91 (022) 6754 6500 FAX : +91 (022) 6610 0594
E-MAIL : akmumbai@akgroup.co.in
WEBSITE : www.akgroup.co.in

To,
The Listing Department/ Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Reference : BSE Code 530499

Dear Madam/Sir,

Subject : Submission of Annual Report along with the Notice of Annual General Meeting for the Financial Year 2018-19

Pursuant to the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of A. K. Capital Services Limited for the Financial Year 2018-19.

This is for your information and necessary action.

Thanking you.

Yours faithfully,
For A. K. Capital Services Limited

A. K. Capital Services Ltd.

Tejas Dawda
Company Secretary & Compliance Officer
(ACS No.: A27660)

Date: August 31, 2019
Place: Mumbai

Encl: a/a

A. K. CAPITAL SERVICES LTD.

BUILDING BONDS

ANNUAL REPORT
2018-2019

CONTENTS

CORPORATE INFORMATION

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

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

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

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

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

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

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

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

Mr. Raghubinder Rai Bajaj
(Resigned w.e.f. February 2, 2019)
Independent Director
(DIN: 00851994)

CHIEF FINANCIAL OFFICER
Mr. Mahesh Bhootra

COMPANY SECRETARY
Mr. Tejas Davda

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

BANKERS
Andhra Bank
Bank of India
Bank of Maharashtra
HDFC Bank Limited
Punjab National Bank
Syndicate 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 OFFICE
30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215 Nariman Point, Mumbai – 400 021
Tel: +91-22-67546500 | Fax: +91-22-66100594 | Website: www.akgroup.co.in

DIRECTORS' REPORT

To,

The Members of A. K. Capital Services Limited (“Company”)

The Directors of your Company are pleased to present the 26th Annual Report of the Company, together with the annual audited standalone and consolidated financial statements for the Financial Year ended March 31, 2019.

FINANCIAL HIGHLIGHTS:

A summary of the financial performance of the Company, both on standalone and consolidated basis, for the Financial Year 2018-19 as compared to the previous Financial Year is given below:

Standalone financial highlights

(₹ in Lakhs except per share data)

Particulars	2018-19	2017-18
Total revenue	8,492.16	10,521.87
Total expenses	5,333.54	7,683.07
Profit before tax	**3,158.62**	**2,838.80**
Tax expenses:		
Current tax	965.03	1,057.40
Deferred tax expense/(credit)	(157.56)	(124.39)
Profit after tax (A)	**2,351.15**	**1,905.79**
Other comprehensive Income, net of tax		
Item that will not to be reclassified to the statement of profit and loss	32.15	59.26
Less: Income tax expense on above	(9.36)	(20.02)
Other comprehensive Income for the year (B)	**22.79**	**39.24**
Total comprehensive income for the year [A+B]	**2,373.94**	**1,945.03**
Earnings per equity share (face value INR 10/- per share) Basic and Diluted (INR)	35.62	28.88
Opening balance of other comprehensive income	**(641.85)**	**(681.09)**
Add: Other comprehensive income for the year	22.79	39.24
Closing balance of other comprehensive income	**(619.06)**	**(641.85)**
Opening balance of retained earnings brought forward from previous year	**27,607.24**	**26,178.06**
Add: Profit for the year	2,351.15	1,905.79
Profit available for appropriation	29,958.39	28,083.85
Less: Appropriations		
Dividend paid	396.00	396.00
Dividend distribution tax on dividend	51.75	80.61
Closing balance of retained earnings	**29,510.64**	**27,607.24**

FINANCIAL PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

On standalone basis, your Company earned total revenue of INR 8,492.16 Lakhs during the year under review as against INR 10,521.87 Lakhs reported in the previous year. The profit before tax is INR 3,158.62 Lakhs as against the INR 2,838.80 Lakhs during the previous year. After making provision for tax, the net profit of your Company is INR 2,351.15 Lakhs as against the net profit of INR 1,905.79 Lakhs in the previous year.

Consolidated financial highlights:

(₹ in Lakhs except per share data)

Particulars	2018-19	2017-18
Total revenue	42,167.46	33,007.95
Total expenses	32,503.03	23,912.42
Profit before tax	**9,664.43**	**9,095.53**
Tax expenses		
Current tax	2,776.94	3,185.80
Deferred tax expense/(credit)	(308.99)	(437.51)
Profit after tax (A)	**7,196.48**	**6,347.24**
Other comprehensive income, net of tax		
Item that will not to be reclassified to the statement of profit and loss	95.61	(914.06)
Less: Income tax expense on above	(26.87)	(17.36)
Other comprehensive Income for the year (B)	**68.74**	**(931.42)**
Total comprehensive income for the year [A+B]	**7,265.22**	**5,415.82**
Profit for the year attributable to:	**7,196.48**	**6,347.24**
Owners of the Company	7,137.53	6,290.38
Non-controlling interest	58.95	56.86
Other comprehensive income attributable to:	**68.74**	**(931.42)**
Owners of the Company	68.70	(918.84)
Non-controlling interest	0.04	(12.58)
Earnings per equity share (face value INR 10/- per share) Basic and Diluted (INR)	108.14	95.31
Opening balance of Other comprehensive income	**(2,320.38)**	**(1,361.43)**
Add: Other comprehensive income for the year	68.70	(918.84)
Add: Other adjustments	(83.75)	(40.11)
Closing balance of other comprehensive income	**(2,335.43)**	**(2,320.38)**
Opening balance of retained earnings brought forward from previous year:	**41,774.46**	**36,829.91**
Add: Profit for the year	7,137.53	6,290.38
Profit available for appropriation	48,911.99	43,120.29
Less: Appropriations		
Dividend paid	(637.97)	(396.00)
Dividend distribution tax on dividend	(101.49)	(80.61)
Expenses incurred in relation to share capital	-	(70.40)
Transfer to special reserve	(917.11)	(799.71)
Other adjustments	-	0.89
Share of Non-controlling interest	(255.95)	-
Closing balance of retained earnings	**46,999.47**	**41,774.46**

CONSOLIDATED FINANCIAL PERFORMANCE

The consolidated total revenue of your Company stood at INR 42,167.46 Lakhs for the financial year ended March 31, 2019 as against INR 33,007.95 Lakhs for the previous year. The consolidated profit before tax is INR 9,664.43 Lakhs for the current year as against INR 9,095.53 Lakhs in the previous year. After making provision for tax, the consolidated net profit of your Company is INR 7,196.48 Lakhs as against INR 6,347.24 Lakhs in the previous year.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 and Rule 8(1) of The Companies (Accounts) Rules, 2014, a Statement containing salient features of Financial Statement of Subsidiaries in Form AOC-1 is attached to the consolidated financial statements.

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.

The financial statements have been prepared in accordance with Ind AS under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and based on 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.

For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended March 31, 2019 are the first financials which the Company has prepared in accordance with Ind AS.

DIVIDEND

Your Company is rewarding its shareholders by way of consecutive cash dividends. Considering the financial performance of your Company, promising prospects and need to retain capital to support future growth, the Board, at its Meeting held on May 25, 2019, has recommended a final dividend @ 60% i.e. INR 6/- per equity share (on the face value of INR 10/- per equity share) on 6,600,000 equity shares for the Financial Year 2018-19. The amount of dividend on equity shares and tax thereon aggregates to INR 446.82 Lakhs.

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 23, 2019. The Register of Members and Share Transfer Books will remain closed from Saturday, August 24, 2019 to Saturday, August 31, 2019 (both days inclusive). The Annual General Meeting of the Company is scheduled to be held on Saturday, September 28, 2019.

TRANSFER TO GENERAL RESERVES

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

PUBLIC DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS BY THE COMPANY

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

DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors’ Responsibility Statement, your Directors confirm that they have:

i. Followed the applicable accounting standards in preparation of the annual financial statements for the Financial Year 2018-19;

ii. Have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the Financial Year 2018-19 ended on that date;

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

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

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

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

INTERNAL FINANCIAL CONTROLS

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

RISK MANAGEMENT

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

iii. prevention and detection of frauds and errors;

iv. accuracy and completeness of accounting records;

v. timely preparation of reliable financial information; and

vi. compliance with applicable laws and regulations.

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

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the Financial Year 2018-19 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 2018 -19 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 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 committee on quarterly basis.

All related party transactions that were entered during the financial year ended March 31, 2019 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.

Also, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosures as per Form AOC-2 under Section 134(3)(h) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not required. However, the disclosure of transactions with related party for the year, as per Indian Accounting Standard-24 (IND AS-24), Related Party Disclosures is given in Notes to the Accounts section of the Annual Report.

Further , disclosure required under Schedule V Part A of Listing SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to related party transactions is furnished in Notes to the Accounts 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:

http://www.akgroup.co.in/docs/POLICY%20ON%20MATERIALITY%20AND%20DEALING%20WITH%20RELATED%20PARTY%20TRANSACTIONS-20170914144308058773З.pdf

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material change and commitment has occurred after the closure of the Financial Year 2018-19 till the date of this Report, which would affect the financial position of your Company.

STATUTORY AUDITORS AND AUDITOR'S REPORT

M/s. PYS & Co. LLP (Firm Registration No. 012388S/S200048), Chartered Accountants, Statutory Auditors of your Company, were appointed in the 24th Annual General Meeting of the Company held on September 16, 2017 as Statutory Auditors of the Company to hold office for a term of five years until the conclusion of the 29th Annual General Meeting to be held in the year 2022.

The Auditors have confirmed their eligibility and independence under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There is no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors, in their Audit report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the Financial Year 2018-19.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors or Secretarial Auditor 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 including rules made thereunder.

REQUIREMENT FOR MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

SUBSIDIARIES

As on March 31, 2019, your Company has following subsidiaries:

SN	Name of the subsidiaries
1.	A. K. Stockmart Private Limited
2.	A. K. Capital Corporation Private Limited
3.	A. K. Wealth Management Private Limited
4.	A. K. Capital (Singapore) Pte. Ltd.
5.	A. K. Capital Finance Limited (Formerly known as "*A. K. Capital Finance Private Limited*")
6.	Family Home Finance Private Limited (Step-down subsidiary).

MATERIAL SUBSIDIARIES

Pursuant to the provisions of Regulation 16 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 (Formerly known as "*A. K. Capital Finance Private Limited*").

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

http://www.akgroup.co.in/docs/Policy%20for%20Determining%20Material%20Subsidiaries-20190625174347662794l.pdf

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

APPOINTMENT DURING THE FINANCIAL YEAR

On the recommendation of Nomination and Remuneration Committee of the Company, the Board had appointed Mr. Khimji Shamji Pandav (DIN: 01070944) as an Additional Director (Independent) of the Company with effect from August 11, 2018 for a period of 5 years and subsequently his appointment was regularized at 25th Annual General Meeting of the Company held on September 22, 2018.

RESIGNATION SINCE LAST ANNUAL GENERAL MEETING

Mr. Raghubinder Rai Bajaj (DIN: 00851994), Independent Director of the Company resigned from the Board with effect from February 2, 2019. The same was taken on record by the Board at its meeting held on the same day.

The Board places on record its sincere appreciation for the valuable services rendered by Mr. Raghubinder Rai Bajaj during his tenure as Director of the Company.

RETIREMENT BY ROTATION

In accordance with the Articles of Association of the Company and the provisions of the Section 152 of the Companies Act, 2013, 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 appointment of Ms. Aditi Mittal is incorporated in the notice of Annual General Meeting.

COMPOSITION OF THE BOARD

As on March 31, 2019, the Board of Directors of your Company comprised of seven Directors of which three are Executive Directors, one Woman Non-Executive Non-Independent Director and three are Non-Executive Independent Directors. The Chairman of the Board is Non-Executive Independent Director. The composition of the Board is in consonance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in accordance with the applicable provisions of the Companies Act, 2013, as amended from time to time.

KEY MANAGERIAL PERSONNEL

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, 2019:-

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

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 of the Companies Act, 2013 and the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DECLARATION FROM DIRECTORS AND PRACTISING PROFESSIONAL

Based on the written representations received from the directors of the Company as on March 31, 2019, none of the directors of the Company is disqualified to act as a Director as on March 31, 2019.

M/s. C. B. Jain & Associates, Practising Company Secretaries 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 statutory authority. The said certificate is attached in the Corporate Governance Report, which forms part of this Annual Report.

PERFORMANCE EVALUATION

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

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

The details of performance evaluation conducted during the Financial Year 2018-19 is provided in 'Report on Corporate Governance' forming part of the Annual Report.

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 five 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.

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 also has formed following Committees of the Board and delegated powers and responsibilities with respect to specific purposes:

i. Banking and Investment Committee

ii. Management Committee

iii. Infrastructure Committee

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

NOMINATION AND REMUNERATION POLICY

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

CORPORATE SOCIAL RESPONSIBILITY

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

http://www.akgroup.co.in/docs/Policy-CSR_Policy-20170822131431400 5332.pdf

The details of CSR activities undertaken during the Financial Year 2018-19 by the Company is attached as **Annexure - 2** and forms an integral part of this Report.

WHISTLEBLOWER POLICY AND VIGIL MECHANISM

Pursuant to Section 177 of the Companies Act, 2013 and 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, employees and stakeholders. The Policy may be accessed on the Company's website at the link:

http://www.akgroup.co.in/docs/Whistle%20Blower%20Policy%20and%20Establishment%20of%20Vigil%20Mechanism-20190626181818425065205.pdf

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

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

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

Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. During the Financial Year 2018-19, no case in the nature of sexual harassment was reported at any workplace of the Company.

MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

The Management Discussion and Analysis report for the Financial Year 2018-19 and the report of the Directors on Corporate Governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given in separate sections forming part of the Annual Report.

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

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s. Manish Ghia & Associates, Practicing Company Secretaries, Mumbai, to conduct the Secretarial Audit of the Company for Financial Year 2018-19. The Company provided all assistance and facilities to the Secretarial Auditors for conducting their audit.

The Secretarial Audit Report is appended as **Annexure - 3** to this Report.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above and in respect of laws specifically applicable to the Company based on their sector/industry, in so far as registration, membership, submission of various returns/information or other particulars to be filed with Securities Exchange Board of India except that in one of the instance, there was an inadvertent delay in dispatch of share certificate post recording transfer, as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ACHIEVEMENTS

The Company has won the most prestigious award of "India Bond House of the year" at the IFR Asia Awards 2018 event which was held on February 26, 2019 at Hong Kong.

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 2018-19.

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 during the Financial Year 2018-19. The information on foreign exchange outgo is furnished in the "Notes to the Financial Statements" which forms part of this Annual Report.

DEPOSITORY SYSTEM

The Equity Shares of the Company are compulsorily traded in electronic form. As on March 31, 2019, out of the Company's total paid-up Equity Share Capital comprising of 6,600,000 Equity Shares, only 48,020 Equity Shares are in physical form and the remaining shares are held in dematerialized form. In view of the numerous advantages offered by the Depository System, the Members holding shares in physical form are advised to avail the facility of dematerialization.

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

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

Accordingly, the entire dividend remained unpaid/ unclaimed for a period of 7 Years amounting to INR 148,812/- (Indian Rupees One Lakh Forty-Eight Thousand Eight Hundred and Twelve) were transferred to IEPF account.

COMPLIANCE WITH SECRETARIAL STANDARD

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

EXTRACT OF ANNUAL RETURN

Pursuant to the requirements under Sections 92(3) and 134(3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT - 9 is given in the Annual Report as **Annexure – 4**.

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 2.00 p.m. to 4.00 p.m. on any working day (Monday to Friday) upto the date of 26th 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.

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.

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

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

Place: Mumbai
Date: August 3, 2019

ANNEXURE -1

NOMINATION AND REMUNERATION POLICY

INTRODUCTION:

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

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

OBJECTIVES OF THE POLICY:

The Key objectives of the Policy 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 annual performance of the Board of Directors and Members of other Committees of the Board, KMPs and Senior Management and other employees of the Company and recommend remuneration payable to them to the Board.

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

e) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.

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

g) To assist the Board in fulfilling responsibilities.

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

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

DEFINITIONS:

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

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

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

d) ***'Independent Director'*** means an independent director referred to in sub-section (5) of Section 149 of Companies Act, 2013 and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e) ***'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

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

g) ***'Senior Management'*** shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the ["chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.]

INTERPRETATION:

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

APPLICABILITY OF THE POLICY:

This Policy is applicable to:

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

b) Key Managerial Personnel;

c) Senior Management.

NOMINATION AND REMUNERATION COMMITTEE

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

b) 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.

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

APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT:

I. APPOINTMENT AND QUALIFICATION CRITERIA

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

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

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

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

e) 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 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.

II. TERM/TENURE

a) Managing Director/Whole-time Director:

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

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

III. EVALUATION

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

IV. REMOVAL

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

V. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. 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.

VI. REMUNERATION TO DIRECTORS, KMP AND SENIOR MANAGEMENT:

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

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

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

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

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

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.

B. REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR:

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

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

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

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

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

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

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

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

VII. NOMINATION DUTIES:

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

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

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

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

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

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

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

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

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

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

j) Recommend any necessary changes to the Board; and

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

VIII. REMUNERATION DUTIES:

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

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

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

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

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

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

IX. REVIEW AND AMENDMENT IN POLICY:

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

X. 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 CORPORATE SOCIAL RESPONSIBILITY (CSR) FOR THE FINANCIAL YEAR 2018-19

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	The Company has framed a CSR Policy of the Company in compliance with the provisions of the Companies Act, 2013 ("Act") and the same is uploaded on Company's website at the web-link provided below: http://www.akgroup.co.in/docs/Policy-CSR Policy-201708221314314005332.pdf The Company undertakes/ supports/ finances the projects keeping in view the applicable provisions of Section 135 read with Schedule VII of the Act and CSR Policy of the Company. During the year, the contribution was made in the project which has a mission to offer an unusual education system that combines the best of Vedic education and modern education aiming to preserve, protect and promote the Vedas. The contribution was made to promote education.
The Composition of the CSR Committee	The Committee consists of two executive directors' viz. Mr. A. K. Mittal and Mr. Vikas Jain & one non-executive independent director viz. Mr. Subhash Chander Madan. Accordingly, the composition of the Committee consists of three directors and the same is in line with the provisions of the Companies Act, 2013.
Average net profit of the company for last three financial years	INR 31,87,42,350/- (Indian Rupees Thirty One Crore Eighty Seven Lakhs Forty Two Thousand and Three Hundred Fifty)
Prescribed CSR Expenditure (two per cent of the amount as mentioned above).	INR 63,74,847/- (Indian Rupees Sixty Three Lakhs Seventy Four Thousand Eight Hundred and Forty Seven)
Gross amount required to be spent by the Company during the year (including previous years shortfall of INR 60,15,932/-).	INR 1,23,90,779/- (Indian Rupees One Crore Twenty Three Lakhs Ninety Thousand Seven Hundred and Seventy Nine)
Details of CSR spent during the financial year. a. Total amount to be spent for the financial year (Actual Spent during the year).	INR 26,50,000/- (Indian Rupees Twenty Six Lakhs and Fifty Thousand)
b. *Amount unspent, if any:*	INR 97,40,779/- (Indian Rupees Ninety Seven Lakhs Forty Thousand Seven Hundred and Seventy Nine).
c. Manner in which the amount spent during the financial year	As **per Schedule I**
In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	In absence of suitable CSR Project and due to paucity of time for evaluation of right project/ programme the Company could not spend above mentioned amount.
The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.	

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

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

Place: Mumbai
Date: August 3, 2019

SCHEDULE - I

Sr. No.	CSR Projects or activity identified	Sector in which project is covered	Location where Projects or Programs were undertaken		Amount outlay (budget) project or programs	Amount spent on Projects or Programs		Amount spent directly or through implementing agency
			Local Area or other	The State and district where projects or programs was undertaken		Direct Expenditure	Overhead	
1	Mission to offer an unusual education system that combines the best of Vedic education and modern education aiming to preserve, protect and promote the Vedas	Education	Local	Chennai	INR 26,50,000/-	INR 26,50,000/-*	NA	Through Sri Kanchi Mahaswami Trust (Implementing Agency).

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

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

Place: Mumbai
Date: August 3, 2019

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

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

ANNEXURE -3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,

The Members

A. K. Capital Services Limited

Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **A. K. Capital Services Limited** (CIN: L74899MH1993PLC274881) and having its registered office at 30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai 400021 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

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

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

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

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

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

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

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

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (effective up to 9th November 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (effective from 10th November 2018);

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

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

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

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

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

  (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein referred to as LODR);

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above and in respect of laws specifically applicable to the Company based on their sector/industry, in so far as registration, membership, submission of various returns/information or other particulars to be filed with Securities Exchange Board of India *except that in one of the instance there was a delay in dispatch of Share Certificate as required under Regulation 40(9) of the LODR.*

We further report that

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

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

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

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

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

1. obtained the approval of the members under Section 180(1) (c) of the Act in the 25th Annual General Meeting held on 22nd September, 2018 by passing Special Resolution for borrowing money up to INR 2,000 Crores;
2. obtained the approval of the members under Section 180(1)(a) of the Act in the 25th Annual General Meeting held on 22nd September, 2018 by passing Special Resolution for creation of charge, mortgage, hypothecation on the immovable and movable properties of the Company;
3. obtained the approval of the members in the 25th Annual General Meeting held on 22nd September, 2018 by passing Special Resolution for Issuance of commercial paper of nominal value aggregating up to INR 300 crores within the borrowing limits set forth under Section 180(1)(c) of the Act;
4. obtained the approval of the members under Section 42 and 71 of the Act in the 25th Annual General Meeting held on 22nd September, 2018 by passing Special Resolution for issuance of Secured Non-Convertible Debentures/ Perpetual Debt Instruments/Unsecured Subordinated Non-Convertible Debentures/bonds and or other Debt Securities up to INR 500 Crores;
5. obtained the approval of the members under Section 42 and 55 of the Act in the 25th Annual General Meeting held on 22nd September, 2018 by passing Special Resolution for Issuance of non-convertible redeemable preference shares of nominal value aggregating up to INR 100 crores; and
6. obtained the approval of the members under Section 186 of the Act in the 25th Annual General Meeting held on 22nd September, 2018 by passing Special Resolution to make investment, give loans, guarantees and provide securities up to INR 2000 Crores.

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

For Manish Ghia & Associates
Company Secretaries

Place: Mumbai
Date: May 25, 2019

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

ANNEXURE -A

To,

The Members

A. K. Capital Services Limited

Mumbai

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

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

For Manish Ghia & Associates
Company Secretaries

Place: Mumbai
Date: May 25, 2019

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

ANNEXURE - 4

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L74899MH1993PLC274881
ii)	Registration Date	October 5, 1993
iii)	Name of the Company	A. K. Capital Services Limited
iv)	Category/ Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
v)	Address of the Registered Office* and contact details	30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400 021 Email ID: compliance@akgroup.co.in Website: www.akgroup.co.in Contact no: +91-22-6754 6500
vi)	Whether listed Company	Yes
viii)	Name, Address and Contact details of Registrar and Transfer Agent.	**Link Intime India Private Limited** C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel. No.: +91-22-49186270 Fax: +91-22-49186060 E-mail id: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

** Registered Office address has been changed w.e.f. February 2, 2019.*

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main services	*NIC Code of the service	% to total turnover of the Company
1	Merchant Banking Fees	64990	75.67
2	Income from Investments	64990	18.63

**As per NIC 2008*

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

Sr. No.	Name of the Company/Body Corporate	Address	Corporate Identity Number (CIN)/ Global Location Number (GLN)	% of Shares held
SUBSIDIARIES {APPLICABLE SECTION: 2(87)(ii)}				
1	A. K. Capital Finance Limited *{Formerly known as "A. K. Capital Finance Private Limited"}*	30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U51900MH2006PTC214277	98.73 in the Equity Paid Up Share Capital 38.46 in the CCPS# Paid Up Share Capital
2	A. K. Stockmart Private Limited	30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U67120MH2006PTC158932	100.00
3	A. K. Wealth Management Private Limited	30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U74140MH2006PTC165653	100.00
4	A. K. Capital Corporation Private Limited	30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U65993MH2006PTC165749	100.00
5	A. K. Capital (Singapore) Pte. Ltd.	**Upto July 31, 2019** 80 Robinson Road, #02-00 Singapore 068898 **From July 31, 2019** 14 Robinson Road #08-01A Far East Finance Building, Singapore 048545	Company Registration No.: 201320478E	100.00
6	Family Home Finance Private Limited *	30-38, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U74999MH2017PTC296737	98.73

 # CCPS means Compulsory Convertible Preference Shares.

** Family Home Finance Private Limited is the direct subsidiary of A. K. Capital Finance Limited and step-down subsidiary of the Company.*

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

i. Category-wise Share Holding

Category of Shareholder		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year (2-1)
		Demat	Physical	Total	% of Total shares (1)	Demat	Physical	Total	% of Total shares (2)	
A. Promoters										
1. Indian										
a	Individual /HUF	1,282,345	-	1,282,345	19.43	1,267,345	-	1,267,345	19.20	**(0.23)**
b	Central Govt.	-	-	-	-	-	-	-	-	-
c	State Govt(s)	-	-	-	-	-	-	-	-	-
d	Bodies Corp	2,953,454	-	2,953,454	44.75	3,002,024	-	3,002,024	45.49	**0.74**
e	Banks / FI	-	-	-	-	-	-	-	-	-
f	Any Other	-	-	-	-	-	-	-	-	-
Sub - total (A) (1):-		**4,235,799**	**-**	**4,235,799**	**64.18**	**4,269,369**	**-**	**4,269,369**	**64.69**	**0.51**
2. Foreign										
a	NRI - Individuals	198,275	-	198,275	3.00	198,275	-	198,275	3.00	**-**
b	Other - Individuals	-	-	-	-	-	-	-	-	-
c	Bodies Corp	-	-	-	-	-	-	-	-	-
d	Banks /FI	-	-	-	-	-	-	-	-	-
e	Any Other	-	-	-	-	**-**	-	**-**	**-**	**-**
Sub - total (A) (2):-		**198,275**	-	**198,275**	**3.00**	**198,275**	-	**198,275**	**3.00**	**-**
Total Shareholding of Promoter (A) = (A) (1) +(A) (2)		**4,434,074**	**-**	**4,434,074**	**67.18**	**4,467,644**	-	**4,467,644**	**67.69**	**0.51**
B. Public Shareholding										
1. Institutions										
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Banks / FI	-	-	-	-	-	-	-	-	-
c	Central Govt	-	-	-	-	-	-	-	-	-
d	State Govt(s)	-	-	-	-	-	-	-	-	-
e	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f	Insurance Companies	-	-	-	-	-	-	-	-	-
g	FIIs	-	-	-	-	-	-	-	-	-
h	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i	Others (specify)	-	-	-	-	-	-	-	-	-
Sub - total (B) (1):-		-	-	-	-	-	-	-	-	-

2. Non- Institutions									
a. Bodies Corp	600,928	-	600,928	9.10	581,135	100	581,235	8.81	**(0.29)**
b. Individuals									
I Individuals shareholders holding nominal share capital upto INR 1 lakh	616,748	44,820	661,568	10.02	670,650	22,920	693,570	10.51	**0.49**
II Individuals shareholders holding nominal share capital in excess of INR 1 lakh	746,932	25,000	771,932	11.70	728,715	25,000	753,715	11.42	**(0.28)**
c. Others									
I Non Resident Indian	27,280	-	27,280	0.41	19,107	-`	19,107	0.29	**(0.12)**
II Clearing Members	22,437	-	22,437	0.34	19,480	-	19,480	0.29	**(0.05)**
III Hindu Undivided Family	74,570	-	74,570	1.13	58,036	-	58,036	0.88	**(0.25)**
IV IEPF	7,211	-	7,211	0.11	7,211	-	7,211	0.11	**-**
V NBFCs registered with RBI	-	-	-	-	2	-	2	0.00	**-**
Sub - Total (B) (2):-	**2,096,106**	**69,820**	**2,165,926**	**32.82**	**2,084,336**	**48,020**	**2,132,356**	**32.31**	**(0.51)**
Total Public Shareholding (B)=(B)(1) + (B)(2):-	**2,096,106**	**69,820**	**2,165,926**	**32.82**	**2,084,336**	**48,020**	**2,132,356**	**32.31**	**(0.51)**
C. Shares held by custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**6,530,180**	**69,820**	**6,600,000**	**100.00**	**6,551,980**	**48,020**	**6,600,000**	**100.00**	**-**

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

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Share pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Share pledged/ encumbered to total shares	
1	A. K. Mittal	689,965	10.45	-	689,965	10.45	-	**-**
2	A. K. Mittal (HUF)	45,900	0.70	-	45,900	0.70	-	-
3	Abhinav Kumar Mittal	262,011	3.97	-	262,011	3.97	-	-
4	Aditi Mittal	149,470	2.26	-	149,470	2.26	-	-
5	Anshu Aggarwal	198,275	3.00	-	198,275	3.00	-	-
6	Dinesh Kumar Gupta	52,500	0.80	-	37,500	0.57	-	**(0.23)**
7	Kavita Garg	24,899	0.38	-	24,899	0.38	-	-
8	Sanjiv Kumar	29,100	0.44	-	29,100	0.44	-	-
9	Sanjeev Kumar (HUF)	28,500	0.43	-	28,500	0.43	-	-
10	Family Home Consultancy Services Private Limited *[Formerly known as "Second Leasing Private Limited"]*	2,953,454	44.75	-	3,002,024	45.49	-	**0.74**
	Total	**4,434,074**	**67.18**	-	**4,467,644**	**67.69**	-	**0.51**

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

iii. Change in Promoters' Shareholding

Sr. No.	Name of the Promoter	Shareholding at the beginning/end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Dinesh Kumar Gupta**				
	At the beginning of the year	52,500	0.80	-	-
	Inter-se transfer between Promoters on 27.03.2019	(15,000)	(0.23)	37,500	0.57
	At the end of the year	**37,500**	**0.57**	**37,500**	**0.57**
2	**Family Home Consultancy Services Private Limited *[Formerly known as "Second Leasing Private Limited"]***				
	At the beginning of the year	2,953,454	44.75	-	-
	Inter-se transfer between Promoters on 27.03.2019	15,000	0.23	2,968,454	44.98
	Market Purchase on 27.03.2019	33,570	0.51	3,002,024	45.49
	At the end of the year	**3,002,024**	**45.49**	**3,002,024**	**45.49**

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

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

Sr. No.	For Each of the Top 10 Shareholders (Name of the Shareholder)	Shareholding at the beginning/ end of the year		Date wise Increase/ (Decrease) in Shareholding during the year specifying the Reason for increase /decrease			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	No. of Shares	Reason	No. of shares	% of total shares of the Company
1	A. M. Credit Analysis and Research LLP	371,000	5.62	No change in the shareholding during the year				
	At the end of the year	**371,000**	**5.62**					
2	Harigovind Bajranglal Murarka	187,735	2.84	No change in the shareholding during the year				
	At the end of the year	**187,735**	**2.84**					
3	Shri Shyam Advisory Services Private Limited	89,167	1.35	No change in the shareholding during the year				
	At the end of the year	**89,167**	**1.35**					
4	Vijai Kumar Goel	69,400	1.05	No change in the shareholding during the year				
	At the end of the year	**69,400**	**1.05**					
5	Divya Goel	65,800	1.00	No change in the shareholding during the year				
	At the end of the year	**65,800**	**1.00**					
6	Archana Goel	64,700	0.98	No change in the shareholding during the year				
	At the end of the year	**64,700**	**0.98**					
7	Ankur Goel	63,900	0.97	No change in the shareholding during the year				
	At the end of the year	**63,900**	**0.97**					
8	Annu Garg	46,900	0.71	24.08.2018	(300)	Sale	46,600	0.71
				31.08.2018	(100)		46,500	0.70
	At the end of the year	**46,500**	**0.70**					
9	Abhishek Kumar	45,600	0.69	No change in the shareholding during the year				
	At the end of the year	**45,600**	**0.69**					
10	Chander Kant Arora	38,934	0.59	28.09.2018	293	Purchase	39,227	0.59
				05.10.2018	350		39,577	0.60
				12.10.2018	946		40,523	0.61
	At the end of the year	**40,523**	**0.61**					

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

v. Shareholding of Directors and Key Managerial Personnel:

A. Directors

Sr. No.	Name of the Directors	Shareholding at the beginning/ end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**A. K. Mittal**				
	At the beginning of the year	689,965	10.45	-	-
		No change in the shareholding during the year			
	At the end of the year	**689,965**	**10.45**	-	-
2	**Aditi Mittal**				
	At the beginning of the year	149,470	2.26	-	-
		No change in the shareholding during the year			
	At the end of the year	**149,470**	**2.26**	-	-
3	**Ashish Agarwal**				
	At the beginning of the year	-	-	-	-
		No transactions/trade executed during the year			
	At the end of the year	-	-	-	-
4	**Vikas Jain**				
	At the beginning of the year	-	-	-	-
		No transactions/trade executed during the year			
	At the end of the year	-	-	-	-
5	**Subhash Chandra Bhargava**				
	At the beginning of the year	-	-	-	-
		No transactions/trade executed during the year			
	At the end of the year	-	-	-	-
6	**Subhash Chander Madan**				
	At the beginning of the year	-	-	-	-
		No transactions/trade executed during the year			
	At the end of the year	-	-	-	-
7	**Khimji Shamji Pandav***				
	At the beginning of the year	-	-	-	-
		No transactions/trade executed during the year			
	At the end of the year	-	-	-	-
8	**Anshu #**				
	At the beginning of the year	198,275	3.00	-	-
		No change in the shareholding during the year			
	At the end of the year	**198,275**	**3.00**	-	-
9	**Raghubinder Rai Bajaj #**				
	At the beginning of the year	-	-	-	-
		No transactions/trade executed during the year			
	At the end of the year	-	-	-	-

* Mr. Khimji Shamji Pandav was appointed as Independent Director on the Board of the Company from August 11, 2018.

Mrs. Anshu and Mr. Raghubinder Rai Bajaj resigned from the Board from April 12, 2018 and February 2, 2019 respectively.

B. Key Managerial Personnel (other than directors)

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

V. INDEBTEDNESS

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

(Amount in INR in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	20,818.13	0	279.18	21,097.31
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	34.26	0	0	34.26
Total (i+ii+iii)	**20,852.39**	0	**279.18**	**21,131.57**
Change in Indebtedness during the financial year				
• Addition	490.94	0	0	490.94
• Reduction	(14,059.05)	0	(33.88)	(14,092.93)
Net Change	**(13,568.11)**	0	**(33.88)**	**(13,601.99)**
Indebtedness at the end of the financial year				
i) Principal Amount	7,284.28	0	245.30	7,529.58
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**7,284.28**	**0**	**245.30**	**7,529.58**

Note: Figures in bracket indicates negative changes

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in INR)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		A. K. Mittal* (MD)	Ashish Agarwal (WTD)	Vikas Jain (WTD)	
1	Gross salary (a)Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	16,00,000	1,64,30,830	2,07,95,152	**3,88,25,982**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,76,000	-	-	**1,76,000**
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-	**-**
2	Stock option	-	-	-	**-**
3	Sweat Equity	-	-	-	**-**
4	Commission	-	-	-	**-**
	- as % of profit	-	-	-	**-**
	- others	-	-	-	**-**
5	Others	-	-	-	**-**
	Total (A)	**17,76,000**	**1,64,30,830**	**2,07,95,152**	**3,90,01,982**
	Ceiling as per the Act	**The Total Managerial Remuneration is within the ceiling prescribed**			

* During the financial year under review, Mr. A. K. Mittal had drawn salary for 2 months only.

B. Remuneration to other directors:

(Amount in INR)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Subhash Chandra Bhargava	Subhash Chander Madan	Raghubinder Rai Bajaj #	Khimji Shamji Pandav *	Aditi Mittal	
1	Independent Directors						-
	Fee for attending board/ committee meetings	1,20,000	1,20,000	45,000	75,000	-	**3,60,000**
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (1)	**1,20,000**	**1,20,000**	**45,000**	**75,000**	-	**3,60,000**
2	Other Non-Executive Directors						
	Fee for attending board/ committee meetings	-	-	-	-	45,000	**45,000**
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (2)	-	-	-	-	**45,000**	**45,000**
	Total (B)=(1+2)	**1,20,000**	**1,20,000**	**45,000**	**75,000**	**45,000**	**4,05,000**
	Total Managerial Remuneration (A+B)						**3,94,06,982**
	Overall Ceiling as per the Act	**The Total Managerial Remuneration is within the ceiling prescribed.**					

* Mr. Khimji Shamji Pandav was appointed as Independent Director on the Board of the Company from August 11, 2018.

Mr. Raghubinder Rai Bajaj has been resigned from the Board of the Company w.e.f. February 2, 2019.

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

(Amount in INR)

Sr No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	93,49,746 - -	14,70,599 - -	**1,08,20,345** **-** **-**
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit -others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total	**93,49,746**	**14,70,599**	**1,08,20,345**

VII. PENALTIES/ PUNISHMENT/ COMPUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of the Companies Act, 2013, against the Company or its Directors or other officers in default, if any, during the year.

For A. K. Capital Services Limited

Place: Mumbai
Date: August 3, 2019

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

Vikas Jain
Whole-time Director
(DIN: 07887754)

ANNEXURE - 5

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

Sr. No	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year	**Name of the Directors**	**Ratio**
		Mr. A. K. Mittal	2.59%
		Mr. Ashish Agarwal	23.97%
		Mr. Vikas Jain	30.34%
2	The percentage increase in remuneration of each Director, Chief Financial Officer and the Company Secretary in the Financial Year	**Name of the Directors**	
		Mr. A. K. Mittal*	NA
		Mr. Ashish Agarwal*	NA
		Mr. Vikas Jain*	NA
		*Remuneration paid to Mr. A. K. Mittal, Mr. Ashish Agarwal and Mr. Vikas Jain is not comparable with previous year figures.	
		Key Managerial Personnel	
		Mr. Mahesh Bhootra – Chief Financial Officer	13.07%
		Mr. Tejas Davda	7.62%
		Percentage mentioned above for Mr. Mahesh Bhootra and Mr. Tejas Davda is calculated on the basis of fixed remuneration.	
3	The percentage increase in the median remuneration of employees in the Financial Year	During the Financial Year 2018-2019, the percentage increase in the median remuneration of employees as compared to previous year was approximately 12.56%.	
4	The number of permanent employees on the rolls of Company	There were 57 employees as on March 31, 2019	
5	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in salary of employees other than managerial personnel is 3.82% approximately due to high employee turnover. Remuneration paid to Mr. Mahesh Bhootra, Chief Financial Officer was increased by 13.07% based on the responsibilities entrusted on him. Remuneration paid to Mr. Tejas Davda was increased by 7.62%. 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 3, 2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACRO-ECONOMIC SCENARIO

Indian economy witnessed a lot of challenges during the past year. From the re-introduction of long term capital gains (LTCG) tax, USD 2 billion scam surrounding the state owned Punjab National Bank, trade sanctions by the US, IL&FS downfall leading to liquidity crunch, Rupee falling to all-time due to low consecutive repo rate cuts by the RBI, banks recovering from PCA, India moving up 23 ranks to 77 in the World Bank's Ease of Doing Business Report and the final countdown towards the General Election 2019, the macro-economic scenario has been turbulent.

FY'2019 began with a healthy 8.0 percent (revised) growth in the first quarter on the back of domestic resilience. Growth eased to 7.0 (revised) percent in the subsequent quarter due to moderation in consumption, rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian Rupee suffered because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows. Despite softer growth, the Indian economy remains one of the fastest growing and possibly the least affected by global turmoil. As global factors influencing the Indian economy were contained in part by India's strong macroeconomic fundamentals and policy changes (including amendments to the policy/code related to insolvency and bankruptcy, bank recapitalization, and foreign direct investment).

On the external front, current account deficit (CAD) widened in the latest quarter to 2.5% of the GDP. Higher trade deficit (USD 43.44 billion) was attributed to larger increase in merchandise imports relative to exports, specifically due to higher oil imports. Fiscal deficit target of 3.4% of GDP was met for FY'2019 by reducing state spending and higher borrowings from small savings funds. Government has mobilised INR 11.77 lakh crore from the Goods and Services Tax (GST) during FY'2019 with record monthly realization of INR 1.06 lakh crore in March 2019 alone. On the financing side, net FDI inflows were strong during FY 2019. Foreign portfolio investors turned net buyers in the domestic capital market in Q4 FY'2019. India's foreign exchange reserves were at USD 412.9 billion on March 31, 2019.

The Growth Environment

Global growth was seen moderating as the recovery in trade and manufacturing activity lost steam. Despite ongoing negotiations, trade tensions among major economies remain elevated. Borrowing costs for emerging market and developing economies (EMDEs) have increased. A strengthening U.S. dollar, heightened financial market volatility, and rising risk premiums have intensified capital outflow and currency pressures in some large EMDEs, with some vulnerable countries experiencing substantial financial stress.

In India however, growth has accelerated, driven by an upswing in consumption, and investment growth has firmed as the effects of temporary factors wane. This mainly reflects strengthening domestic demand in India, as the benefits of structural reforms such as GST harmonization and bank recapitalization take effect. An easing of labour market restrictions and measures to foster gender equality - such as increasing female education and strengthening law enforcement against gender discrimination - have been associated with stronger growth as well as larger formal employment.

Industry Structure and Bond Market Developments

The interim Union Budget for 2019-20 focused on supporting the needy farmers, economically less privileged, workers in the unorganised sector and salaried employees, while continuing the Government's push towards better physical and social infrastructure. Total expenditure for 2019-20 is budgeted at INR 2,784,200 crore (US$ 391.53 billion), an increase of 13.30 per cent from 2018-19.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. The Government of India, under the Make in India initiative, has been trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 percent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and increasing digital literacy.

India's revenue receipts are estimated to touch around INR 20 trillion (US$ 290 billion) by 2019-20, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

The country is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy (excluding large hydro) capacity from 75.06 GW as at February 2019 to 225 GW by 2022.

With India's banking sector suffering from a lack of capital and mired in NPA issues, the NBFC sector was holding fort and growing strongly in the last 2-3 years. Credit from the NBFC sector grew by 21% year-on-year (y-o-y) in FY18 when bank credit growth was hovering at around 10%. However woes in the NBFC sector started by the loan default of IL&FS in September of last year. The resulting crisis of confidence in the sector resulted in a liquidity crunch and sharp rise in the cost of funds for NBFCs. RBI came up with host of liquidity easing measures. The NBFCs, on their part, resorted to increased securitisation of their loan accounts. They also had to curtail their fresh disbursements. Mutual funds, as lenders of funds to NBFCs, shifted good parentage to Non NBFC basket.

With an aggressive growth in loan books, NBFCs had been relying increasingly on short-term funding routes to meet their long-term lending requirements. Share of CPs in total borrowings of the NBFCs increased from 5.4% in 2012 to 9.7% in 2018. NBFCs have been resorting to the rolling over of short-term debt to meet their long-term lending commitments. For NBFCs, the share of market borrowings (mainly CPs and debentures) is 52% while the share of bank borrowings is 26%. Hence, any crisis of confidence led to difficulties for NBFCs in raising funds from the market. Not surprisingly, in the fallout post IL&FS, NBFCs' disbursements have fallen by 20-30% and the cost of funds has spiked by as much as 100 bps for some of them. This also brought to fore the role of credit rating agencies in India, especially in light of the recent sharp downgrade of IL&FS debt instruments (from AAA rating to non-investment grade) after the loan default. NBFCs have now realised the need to develop long-term funding avenues to take care of their asset-liability management.

The banking system liquidity deficit eased during the month of Mar'19 with average deficit of around INR 500 crore as compared to average deficit of approx. INR 660 crore in Feb'19. The CCIL repo index averaged 6.25% in Mar'19 in line with the policy repo rate while the weighted average call rate (WACR) traded below the policy repo rate on an average by 7 basis points in Mar'19. The RBI tapered down its short term liquidity fix viz. OMO purchases from INR 37,500 crore in Feb'19 to INR 25,000 crore in Mar'19. Instead, in response to the persistent liquidity tightness in the banking and financial system, especially ahead of the fiscal year end, the RBI had announced a dollar-rupee swap window to provide durable liquidity for a period of 3 years. The central bank had then received a total of 240 bids worth $16.31 billion, about three times the notified amount. Through the auction, RBI bought dollars totaling $5.02 billion at a premium of INR 7.76. The RBI is expected to continue using OMOs and currency swaps in FY20 to take care of the persistent liquidity tightness in the banking system.

The RBI reduced the repo rate twice in succession by 25 bps each to 6.00% in its monetary policy meetings during 2019. However, it continued maintaining the neutral stance. RBI cited lower-than-expected inflation and GDP growth estimates from (CSO) as reasons for its policy actions. An average retail inflation of 3.46% in FY19 enabled RBI to reduce policy rates twice in quick succession. RBI's dovish stance is also in sync with other central banks across the developed world.

OUR BUSINESS

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

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

AK Capital has 5 subsidiaries and one step down subsidiary which conduct their operations through a network of 9 branches spread over 8 cities of India and 1 at Singapore. The group has interests in diversified business fields and the subsidiaries have been incorporated to undertake and specialize each business area.

A. K. Capital Finance Limited (***Formerly known as "A. K. Capital Finance Private Limited"***) (**"AK Capital Finance"**), a subsidiary of AK Capital, is registered with the Reserve Bank of India as a Systematically Important Non Deposit Accepting Non-Banking Financial Company (**"NBFC-ND-SI"**). 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 growing loan book, fees income and treasury income from its investment book. AK Capital Finance is amongst one of the few NBFCs having CBLO (Collateralized Borrowing and Lending Obligation) membership given by the Clearing Corporation of India Limited (CCIL) which enables the company to access fund on tap against pledge of SLR securities like G-Secs at very competitive cost. AK Capital Finance in its onward lending segment has a strong risk management policies and credit appraisal system in place thereby having maintained strong asset quality, which is reflected by the fact that there are NIL NPAs and ZERO delinquency in its portfolio as on March 31, 2019.

Further net worth of AK Capital Finance stood at INR 54,377.50 Lakhs as on March 31, 2019 which qualifies it as a Qualified Institutional Buyer under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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

AK Stockmart has also distributed debt public issues of private sector companies such as Tata Capital Financial Services, Mahindra Finance, L&T Finance, Indiabulls Housing Finance, Shriram Transport Finance, Shriram City Union Finance, Muthoot Finance, Muthoot Fincorp, Manappuram Finance etc.

A. K. Wealth Management Private Limited (**"AK Wealth"**), incorporated in November 2006 and a wholly owned subsidiary of AK Capital, is registered with SEBI as a Portfolio Management Company. 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.

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

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

Family Home Finance Private Limited (**''Family Home Finance"**), incorporated in June 2017 and a step-down subsidiary of AK Capital through AK Capital Finance is registered with National Housing Bank as a non-deposit taking housing finance company. Family Home Finance have initiated/ commenced its operations at miniscule level during FY 18-19. Considering the liquidity and overall market conditions, Family Home Finance does not have any plans to go aggressive to increase in lending/ book-size in the near future.

Execution and other services

AK Capital has marked a glorious journey of over 25 years and has gained expertise as well as recognition in various facets of the corporate bond markets by undertaking and successfully executing various landmark transactions.

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

a. Central Public Sector Undertakings;

b. State Government Undertakings;

c. Public and Private Sector Banks;

d. Public Financial Institutions;

e. Private Corporates;

f. Non-Banking Finance Companies;

g. Housing Finance Companies;

h. Infrastructure Finance Companies;

i. Infrastructure Development Funds;

j. Core Investment Companies;

k. Infrastructure Developers; and

l. Manufacturing and Services sector companies.

Recognition, Awards & Accolades

1. During FY 2018-19, AK Capital managed 150 assignments of private placement of bonds/ debentures aggregating to INR 1,54,119.79 crores corresponding to a market share of 33.1%. On a cumulative basis over past decade (01-Apr-2009 to 31-Mar-2019), AK Capital has managed 1,397 assignments of private placement of bonds/ debentures aggregating to INR 8,80,554.67 crores *(Source: PRIME Database)*.
2. AK Capital has been rated as **No. 1 Lead Manager** in terms of managing public issues of bonds/ debentures over last decade (01-Apr-2009 to 31-Mar-2019) having managed 90 public issues of bonds/ debentures aggregating to INR 1,67,484.30 crores *(Source: PRIME Database)*.
3. AK Stockmart has been rated as **No. 1 Mobiliser** of subscription in public issues of bonds/ debentures over last decade (01-Apr-2009 to 31-Mar-2019) has mobilized INR 68,479.54 crores in 119 public issues of bonds/ debentures *(Source: PRIME Database).*
4. AK Capital has been awarded the prestigious international title of **"India Bond House of the Year 2018"** for the IFR Asia Awards 2018. 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.
5. AK Capital has been awarded as **"Winner in Merchant Banker Category in Debt Segment"** by ASSOCHAM on December 22, 2017. The award was conferred by Sh. P. Radhakrishnan, Hon'ble Minister of State for Finance and Shipping, Government of India.
6. Besides private placements and public issues of debt, the Company and its subsidiaries have demonstrated their progressive presence in undertaking and executing transactions in the following segments:
   a. Loan syndication, project financing, syndication of short term debt (CPs etc.)
   b. Syndication for Venture Capital Funds, Syndication for Infrastructure Development Funds, structured hybrid financial products
   c. Asset backed financing, investment and trading in debt securities, loan against property, loan against securities, IPO funding (including debt public issues), real estate funding etc.
   d. Trading/investment in Government Securities and Corporate Bonds
   e. Stock broking, WDM broking and Depository services
   f. Providing portfolio management services, private wealth management, asset management and investment advisory
   g. Retirement fund advisory
   h. Global financial advisory, cross border funding solutions, foreign currency bonds.

Outlook and Strategy

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

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

India's total debt outstanding is INR 1,08,809 billion (Source: RBI & SEBI), comprising 75% of sovereign securities and 25% of corporate bonds. Currently, Government bonds dominate the debt market with an advantage of being more liquid and risk free vis-à-vis corporate bonds. Also, ~ 90% of corporate bonds are privately placed to institutional investors restricting development of healthy secondary markets. Crowding out by government bonds is one of the potential obstacles to healthy corporate bond markets. A high level of public debt crowds out corporate borrowing by reducing the appetite of financial institutions.

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

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

OPPORTUNITIES AND CHALLENGES:

Opportunities

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

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

2018-2019		2009-2010	
Total No. of issues	**Amount (INR in Crores)**	**Total No. of issues**	**Amount (INR in Crores)**
2,279	6,23,120.09	458	1,57,577.62
			Growth over last decade : 295%

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

2018-2019		2009-2010	
Total No. of issues	**Amount (INR in Crores)**	**Total No. of issues**	**Amount (INR in Crores)**
26	36,731.83	3	2,500.00
			Growth over last decade : 1,369%

(Source: PRIME Database).

2. During FY 2018-19, the regulatory authorities have initiated major structural reforms towards building a robust, transparent and vibrant corporate bond markets in India:
   a. Easing of ECB norms to enable NBFCs to access off shore markets
   b. Compulsory bidding through Electronic Bidding Platform of the stock exchanges for all private placement of listed debt securities aggregating over INR 200 crores
   c. Compulsory provision to raise 25% of incremental debt by all listed companies through bond market route
   d. Compulsory ASBA for public issues of debt
   e. Compulsory listing within 6 days of issue closure for public issue of debt securities
   f. Amendments in Liquidity Standards to ease the liquidity in the banking system, especially against credit disbursed to NBFCs and HFCs
   g. Proposed raising of capital adequacy ratio norms for housing finance companies to 15% in a graded manner till 2022
   h. Amendments to regulations for securing the interests of the debenture holders and to enable Debenture Trustees (DTs) to perform their duties effectively and promptly
   i. Introduction of the Voluntary Retention Route for Investments, relaxed exposure rules and raising investment limits in government securities to encourage Foreign Portfolio Investors (FPIs) to undertake long-term investments in Indian debt markets

j. Provision to enable Indian banks to participate as arrangers/underwriters/market makers/traders in Rupee Denominated Bonds issued overseas

These measures are expected to provide boost to debt capital markets while ensuring liquidity, transparency, depth and investor awareness.

Challenges

Like any other market:

a. corporate bond markets are vulnerable to market risks originating from volatility in interest rates;

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

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

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

FINANCIAL PERFORMANCE OF THE COMPANY

On standalone basis, your Company earned total revenue of INR 8,492.16 Lakhs during the year under review as against INR 10,521.87 Lakhs reported in the previous year. The profit before tax is INR 3,158.62 Lakhs as against the INR 2,838.80 Lakhs during the previous year. After making provision for tax, the net profit of your Company is INR 2,351.15 Lakhs as against the net profit of INR 1,905.79 Lakhs in the previous year.

The consolidated total revenue of your Company stood at INR 42,167.46 Lakhs for the financial year ended March 31, 2019 as against INR 33,007.95 Lakhs for the previous year. The consolidated profit before tax is INR 9,664.43 Lakhs for the current year as against INR 9,095.53 Lakhs in the previous year. After making provision for tax, the consolidated net profit of your Company is INR 7,196.48 Lakhs as against INR 6,347.24 Lakhs in the previous year.

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.

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.

Teamwork & Leadership:

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

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

Employee Programs:

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

RISK AND CONCERN

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

c. prevention and detection of frauds and errors;

d. accuracy and completeness of accounting records;

e. timely preparation of reliable financial information; and

f. compliance with applicable laws and regulations.

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

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

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

SAFE HARBOUR

The statements made in this Report describe the Company's objectives and projections that may be forward looking statement within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending upon 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

(1) 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 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. It is the Board of Directors, KMP and Senior Management who generally governs the functioning of organization/company 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 any level for any organization. In view of the same, the Company believes that it is the collective responsibility of Board Members, KMPs' and the members of Senior Management to foster a culture in which high standards of ethical behavior, individual accountability and transparent disclosures are ingrained in all its dealings.

A. K. Capital Services Limited, completed the journey of 25 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 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as the "Listing Regulations") and other applicable laws for the time being in force, is as under:

(2) BOARD OF DIRECTORS:

(i) Appointment during the Financial Year 2018-19

During the Financial Year 2018-19, on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company appointed Mr. Khimji Shamji Pandav as the Independent Director (Additional) on the Board of the Company for a period of five years commencing from August 11, 2018. Further, his appointment was regularized by the shareholders at the 25th Annual General Meeting of the Company held on September 22, 2018.

However, there was no appointment post last Annual General Meeting till the date of signing this report.

(ii) Resignations during the Financial Year 2018-19:

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

(b) Mr. Raghubinder Rai Bajaj, Independent Director of the Company resigned from the Board of the Company with effect from February 2, 2019. The Nomination and Remuneration Committee and Board of Directors of the Company noted the resignation of Mr. Raghubinder Rai Bajaj on February 2, 2019. The members may note that the tenure of Mr. Raghubinder Rai Bajaj was due to expire on March 31, 2019, however considering his age and other pre-occupation, he decided to step down from the Board from February 2, 2019. Further, Mr. Raghubinder Rai Bajaj has confirmed that there is no other material reason for his resignation.

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

There is no resignation post closure of Financial Year 2018-19 till the date of signing of this Report.

(iii) Category of the Board of Directors as on March 31, 2019

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
			As a member	As a chairperson			
1	Mr. A. K. Mittal (DIN: 00698377) Promoter & Managing Director No. of Shares held: 6,89,965	3	1	0	5	5	Yes
2	Mr. Subhash Chandra Bhargava (DIN: 00020021) Chairman & Independent Director No. of Shares held: Nil	9	6	0	5	5	No

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
			As a member	As a chairperson			
3	Mr. Subhash Chander Madan (DIN: 00785025) Independent Director No. of Shares held: Nil	2	2	1	5	5	Yes
4	Mr. Khimji Shamji Pandav* (DIN: 01070944) Independent Director No. of Shares held: Nil	10	3	1	4	4	Yes
5	Ms. Aditi Mittal (DIN: 00698397) Non - Executive, Non - Independent, Woman Director No. of Shares held: 1,49,470	4	1	1	5	3	No
6	Mr. Ashish Agarwal (DIN: 08064196) Whole-time Director No. of Shares held: Nil	1	0	0	5	5	Yes
7	Mr. Vikas Jain (DIN: 07887754) Whole-time Director No. of Shares held: Nil	2	1	0	5	4	No

* Mr. Khimji Shamji Pandav was appointed on the Board of the Company with effect from August 11, 2018.

In addition to above, Mr. Raghubinder Rai Bajaj attended 2 Board Meetings (BM) out of 4 BM held during his tenure in the Financial Year 2018-19 and he did not attend Annual General Meeting.

Notes:

1. Directorships/Memberships in committees of public companies are considered including A. K. Capital Services Limited.
2. The committees considered for above purpose are those prescribed in the Listing Regulations viz. Audit Committee and Stakeholders Relationship Committee.
3. Ms. Aditi Mittal is daughter of Mr. A. K. Mittal.
4. During the Financial Year 2018-19, five Meetings of the Board were held on May 26, 2018, August 11, 2018, September 8, 2018, December 1, 2018 and February 2, 2019.
5. All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

(iv) Composition of the Board of Directors:

As on March 31, 2019, the composition of the Board was as follows:

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

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

All the Non-Executive Independent Directors have confirmed to the Board that they qualify to be Independent as per the definition of "Independent Director" stipulated under the Listing Regulations and Section 149(6) of the Companies Act, 2013 and rules made thereunder. Further, in the opinion of the Board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

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

(v) Names of the other listed entities where the director is a director and the category of directorship as on March 31, 2019

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

Note: None of the other directors hold position of Directors in other listed entity.
*A. K. Capital Finance Limited is debt listed Company.
Mr. Subhash Chandra Bhargava has resigned from Board of Cox and Kings Limited w.e.f. July 23, 2019.

(vi) Retirement by rotation

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

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

In view of the provisions of the law, Ms. Aditi Mittal, Director (DIN: 00698397) shall be liable to retire by rotation and being eligible offers herself for re-appointment to enable compliance by the Company with the provisions of Section 152 of the Companies Act, 2013.The brief profile of Ms. Aditi Mittal is also enclosed along with the notice convening 26th Annual General Meeting of the Company.

(vii) Details of familiarisation programmes imparted to independent directors:

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place the familiarisation programme for Independent Directors. Further details of familiarisation programmes imparted to independent directors are also disclosed on the web-site of the Company. The link of the same is re-produced herein below:

http://www.akgroup.co.in/docs/Familiarization%20Programme%20for%20Independent%20Director-201906261622175430940.pdf

(viii) The table below summarizes qualifications, core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s):

Financial Market	The knowledge of Financial/ Capital Market, especially extensive knowledge, expertise and experience in fixed income products. Striving for innovative products and creating vibrant market.
Leadership	Visionary leadership, accessibility across all levels, ensuring training and motivation to all personnel one level below the Board. Demonstrated strength in developing talents, proven record of driving change and long-term growth.
Technology	Significant knowledge in technology, ability in providing solutions using on-line platform, contribution in making the business operations hassle free, quick and transparent by developing software(s), implementation of innovative product(s) using systems. Extending and creating business models using online tools.

Compliance, Law and Ethics	Understanding the implications of provisions of laws applicable to the Company, on-going training and development with respect to amendments/ enactment(s) of new laws. Developing best corporate governance practices. Ensuring ethics in each of the areas of operations such as sales, marketing, product development, operations, compliance, human resource etc.
Business Operations, Accounting and Tax	Experience in managing operations of market intermediary, understanding the industry practices & processes, in-depth knowledge of accounts, finance, taxation and other key operational areas of business operations.
Planning and Strategy	Experience & expertise in developing innovative plans and strategy at organizational level, pioneering in understanding the needs of the market vis a vis client, proven track records of implementing strategy successfully under different market and economic conditions.
Risk Management	Ability to identify key risks to the organization in a wide range of areas including market movement, liquidity & cash flow management, investment risk, risk associated with legal and regulatory compliance, risk connected with systems, internal financial control and possibility of frauds and misappropriation of funds. Monitor risk and compliance management frameworks and systems. To have mechanism in place to mitigate/ minimize the risk if it occurs.
Marketing and Sales	Experience in developing strategies to grow sales and market share, build brand awareness and equity, enhance company's reputation, perfect knowledge of market, understanding the needs of clients with a substantial knowledge of markets and instruments, providing best in class solutions, building channel partners.
Communications and Negotiations	Excellent communication skills, influencer, ability to negotiate the arrangement/ contracts. Clear in ideas and expression thereof. Logic driven and master in art of convincing and getting things done.

The Board of the Company comprises of qualified members who bring in the requisite skills, talents, qualification, expertise, competence and experience, which allows them to make effective contribution to the Board and its Committees.

(3) BOARD COMMITTEES

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

(I) AUDIT COMMITTEE

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

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

Brief description of terms of reference of the Audit Committee:

The Audit Committee shall perform its role as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013, 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 also 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 was amended on May 25, 2019 and is available on the website of the Company i.e. www.akgroup.co.in

Composition of Audit Committee and Meetings held/ attended by members of the Audit Committee during Financial Year 2018-19:

Sr. No	Name of the Member	Category	No. of Audit Committee Meetings held	No. of Meetings attended
1	Mr. Subhash Chander Madan Chairman	Non-Executive Independent Director	5	5
2	Mr. A. K. Mittal Member	Managing Director	5	5
3	Mr. Khimji Shamji Pandav Member*	Non-Executive Independent Director	3	3
4	Mr. Raghubinder Rai Bajaj Member*	Non-Executive Independent Director	2	2

* The Audit Committee of the Board was re-constituted by the Board at its meeting held on August 11, 2018. Mr. Khimji Shamji Pandav joined the Audit Committee in place of Mr. Raghubinder Rai Bajaj.

Attendees:

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

Mr. Subhash Chander Madan, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 22, 2018. The Internal Auditor reports directly to the Audit Committee.

(II) NOMINATION AND REMUNERATION COMMITTEE

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 remuneration arrangements to enable the recruitment, motivation and retention of senior management.

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

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

The Nomination and Remuneration Committee shall perform its role as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Companies Act, 2013 and such other role as may be assigned by the Board from time to time.

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

The Nomination and Remuneration Committee is guided by its terms of reference. The Charter explaining exhaustive terms of reference was amended on August 11, 2018 and is available on the website of the Company i.e. www.akgroup.co.in

Composition of Nomination and Remuneration Committee and Meetings held/ attended by members of the Nomination and Remuneration Committee during Financial Year 2018-19:

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

* Nomination and Remuneration Committee of the Board was re-constituted by the Board at its meeting held on August 11, 2018. Mr. Khimji Shamji Pandav joined the Nomination and Remuneration Committee in place of Mr. Raghubinder Rai Bajaj.

Criteria for Performance Evaluation of Independent Directors

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

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

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

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

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

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

vi. Management of conflicts in Board discussion;

vii. Management of Conflict of Interest;

viii. Maintains high level of confidentially;

ix. Exercises independent judgement in the best interest of Company;

x. Assistance in implementing best governance practices and monitors the same;

xi. Understanding governance, regulatory & oversight role of the Board;

xii. Aware of significant risk in the industry and their implications;

xiii. Fulfills the independence criteria as specified in the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and their independence from the management.

Remuneration of Directors

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

Non-Executive Directors are entitled for the sitting fees for attending the meetings of the Board. The sitting fees payable to the Non-Executive Directors was increased from INR 20,000 to INR 25,000 with effect from August 11, 2018. The remuneration paid to non-executive directors is listed hereinbelow:

Name of the Directors	**Sitting fees for the Board Meetings paid/payable for the Financial Year 2018-19 (Amount in INR)**
Mr. Subhash Chandra Bhargava	1,20,000
Mr. Subhash Chander Madan	1,20,000
Mr. Raghubinder Rai Bajaj	45,000
Mr. Khimji Shamji Pandav	75,000
Ms. Aditi Mittal	45,000

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 Directors during the Financial Year 2018-19 are as under:

(Amount in INR)

Particulars	**Mr. A. K. Mittal***	**Mr. Ashish Agarwal**	**Mr. Vikas Jain**
Salary, bonus and allowances	16,00,000	1,64,30,830	2,07,95,152
Perquisites (other benefits)	1,76,000	-	-
Total (A)	**17,76,000**	**1,64,30,830**	**2,07,95,152**
Value of Stock Option	NA	NA	NA
Value of Sweat Equity	NA	NA	NA
Others (Retirals)	NA	NA	NA
Total (B)	-	-	-
Total (A+B)	**17,76,000**	**1,64,30,830**	**2,07,95,152**

* During the financial year under review, Mr. A. K. Mittal had drawn salary for 2 months only.

Service Contracts, Notice Period, Severance Fees

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

(III) STAKEHOLDERS' RELATIONSHIP COMMITTEE

Purpose and Objective of Stakeholders' Relationship Committee

The object of establishing Stakeholders' Relationship Committee is to assist the Board in understanding and addressing the needs of various stakeholders in a time bound manner. The Stakeholders Relationship Committee considers various aspect of interest of the shareholders and other stakeholders.

Brief Description of Terms of Reference

The Stakeholders' Relationship Committee shall perform its role as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Companies Act, 2013 and such other role as may be assigned by the Board from time to time.

The Committee reviews the matter pertaining to resolving the grievances of the security holders, reviewing the working of Registrar and Share Transfer Agent, also considers the matter pertaining to entitlements/ rights of the securityholder.

The Stakeholders' Relationship Committee is guided by its terms of reference. The Charter explaining exhaustive terms of reference was amended on August 11, 2018 and is available on the website of the Company i.e. www.akgroup.co.in

Composition of Stakeholder Relationship Committee and Meetings held/ attended by members of the Stakeholder Relationship Committee during Financial Year 2018-19:

Sr. No	Name of the Member	Category	No. of Stakeholders' Relationship Committee Meetings held	No. of Meetings attended
1	Ms. Aditi Mittal Chairperson	Non-Executive Non Independent Woman Director	8	7
2	Mr. Vikas Jain Member	Whole-time Director	8	8
3	Mr. Subhash Chander Madan* Member	Non-Executive Independent Director	7	2

* Mr. Subhash Chander Madan was introduced as the member of Stakeholders' Relationship Committee with effect from August 11, 2018.

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

During the year under review, there is no pending complaint.

(IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of Reference

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

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

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

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

iv. Other activities/ functions as provided under the applicable provisions of the Companies Act, 2013 and rules made thereunder.

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

Composition of Corporate Social Responsibility Committee and Meetings held/ attended by members of the Corporate Social Responsibility Committee during Financial Year 2018-19:

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

The CSR Committee met twice during Financial Year 2018-19, on May 26, 2018 and August 11, 2018.

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

OTHER COMMITTEES OF THE DIRECTORS

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

(I) BANKING & INVESTMENT COMMITTEE

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

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

Terms of Reference of the Committee:

i. 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;

ii. To avail e-net, Credit Card and other facilities offered by Banks and/ Financial Institutions;

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

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

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

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

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

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

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

(II) MANAGEMENT COMMITTEE

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

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

Terms of Reference of the Committee:

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

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

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

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

v. To authorize the officers of the Company for operational/ business purposes;

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

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

(III) INFRASTRUCTURE COMMITTEE

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

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

Terms of Reference of the Committee:

The Infrastructure Committee inter-alia takes decision pertaining to:

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

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

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

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

(4) GENERAL BODY MEETINGS

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

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

Financial Year	Date	Time	Venue	Whether any Special resolutions passed
2017-18	September 22, 2018	9.00 a.m.	The Retreat Hotel & Convention Centre, Erangal Beach, Madh Island, Marve Road, Malad (W), Mumbai, Maharashtra - 400061	Yes
2016-17	September 16, 2017	9.00 a.m.	The Resort, 11, Madh-Marve Road, Aksa Beach, Malad (West), Mumbai - 400095	Yes
2015-16	September 17, 2016	9.00 a.m.	The Resort, 11, Madh-Marve Road, Aksa Beach, Malad (West), Mumbai - 400095	Yes

No postal ballot was conducted during the Financial Year 2018-19.

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.

(5) MEANS OF COMMUNICATION:

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

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

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

(6) GENERAL SHAREHOLDER INFORMATION:

(a) Details of the 26th Annual General Meeting of the Company

Day & Date: Saturday, September 28, 2019

Time: 9.00 a.m.

Venue: The Retreat Hotel and Convention Centre, Madh Island, Erangal Beach, Madh Marve Road, Madh, Malad (West), Mumbai – 400061, Maharashtra.

(b) Financial year of the Company

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

(c) Dividend payment date

The payment of dividend, if any, shall be paid on or before, Friday, October 25, 2019.

(d) 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 2019-20 to BSE.

(e) Stock Code and ISIN

BSE Scrip Code: 530499

International Securities Identification Number (ISIN): INE701G01012

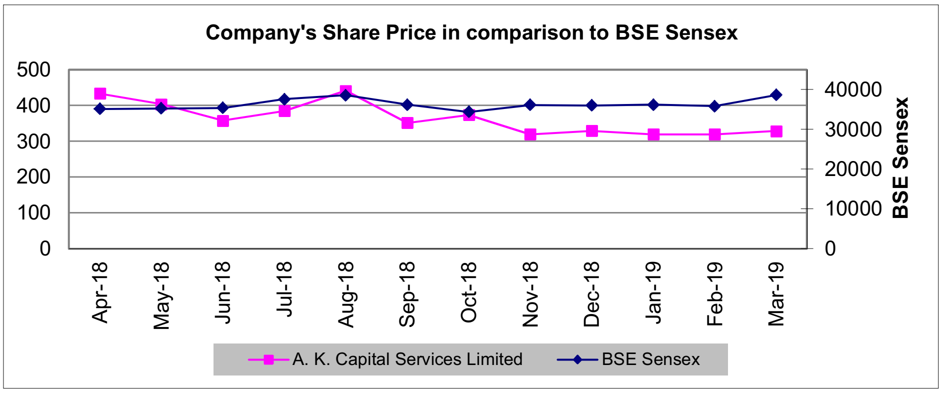
(f) Market Price data- high, low during each month in last financial year:

The table below gives the monthly high and low quotations of shares traded at BSE Limited (BSE) for the Financial Year 2018-19.

Month	High Price (INR)	Low Price (INR)	No. of shares traded
April 2018	464.80	407.00	45,170
May 2018	445.00	351.00	31,370
June 2018	416.00	345.00	31,819
July 2018	394.90	340.00	31,819
August 2018	458.00	374.00	54,113
September 2018	479.00	345.00	44,200
October 2018	374.20	302.05	17,522
November 2018	373.95	310.35	17,616
December 2018	345.00	306.00	16,464
January 2019	341.00	305.00	11,593
February 2019	339.00	310.00	17,112
March 2019	350.00	321.00	67,236

(g) 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:



(h) 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 2018-2019.

(i) Registrar to an Issue and Share Transfer Agent

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

(j) Share transfer system and half yearly audit of share transfers

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

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

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

(k) Distribution of Shareholding

Distribution schedule of Equity shareholding of the Company as at March 31, 2019 is as follows:

Category			Number of Shareholders	% of total Shareholders	Total number of shares held	% of total Shareholding
From		To				
1	-	500	2,201	85.9430	2,03,765	3.0873
501	-	1,000	159	6.2085	1,25,655	1.9039
1,001	-	2,000	79	3.0847	1,16,718	1.7685
2,001	-	3,000	30	1.1714	75,186	1.1392
3,001	-	4,000	17	0.6638	59,780	0.9058
4,001	-	5,000	13	0.5076	59,501	0.9015
5,001	-	10,000	28	1.0933	2,16,668	3.2828
10,001	-	Above	34	1.3276	57,42,727	87.0110
		Total	**2,561**	**100.0000**	**66,00,000**	**100.0000**

Note: The rounding off of percentages could result into arithmetical differences
Numbers of Shareholders are calculated on the basis of Folio Numbers

Equity Shareholding pattern of the Company as at March 31, 2019 is as follows:

Category	Number of shares	% of total Shareholding
Promoter and promoter group		
Indian	42,69,369	64.69
Foreign (NRI)	1,98,275	3.00
Sub-total (A)	**44,67,644**	**67.69**
Public		
NRIs/Foreign Bodies Corporate	19,107	0.29
Indian Bodies Corporate	5,81,235	8.81
Individuals/HUF	15,05,321	22.81
Clearing Members	19,480	0.30
IEPF	7,211	0.11
NBFC registered with RBI	2	0.00
Sub-total (B)	**21,32,356**	**32.31**
Total Shareholding (A) + (B)	**66,00,000**	**100.00**

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

(l) Dematerialization of Shares and Liquidity:

As on March 31, 2019, 99.27% of the paid-up Equity Share Capital of the Company was held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company's equity shares are frequently traded at the BSE Limited. The market lot is one share as the trading in equity shares of the Company is permitted in dematerialized form.

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

(n) 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.

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

(p) Address for Correspondence:

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

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

The Company Secretary
A. K. Capital Services Limited
30-38, Free Press House, 3rd Floor, Free Press Journal Marg
215, Nariman Point, Mumbai – 400021
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
E-mail: compliance@akgroup.co.in | 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
30-38, Free Press House, 3rd Floor, Free Press Journal Marg
215, Nariman Point, Mumbai – 400021
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
E-mail: accounts@akgroup.co.in
Website: www.akgroup.co.in

(q) List of all credit Rating Obtained by the Company

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

Facility	Limits (INR in Crores)	Tenure	Rating
Fund Based	785.08	Long Term	BWR AA- (BWR Double A Minus) (Outlook: Stable)
Total	**785.08**	**INR Seven Hundred Eighty Five Crores and Eight Lakhs Only**	

(7) OTHER DISCLOSURES:

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

All the Related Party Transactions (RPTs) that were entered during the Financial Year 2018-19 were on arm's length basis and were in ordinary course of business. All RPTs' are periodically placed before the Audit Committee of the Board for its approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen or repetitive in nature.

There are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosures as per Form AOC-2 under Section 134(3)(h) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not required. However, the disclosure of transactions with related party for the year, as per Indian Accounting Standard-24 (IND AS-24), Related Party Disclosures is given in Notes to the Accounts section of the Annual Report.

All Related Party Transactions as required under Indian Accounting Standards 24 are reported in note no. 31 of Notes to the consolidated financial statements and note no. 31 of Notes to the standalone financial statements of your Company.

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

(c) 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

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

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

Adoption of Non-mandatory requirement:

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

i. The Board:

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

ii. Shareholder Rights:

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

iii. Modified opinion(s) in Audit Report:

For the Financial Year ended March 31, 2019, the Independent Auditors have given unmodified opinion on the Company's Financial Statements. The Company continues to adopt best practices to ensure the regime of unmodified Financial Statements

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

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

v. Reporting of the Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

(e) **Policy on determining Material Subsidiary:**

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

http://www.akgroup.co.in/docs/Policy%20for%20Determining%20Material%20Subsidiaries-201906251743476627941.pdf

(f) **Policy on dealing with Related Party Transactions:**

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

http://www.akgroup.co.in/docs/POLICY%20ON%20MATERIALITY%20AND%20DEALING%20WITH%20RELATED%20PARTY%20TRANSACTIONS-201906251740149325232.pdf

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

(h) During the Financial Year 2018-19, the Company has not raised any funds through Preferential Allotment or qualified institutional placement as specified under Regulation 32 (7A) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(i) **Certificate from Practicing Company Secretary:**

The Certificate from the Practicing Company Secretary, M/s. C. B. Jain & Associates, 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.

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

(k) 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 2018-19 is disclosed in the Financial Statements of the Company. The Subsidiaries of the Company have not availed any Services from the statutory auditors of the Company.

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

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

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

During the Financial Year 2018-19, the Company has not received any complaint of sexual harassment at workplace.

(m) 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 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

(n) The disclosures in relation to adoption of discretionary requirements as specified in Part E of Schedule II are provided in Clause 10 (d) of the Corporate Governance Report.

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

Sr. No.	Regulation and Particulars	Compliance observed during the Financial Year 2018-19	Compliance Status Yes/No/N.A.
1	Regulation 17 Board of Directors	• Board Composition • Passing of Special Resolution for Non-Executive Directors who have attained the age of 75 Years. • No. of Board Meetings • Review of compliance reports • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to Non-Executive Directors • Minimum information to be placed before the Board • Compliance Certificate • Risk Assessment & Management • Performance Evaluation of Independent Directors • Other matters provided in Regulation 17 of the Listing Regulations, to the extent applicable to the Company.	Yes
2	Regulation 18 Audit Committee	• Composition of Audit Committee • Meeting of Audit Committee • Powers of Audit Committee • Role of Audit Committee and review of information by the Committee • Other matters provided in Regulation 18 of the Listing Regulations, to the extent applicable to the Company.	Yes
3	Regulation 19 Nomination and Remuneration Committee	• Composition of Nomination and Remuneration Committee • Presence of Chairperson of Nomination and Remuneration Committee at the Annual General Meeting • Role of the Committee and review of information by the Committee • Other matters provided in Regulation 19 of the Listing Regulations, to the extent applicable to the Company	Yes
4	Regulation 20 Stakeholders Relationship Committee	• Composition of Stakeholders Relationship Committee • Meetings of the Stakeholders Relationship Committee • Role of the Committee and review of information by the Committee • Other matters provided in Regulation 20 of the Listing Regulations, to the extent applicable to the Company	Yes
5	Regulation 21 Risk Management Committee	• The Company is not in the list of top 100/500 listed entities by market capitalization. Hence the provision of Regulation 21 of the Listing Regulations is not applicable to the Company.	N.A.
6	Regulation 22 Vigil Mechanism	• Formulation of Vigil Mechanism • Provision for safeguarding and protection of Employees against victimization who avails the mechanism • Direct access to Chairperson of Audit Committee • Other matters provided in Regulation 22 of the Listing Regulations, to the extent applicable to the Company	Yes

Sr. No.	Regulation and Particulars	Compliance observed during the Financial Year 2017-18	Compliance Status Yes/No/N.A.
7	Regulation 23 Related Party Transactions	• Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions • Approval of Shareholders for RPTs exceeding 10% of the annual consolidated turnover. • Related Party Transactions of the Company are pursuant to contracts duly approved by the Audit Committee (Omnibus), Board of Directors and Shareholders of the Company. • Review of Related Party Transactions • Approval of Audit Committee of all the related party transactions. • Other matters provided in Regulation 23 of the Listing Regulations, to the extent applicable to the Company.	Yes
8	Regulation 24 Corporate Governance requirements with respect to subsidiary of listed entity	• One Independent Director from the Board of listed entity shall be a director on the Board of an unlisted material subsidiary • To review financial statement of unlisted subsidiary particularly investment by them. • Minutes of Board of unlisted subsidiary placed at the meeting of Board of listed entity • Significant transaction of subsidiaries placed before the Board • Other matters provided in Regulation 24 of the Listing Regulations, to the extent applicable to the Company.	Yes
9	Regulation 25 Obligations with respect to Independent Directors	• Maximum Directorship and Tenure • Meeting of Independent Directors • Familiarization Program of Independent Directors • Re-appointment of Independent Director • Other matters provided in Regulation 25 of the Listing Regulations, to the extent applicable to the Company.	Yes
10	Regulation 26 Obligations with respect to Directors and Senior Management	• Membership(s)/ Chairmanship(s) in the Committee(s) • Affirmation with compliance to Code of Conduct from Directors and senior management • Disclosure of shareholding by Non- Executive Directors • Other matters provided in Regulation 26 of the Listing Regulations, to the extent applicable to the Company.	Yes
11	Regulation 27 Other Corporate Governance requirements	• Compliance with discretionary requirements • Filing of quarterly compliance report on Corporate Governance • Other matters provided in Regulation 27 of the Listing Regulations, to the extent applicable to the Company.	Yes
12	Regulation 46 (2) (b) to (I) website	• Terms and conditions of appointment of Independent Directors • Composition of various Committees of Board of Directors • Code of Conduct for Directors and Senior Management Personnel • Details of establishment of Vigil Mechanism/Whistle Blower Policy • Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions • Policy for determining material subsidiaries • Details of familiarization program imparted to Independent Directors • Other matters provided in Regulation 46 (2), to the extent applicable to the Company.	Yes

9 Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account:

As per Listing Regulations, 2015, the Company reports that, the Company has not transferred any equity shares in demat suspense account/unclaimed suspense account at any point of time.

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

The Company has adopted a Code of Conduct for Directors and Senior Management, which is posted on the website of the Company. The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct in respect of the Financial Year 2018-19.

For A. K. Capital Services Limited

A. K. Mittal

Managing Director

(DIN: 00698377)

Place: Mumbai

Date: August 3, 2019

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 2018-19 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 3, 2019

CERTIFICATE ON NON – DISQUALIFICATION OF DIRECTORS

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

To,

The Members,

A. K. Capital Services Limited

i. A. K. Capital Services Limited (CIN: L74899MH1993PLC274881) is having its registered office at 30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400021 (hereinafter referred as “the Company”). The equity shares of the Company are listed on BSE Limited.

ii. In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN)] status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	Designation	DIN	Date of Appointment
1.	Mr. Subhash Chandra Bhargava	Independent Director	00020021	04/09/2007
2.	Mr. A. K. Mittal	Managing Director	00698377	05/10/1993
3.	Ms. Aditi Mittal	Non-Executive Non Independent Woman Director	00698397	03/02/2018
4.	Mr. Subhash Chander Madan	Independent Director	00785025	28/12/2005
5.	Mr. Khimji Shamji Pandav	Independent Director	01070944	11/08/2018
6.	Mr. Vikas Santosh Jain	Whole time Director	07887754	03/02/2018
7.	Mr. Ashish Agarwal	Whole time Director	08064196	03/02/2018

iii. We further state that ensuring the eligibility of 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 C. B. JAIN & ASSOCIATES

Chirag Jain
(Company Secretary in Practice)
ACS No. 37337; C.P. No. 13973

Place: Mumbai
Date: August 3, 2019

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

To,

The Members,

A. K. Capital Services Limited

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

Free Press Journal Marg, 215, Nariman Point,

Mumbai – 400 021.

1. The Corporate Governance Report prepared by A. K. Capital Services Limited ("the Company"), contains details as per regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended March 31, 2019. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

Management responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
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 requirement mentioned above, 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 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
   - I Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
   - ii) Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors 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 April 01, 2018 to March 31, 2019;
     - 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 6 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, 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.

   This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

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

(G. D. Joglekar)
Partner
Membership No.:39407

Place: Mumbai
Date: August 3, 2019

INDEPENDENT AUDITORS' REPORT

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

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of A. K. Capital Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as " the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 as amended ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of 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 Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's response
1	**Transition to Indian Accounting Standards ("Ind AS")** The Company has adopted Ind AS notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2018 and the effective date of such transition is April 01, 2017. Ind AS is new and complex accounting standards which require considerable judgment and interpretation in its implementation. Further, Ind AS 101 ("First-time Adoption of Indian Accounting Standards") allows two categories of exceptions to the first-time adopters which mainly includes prohibition to retrospective application of certain requirements of Ind AS and exemption from some requirements of Ind AS. We consider this transition and the required disclosure to be a key audit matter because new accounting policies have been developed by the Company to comply with these standards and judgment. Note 2 "Significant Accounting Policies", Note 39 First-time adoption of Ind AS, Note 36 "Fair value hierarchy", Note 37 "Market Risk", and Note 38 "Liquidity Risk" to the Standalone Ind AS Financial Statements provide detailed information on the significant policies, critical judgment and estimation along with details of exemptions applied from certain requirements under Ind AS based on which these Standalone Financial Statements are prepared. Accordingly, it was determined to be a key audit matter in our audit of the standalone financial statements.	**Principal Audit Procedures** We have performed the following audit procedures in order to obtain sufficient audit evidence: • Assessed the Company's process to identify the impact of adoption and transition to the new accounting standards; • Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of Standalone Financial Statements; • Reviewed the exemptions availed by the Company from certain requirements under Ind AS; • Obtained an understanding of the governance over the determination of key judgments; • Evaluated and tested the key assumptions and judgments adopted by management; • Assessed the disclosures made against the relevant Ind AS; and • Determined the appropriateness of the methodologies and models used along with the responsibility of the outputs.

Sr. No.	Key Audit Matter	Auditor's response
2	**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 the objective of its business model to manage the cash flows and options available in the standard: • Debt instruments at amortised cost • Debt instruments and equity instruments at fair value through profit or loss (FVTPL) • Equity instruments measured at fair value through other comprehensive income FVTOCI. The Company has assessed following two business model: • Held to collect contractual cash flows • Realising cash flows through the sale of investments. The Company makes decisions based on the assets' fair values and manages the assets to realise those fair values. Since valuation of investments at fair value involves critical assumptions, significant risk in valuation and complexity in assessment of business model, the valuation of investments 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 and 36 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 judgements applied by the management. • Evaluated the design of internal controls relating to the measurement and also tested the operating effectiveness of the aforesaid controls. • Obtained valuation certificate of independent valuer in respect of fair value investments. • 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. • Assessed the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.

Information Other than the 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 Management Discussion and Analysis, Board's Report and Corporate Governance Report but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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.

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

Auditors' Responsibility for the audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Other Matter

The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these standalone financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India audited by us in our report for the year ended March 31, 2018 dated May 26, 2018 and predecessor auditor whose report for the year ended March 31, 2017 dated May 20, 2017, respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss (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 March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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"',

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid or provided to its directors during the year is in accordance with the provision of Section 197 of the Act.

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

i. The Company does not have any pending litigations which would impact its standalone financial position.

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

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

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

G.D. Joglekar
Partner
Membership No.: 39407

Place: Mumbai
Date: May 25, 2019

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

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

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

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

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

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

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

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

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

(vii) (a)According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income tax, goods and service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the March 31, 2019 for a period of more than six months from the date they became payable. As informed, statutory dues in the nature of employee state insurance and duty of customs are not applicable to the Company.

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

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

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

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

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

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

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

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

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

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

For PYS & CO. LLP

Chartered Accountants

Firm's Registration No. 012388S/S200048

G.D. Joglekar

Partner

Membership No.: 39407

Place: Mumbai

Date: May 25, 2019

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

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

We have audited the internal financial controls over financial reporting of A. K. Capital Services Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

G.D. Joglekar
Partner
Membership No.: 39407
Place: Mumbai
Date: May 25, 2019

BALANCE SHEET AS AT MARCH 31, 2019

₹ in Lakhs

	Note No.	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	3 (a)	113.34	95.61	60.21
(b) Bank balances other than (a) above	3 (b)	29.52	10.63	11.11
(c) Trade receivables	4	284.31	182.43	293.01
(d) Loans	5	125.08	165.64	146.01
(e) Investments	6	42,701.73	54,490.55	69,851.47
(f) Other financial assets	7	585.70	536.85	799.81
Total financial assets		**43,839.68**	**55,481.71**	**71,161.62**
(2) Non-financial assets				
(a) Current tax assets (net)		-	-	114.08
(b) Investment property	8	2,824.87	2,882.25	2,939.63
(c) Property, plant and equipment	9	573.21	679.87	588.64
(d) Intangible assets	10	11.21	4.61	1.87
(e) Other non financial assets	11	38.23	31.28	71.17
Total non-financial assets		**3,447.52**	**3,598.01**	**3,715.39**
TOTAL ASSETS		**47,287.20**	**59,079.72**	**74,877.01**
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Payables				
(I) Trade payables	12			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		151.10	155.54	55.67
(b) Borrowings (other than debt securities)	13	7,284.28	20,818.13	38,352.98
(c) Deposits	14	245.30	279.18	279.18
(d) Other financial liabilities	15	188.61	142.33	110.38
Total financial liabilities		**7,869.29**	**21,395.18**	**38,798.21**
(2) Non-financial liabilities				
(a) Current tax liabilities (net)		65.30	69.66	-
(b) Provisions	16	158.97	202.18	135.92
(c) Deferred tax liabilities (net)	17	406.93	555.13	659.51
(d) Other non-financial liabilities	18	159.24	156.29	50.51
Total non-financial liabilities		**790.44**	**983.26**	**845.94**
TOTAL LIABILITIES		**8,659.73**	**22,378.44**	**39,644.15**
EQUITY				
(a) Equity share capital	19 (a)	660.00	660.00	660.00
(b) Other equity	19 (b)	37,967.47	36,041.28	34,572.86
TOTAL EQUITY		**38,627.47**	**36,701.28**	**35,232.86**
TOTAL LIABILITIES AND EQUITY		**47,287.20**	**59,079.72**	**74,877.01**
Significant accounting policies	**1-2**			

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

G. D. Joglekar
Partner
Membership No. 39407
Place: Mumbai
Date: May 25, 2019

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 25, 2019

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, 2019

₹ in Lakhs

	Note No.	Current Year 2018-2019	Previous Year 2017-2018
Revenue from operations			
Sale of services	20	6,458.74	5,885.39
Net gain on fair value changes	21	13.71	134.86
Interest income	22	1,578.25	4,203.48
Dividend income		151.23	-
Rental income		271.12	293.14
Total revenue from operations		**8,473.05**	**10,516.87**
Other income	23	19.11	5.00
Total income		**8,492.16**	**10,521.87**
EXPENSES			
Finance costs	24	1,600.35	3,319.02
Employee benefits expense	25	1,618.00	2,018.42
Depreciation and amortization expense	8, 9, 10	123.73	141.04
Other expenses	26	1,991.46	2,204.59
Total expenses		**5,333.54**	**7,683.07**
Profit before exceptional items and tax		**3,158.62**	**2,838.80**
Exceptional Items		-	**-**
Profit before tax		**3,158.62**	**2,838.80**
Tax expense:			
Current tax		965.03	1,057.40
Deferred tax expense/ (credit)		(157.56)	(124.39)
Profit for the year [A]		**2,351.15**	**1,905.79**
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit and loss			
Remeasurement of defined benefit obligation		32.15	59.26
Less: Income tax expense on above		(9.36)	(20.02)
Other comprehensive income for the year [B]		**22.79**	**39.24**
Total comprehensive income for the year [A+B]		**2,373.94**	**1,945.03**
Earnings per equity share (₹)			
Basic and diluted earnings per share	33	**35.62**	**28.88**
Significant accounting policies	**1-2**		

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

G. D. Joglekar
Partner
Membership No. 39407
Place: Mumbai
Date: May 25, 2019

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 25, 2019

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, 2019

A EQUITY SHARE CAPITAL

₹ in Lakhs

	Number of shares	Amount
At 1 April 2017	6,600,000	660.00
Issue of share capital	-	-
At 31 March 2018	6,600,000	660.00
Issue of share capital	-	-
At 31 March 2019	**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 01 April 2017	**675.00**	**4,960.89**	**3,440.00**	**26,178.06**	**-**	**(681.09)**	**34,572.86**
Profit for the year	-	-	-	1,905.79	-	-	**1,905.79**
Other comprehensive income net of tax for the year	-	-	-	-	39.24	-	**39.24**
Dividend paid	-	-	-	(396.00)	-	-	**(396.00)**
Dividend distribution tax	-	-	-	(80.61)	-	-	**(80.61)**
Balance at 31 March 2018	**675.00**	**4,960.89**	**3,440.00**	**27,607.24**	**39.24**	**(681.09)**	**36,041.28**
Profit for the year	-	-	-	2,351.15	-	-	**2,351.15**
Other comprehensive income net of tax for the year	-	-	-	-	22.79	-	**22.79**
Dividend	-	-	-	(396.00)	-	-	**(396.00)**
Dividend distribution tax	-	-	-	(51.75)	-	-	**(51.75)**
Balance at 31 March 2019	**675.00**	**4,960.89**	**3,440.00**	**29,510.64**	**62.03**	**(681.09)**	**37,967.47**

Significant accounting policies 1 - 2

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

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

G. D. Joglekar
Partner
Membership No. 39407
Place: Mumbai
Date: May 25, 2019

For and on behalf of the Board of Directors

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 25, 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

	Current Year 2018-2019	Previous Year 2017-2018
Cash flow from/(used in) operating activities		
Profit /(loss) before tax	3,158.62	2,838.80
Adjustment for:		
Depreciation and amortisation	123.73	141.04
Loss on sale of property, plant and equipment (Net)	6.22	12.56
Bad debts written-off	-	6.00
Liabilities written back	(10.00)	-
Interest income on Deposits	(0.56)	(0.31)
Interest income on loans and others	(24.55)	(39.96)
Interest income on investements	(1,553.14)	(4,163.21)
Rental Income	(271.12)	(293.14)
Net gain on fair value changes	(3.36)	(159.27)
Interest expenses	1,591.92	3,313.00
Movement in working capital:		
Increase/(decrease) in trade payable and other financial liabilities	(14.31)	91.44
(Increase)/decrease in trade receivables and other financial assets	(368.04)	(2.17)
(Increase)/decrease in loans and other financial assets	65.62	(2.28)
(Increase)/decrease in other assets	(55.80)	302.85
Increase/(decrease) in provisions	46.02	1,179.79
Increase/(decrease) in other liabilities	49.23	137.73
Cash generated from/(used in) operations	**2,740.48**	**3,362.87**
Income tax paid	(1,026.47)	(1,927.93)
Cash generated from/(used in) operations [A]	**1,714.01**	**1,434.94**
Cash flow from/(used in) investing activities		
Proceeds from sale of investments (net)	11,792.18	15,520.19
Payment for acquisition of property, plant and equipment	(8.41)	(226.91)
Payment for acquisition of intangibles	(10.91)	(4.73)
Proceeds from sale of property, plant and equipment	46.81	41.46
Investments in fixed deposits	(15.22)	-
Interest received on investements	1,819.40	4,269.96
Interest received on Deposits	0.46	0.31
Interest received on loans and others	24.55	39.96
Rent income from Investment in poperty	271.12	293.14
Cash generated from/(used in) investing activities [B]	**13,919.98**	**19,933.38**
Cash flow from/(used in) financing activities		
Repayment of short term borrowings	(14,044.76)	(17,574.22)
Repayment of long term borrowings	(509.22)	(3,031.29)
Proceeds from long term borrowings	1,000.00	3,066.50
Interest paid	(1,614.53)	(3,317.30)
Dividends paid (net of distribution tax)	(447.75)	(476.61)
Cash generated from/(used in) financing activities [C]	**(15,616.26)**	**(21,332.92)**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**17.73**	**35.40**
Add: Cash and cash equivalents at the beginning of the year	95.61	60.21
Cash and cash equivalents at the end of the year	113.34	95.61

Reconciliation of liabilities arising from financing activities Contd.

Particulars	As at 31-03-2018	Cash Flows	Transaction Cost	Interest accrual	As at 31-03-2019
Long-term borrowings	3,056.20	490.78	0.16	-	3,547.14
Short-term borrowings	17,761.93	(14,044.76)	19.97	-	3,737.14
Interest on above borrowings	34.26	(1,614.53)	(11.65)	1,591.92	-
Total liabilities from financing activities	**20,852.39**	**(15,168.51)**	**8.48**	**1,591.92**	**7,284.28**

Particulars	As at 01-04-2017	Cash Flows	Transaction Cost	Interest accrual	As at 31-03-2018
Long-term borrowings	3,021.84	35.21	(0.85)	-	3,056.20
Short-term borrowings	35,331.14	(17,574.22)	5.01	-	17,761.93
Interest on above borrowings	25.84	(3,317.30)	12.72	3,313.00	34.26
Total liabilities from financing activities	**38,378.82**	**(20,856.31)**	**16.88**	**3,313.00**	**20,852.20**

Significant accounting policies 1 - 2

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

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

G. D. Joglekar
Partner
Membership No. 39407
Place: Mumbai
Date: May 25, 2019

For and on behalf of the Board of Directors

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 25, 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 1

CORPORATE INFORMATION

A.K. Capital Services Limited ("the Company") is a listed Company having its registered office at 30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400021 and incorporated on 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 for issue by the Company's Board of Directors on May 25, 2019

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.

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.

For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended March 31, 2019 are the first financials which the Company has prepared in accordance with Ind AS.

Refer to note 39 for information on how the Company has adopted Ind AS.

2.02 First-time adoption of Ind AS

Ind AS 101 requires that all Ind AS effective for the first Ind AS financial statements, be applied consistently and retrospectively for all fiscal years presented. However, this standard provides some exception and exemption to this general requirement in specific cases. The application of relevant exception and exemption are

Exceptions to retrospective application of other Ind AS

(a) Estimates: An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates considered in accordance with Previous GAAP.

(b) Ind AS 109-Financial Instruments (Classification and measurement financial assets):

Classification and measurement shall be made on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured the financial assets on the date of transition.

Exemptions from retrospective application of Ind AS

(a) **Ind AS 16 Property, Plant and Equipment/ Ind AS 38 Intangible Assets :** If there is no change in the functional currency, an entity may elect to measure an item of property, plant and equipment /Intangible assets at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of property, plant and equipment/intangible assets by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost.

The Company has elected to continue with the carrying amount for all of its Property, Plant and Equipment and Intangible Assets, measured as per Previous GAAP and use that as its deemed cost as at the date of transition i.e. April 01, 2017

(b) **Ind AS 40 Investment Property:** If there is no change in the functional currency, an entity may elect to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the date of transition. The Company has elected to continue with the previous GAAP carrying amount of investment Property as deemed cost at the date of transition i.e. April 01, 2017

(c) **Ind AS 27 Separate financial statements:** An entity is required to account for its investments in subsidiaries, joint ventures and associates either:

(a) at cost; or

(b) in accordance with Ind AS 109. Such cost shall be cost as per Ind AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to Ind AS or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiaries at deemed cost being carrying value as previous GAAP.

(d) **Ind AS 17 Leases:** An entity shall determine based on facts and circumstances existing at the date of transition to Ind AS whether an arrangement contains a Lease and when a lease includes both land and building elements, an entity shall assess the operating lease. The Company has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(e) **Ind AS 109-Financial Instruments:** Ind AS 109 permits an entity to designate a financial liability and financial asset (meeting certain criteria) at fair value through profit or loss. A financial liability and financial asset shall be designated at fair value through profit or loss, on the basis of facts and circumstances that exist at the date of transition.

2.03 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.

2.04 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

2.05 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 Company.

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

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

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

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

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

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

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

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

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

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

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

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

2.06 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

Revenue from operations

Sale of Services

Merchant banking fees

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

Brokerage

Revenue from brokerage is recognised point in time.

Interest Income

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

The EIR in case of a financial asset is computed

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

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

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

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

Net gain on Fair value changes

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

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

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.

2.07 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

2.08 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.

Leasehold improvements are amortised over the lease period.

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

Derecognition

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

Upon first time adoption of IND-AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount at its deemed cost on the date of transition to IND-AS i.e. April 01, 2017.

2.09 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.

The Company has elected to continue with the previous GAAP carrying amount of investment Property as deemed cost at the date of transition i.e. April 01, 2017

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.

2.10 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.

The Company has elected to continue with the previous GAAP carrying amount of all intangible assets as deemed cost at the date of transition i.e. April 01, 2017

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 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.

2.13 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.

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.

2.14 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

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

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

Trade Receivables and Loans:

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

Debt Instruments:

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

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

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

(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 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

(d) **Financial guarantee contracts:** The Company on case to case basis elects to account for financial guarantee contracts as a financial instruments or insurance contracts, as specified in Ind AS 109 on Financial instruments or Ind AS 104 on Insurance contracts . The Company has regarded its financial guarantee contracts as insurance contracts. At the end of each reporting period the Company performs liability liquidity test (i.e. it assesses the likelihood of a pay out based on current undiscounted estimates of future cash flows), and any deficiency is recognised in the statement of profit and loss.

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 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.

Upon first time adoption of IND-AS, the Company has elected to measure all its Investments in equity instruments including deemed equity instruments of subsidiaries at the Previous GAAP carrying amount at its deemed cost on the date of transition to IND-AS i.e. April 01, 2017.

2.16 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.

2.17 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.

2.18 Retirement benefits

i) Defined contribution plans (Provident fund)

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

ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumsump payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

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

iii) Short term benefits

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

iv) Compensated absences

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

2.19 Lease

As a lessee:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized at their fair value at the inception of the lease or at the present value of the minimum lease payments, whichever is lower.

Operating lease payments are recognised to the Statement of Profit and Loss on a straight line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for lessors expected inflationary costs increases, in which case the same are recognised as an expense in line with the contractual terms.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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.

2.20 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.

2.21 Recent accounting pronouncements

Ind-AS 116 – Leases:

On March 30, 2019 , Ministry of Corporate Affairs has notified Ind AS 116 , Leases . Ind AS 116 will replace the existing leases Standard, Ind AS17 Leases , and related Interpretations . The Standard sets out the principles for the recognition, measurement , presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss.

The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 01, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The effect of adoption as on transition date is expected to be insignificant.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is financial periods beginning on or after April 01, 2019.

Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The effective date for adoption of Ind AS 12 is financial periods beginning on or after April 01, 2019.

Amendment to Ind AS 19 – Employee Benefits

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The effective date for adoption of Ind AS 19 is financial periods beginning on or after April 01, 2019.

The Company will adopt the standard on April 01, 2019. The effect on adoption of Ind AS 19 is expected to be insignificant.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

NOTE - 3
(a) CASH AND CASH EQUIVALENTS

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Cash on hand	28.54	15.88	8.59
Balances with banks	84.80	79.73	51.62
	113.34	**95.61**	**60.21**

(b) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Balance with banks in unpaid dividend account	14.30	10.63	11.11
Fixed deposits with banks*	15.22	-	-
	29.52	**10.63**	**11.11**

*Lien against deposit with Securitisation Trust/Guarantee

NOTE - 4
TRADE RECEIVABLES

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Trade receivables considered good - unsecured	284.31	182.43	293.01
	284.31	**182.43**	**293.01**

NOTE - 5
LOANS (AT AMORTISED COST)

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(A) Loans			
(I) Loan to an employee	50.02	50.08	50.14
(ii) Loan to securitisation trusts	75.06	115.56	95.87
Total (A) -Gross	125.08	165.64	146.01
Less: Impairment loss allowance	-	-	-
Total (A) - Net	**125.08**	**165.64**	**146.01**
(B)			
(I) secured	-	-	-
(ii) Unsecured	125.08	165.64	146.01
Total (B)-Gross	**125.08**	**165.64**	**146.01**
Less: Impairment loss allowance	**-**	**-**	**-**
Total (B)-Net	**125.08**	**165.64**	**146.01**
(c) Loans in India			
(i) Public sector	-	-	-
(ii) Others	125.08	165.64	146.01
Total (C) Gross	**125.08**	**165.64**	**146.01**
Less: Impairment loss allowance	**-**	**-**	**-**
Total(C)-Net	**125.08**	**165.64**	**146.01**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 6

INVESTMENTS

₹ in Lakhs

Particulars	As at 31-03-2019						
	Amortised cost	At fair value			Subtotal	Others (At cost)	Total
		Through other comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
(I) Debt securities	**5,165.51**	**-**	**3,584.61**	**-**	**3,584.61**	**-**	**8,750.12**
i) Quoted	4,664.94	-	3,584.61	-	3,584.61	-	8,249.55
ii) Unquoted	500.57	-	-	-	-	-	500.57
(II) Equity instruments	**-**	**0.86**	**-**	**-**	**0.86**	**31,391.63**	**31,392.49**
i) Unquoted							
- in subsidiaries	**-**	**-**	**-**	**-**	**-**	**31,391.63**	**31,391.63**
1,20,00,000 Equity shares of A. K. Stockmart Private Limited of ₹ 10 each	-	-	-	-	-	1,200.00	1,200.00
21,00,000 Equity shares of A. K. Capital Corporation Private Limited of ₹ 10 each	-	-	-	-	-	210.00	210.00
22,50,000 Equity shares of A. K. Wealth Management Private Limited of ₹ 10 each	-	-	-	-	-	225.00	225.00
8,65,000 Equity shares of A.K. Capital (Singapore) PTE. Limited of 1 SGD each	-	-	-	-	-	451.39	451.39
2,29,97,490 Equity shares of A. K. Capital Finance Limited of ₹ 10 each	-	-	-	-	-	29,305.24	29,305.24
- in other companies	**-**	**0.86**	**-**	**-**	**0.86**	**-**	**0.86**
Designated at Fair value through other comprehensive income							
4,15,000 Equity Shares of Neesa Leisure Limited of ₹ 10 each	-	-	-	-	-	-	-
8,500 Equity shares of Shamken Spinners Limited of ₹ 10 each	-	-	-	-	-	-	-
4,600 Equity shares of Intelligroup Advisors Private Limited of ₹ 10 each	-	0.46	-	-	0.46	-	0.46
1,000 Equity shares of A. K. Capital Retail Private Limited of ₹ 10 each	-	0.10	-	-	0.10	-	0.10
3,000 Equity shares of A. K. Commodities Private Limited of ₹ 10 each	-	0.30	-	-	0.30	-	0.30
(III) Preference instruments	**-**	**-**	**-**	**-**	**-**	**2,550.00**	**2,550.00**
i) Unquoted							
- in subsidiaries							
25,00,000 Compulsory Convertible Preference shares of A. K. Capital Finance Limited of ₹ 100 each	-	-	-	-	-	2,550.00	2,550.00
(IV)Units of Venture Capital Fund	**-**	**-**	**9.12**	**-**	**9.12**	**-**	**9.12**
Total – Gross (A)	**5,165.51**	**0.86**	**3,593.73**	**-**	**3,594.59**	**33,941.63**	**42,701.73**
(i) Investments outside India	-	-	-	-	-	451.39	451.39
(ii) Investments in India	5,165.51	0.86	3,593.73	-	3,594.59	33,490.24	42,250.34
Total (B)	**5,165.51**	**0.86**	**3,593.73**	**-**	**3,594.59**	**33,941.63**	**42,701.73**
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-
Total – Net D= (A)-(C)	**5,165.51**	**0.86**	**3,593.73**	**-**	**3,594.59**	**33,941.63**	**42,701.73**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 6
INVESTMENTS

₹ in Lakhs

As at 31-03-2018							
Particulars	Amortised cost	At fair value			Subtotal	Others (At cost)	Total
		Through other comprehensive Income*	Through profit or loss	Designated at fair value through profit or loss			
(I) Debt securities	**7,936.61**	**-**	**12,693.66**	**-**	**12,693.66**	**-**	**20,630.27**
i) Quoted	7,436.03	-	12,693.66	-	12,693.66	-	20,129.69
ii) Unquoted	500.58	-	-	-	-	-	500.58
(II) Equity instruments	**-**	**0.94**	**-**	**-**	**0.94**	**31,286.43**	**31,287.37**
i) Unquoted							
- in subsidiaries	**-**	**-**	**-**	**-**	**-**	**31,286.43**	**31,286.43**
1,20,00,000 Equity shares of A. K. Stockmart Private Limited of ₹ 10 each	-	-	-	-	-	1,200.00	1,200.00
21,00,000 Equity shares of A. K. Capital Corporation Private Limited of ₹ 10 each	-	-	-	-	-	210.00	210.00
22,50,000 Equity shares of A. K. Wealth Management Private Limited of ₹ 10 each	-	-	-	-	-	225.00	225.00
6,65,000 Equity shares of A.K. Capital (Singapore) PTE. Limited of 1 SGD each	-	-	-	-	-	346.19	346.19
2,29,97,490 Equity shares of A. K. Capital Finance Limited of ₹ 10 each	-	-	-	-	-	29,305.24	29,305.24
- in other companies	**-**	**0.94**	**-**	**-**	**0.94**	**-**	**0.94**
Designated at Fair value through other comprehensive income							
4,15,000 Equity Shares of Neesa Leisure Limited of ₹ 10 each	-	-	-	-	-	-	-
8,500 Equity shares of Shamken Spinners Limited of ₹ 10 each	-	-	-	-	-	-	-
8,000 Equity shares of India Bond Private Limited of ₹ 10 each	-	0.08	-	-	0.08	-	0.08
4,600 Equity shares of Intelligroup Advisors Private Limited of ₹ 10 each	-	0.46	-	-	0.46	-	0.46
1,000 Equity shares of A. K. Capital Retail Private Limited of ₹ 10 each	-	0.10	-	-	0.10	-	0.10
3,000 Equity shares of A. K. Commodities Private Limited of ₹ 10 each	-	0.30	-	-	0.30	-	0.30
(III) Preference instruments	-	-	-	-	-	2,550.00	2,550.00
i) Unquoted							
- in subsidiaries							
25,00,000 Compulsory Convertible Preference shares of A. K. Capital Finance Limited of ₹ 100 each	-	-	-	-	-	2,550.00	2,550.00
(IV)Units of Venture Capital Fund	**-**	**-**	**22.91**	**-**	**22.91**	**-**	**22.91**
Total – Gross (A)	**7,936.61**	**0.94**	**12,716.57**	**-**	**12,717.51**	**33,836.43**	**54,490.55**
(i) Investments outside India	-	-	-	-	-	346.19	346.19
(ii) Investments in India	7,936.61	0.94	12,716.57	-	12,717.51	33,490.24	54,144.36
Total (B)	**7,936.61**	**0.94**	**12,716.57**	**-**	**12,717.51**	**33,836.43**	**54,490.55**
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-
Total – Net D= (A)-(C)	**7,936.61**	**0.94**	**12,716.57**	**-**	**12,717.51**	**33,836.43**	**54,490.55**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 6
INVESTMENTS

₹ in Lakhs

As at 01-04-2017							
Particulars	Amortised cost	At fair value			Subtotal	Others (At cost)	Total
		Through other comprehensive Income*	Through profit or loss	Designated at fair value through profit or loss			
(I) Debt securities	**500.19**	**-**	**38,038.23**	**-**	**38,038.23**	**-**	**38,538.42**
i) Quoted	-	-	38,038.23	-	38,038.23	-	38,038.23
ii) Unquoted	500.19	-	-	-	-	-	500.19
(II) Equity instruments	**-**	**0.94**	**-**	**-**	**0.94**	**31,286.43**	**31,287.37**
i) Unquoted							
- in subsidiaries	**-**	**-**	**-**	**-**	**-**	**31,286.43**	**31,286.43**
1,20,00,000 Equity shares of A. K. Stockmart Private Limited of ₹ 10 each	-	-	-	-	-	1,200.00	1,200.00
21,00,000 Equity shares of A. K. Capital Corporation Private Limited of ₹ 10 each	-	-	-	-	-	210.00	210.00
22,50,000 Equity shares of A. K. Wealth Management Private Limited of ₹ 10 each	-	-	-	-	-	225.00	225.00
6,65,000 Equity shares of A.K. Capital (Singapore) PTE. Limited 1 SGD each	-	-	-	-	-	346.19	346.19
2,29,97,490 Equity shares of A. K. Capital Finance Limited of ₹ 10 each	-	-	-	-	-	29,305.24	29,305.24
- in other companies	**-**	**0.94**	**-**	**-**	**0.94**	**-**	**0.94**
Designated at Fair value through other comprehensive income							
4,15,000 Equity Shares of Neesa Leisure Limited of ₹ 10 each	-	-	-	-	-	-	-
8,500 Equity shares of Shamken Spinners Limited of ₹ 10 each	-	-	-	-	-	-	-
8,000 Equity shares of India Bond Private Limited of ₹ 10 each	-	0.08	-	-	0.08	-	0.08
4,600 Equity shares of Intelligroup Advisors Private Limited of ₹ 10 each	-	0.46	-	-	0.46	-	0.46
1,000 Equity shares of A. K. Capital Retail Private Limited of ₹ 10 each	-	0.10	-	-	0.10	-	0.10
3,000 Equity shares of A. K. Commodities Private Limited of ₹ 10 each	-	0.30	-	-	0.30	-	0.30
(III) Units of Venture Capital Fund	**-**	**-**	**25.68**	**-**	**25.68**	**-**	**25.68**
Total – Gross (A)	**500.19**	**0.94**	**38,063.91**	**-**	**38,064.85**	**31,286.43**	**69,851.47**
(i) Investments outside India	-	-	-	-	-	346.19	346.19
(ii) Investments in India	500.19	0.94	38,063.91	-	38,064.85	30,940.24	69,505.28
Total (B)	**500.19**	**0.94**	**38,063.91**	**-**	**38,064.85**	**31,286.43**	**69,851.47**
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-
Total – Net D= (A)-(C)	**500.19**	**0.94**	**38,063.91**	**-**	**38,064.85**	**31,286.43**	**69,851.47**

₹ in Lakhs

NOTE - 7
OTHER FINANCIAL ASSETS (AT AMORTISED COST)

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(i) Deposits			
- Earnest money deposits	38.45	22.91	15.45
- Rental deposits			
i) with relatives and directors	67.60	106.42	106.40
ii) with others	93.48	114.20	130.26
- Security deposits for utilities	4.63	5.97	5.90
(ii) Interest receivable on investments / deposits	74.83	273.14	527.59
(iii) Other receivables	306.71	14.21	14.21
	585.70	**536.85**	**799.81**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 8
INVESTMENT PROPERTY

₹ in Lakhs

	Building	Total
Gross block (Deemed cost- refer note 8.a below)		
As at 1 April 2017	2,939.63	2,939.63
Additions	-	-
Disposals	-	-
As at 31 March 2018	**2,939.63**	**2,939.63**
Additions	-	-
Disposals	-	-
As at 31 March 2019	**2,939.63**	**2,939.63**
Accumulated depreciation		
As at 1 April 2017	-	-
Additions	57.38	57.38
Disposals	-	-
As at 31 March 2018	**57.38**	**57.38**
Additions	57.38	57.38
Disposals	-	-
As at 31 March 2019	**114.76**	**114.76**
Net Block		
As at 1 April 2017	2,939.63	2,939.63
As at 31 March 2018	**2,882.25**	**2,882.25**
As at 31 March 2019	**2,824.87**	**2,824.87**

8.a The Company used carrying amount as per previous GAAP as on April 01, 2017 in its opening IND AS statement of financial position as deemed cost for an item of property, plant and equipment.
Following are the disclosures with regard to its gross block value, accumulated depreciation and net block value as per previous GAAP as on April 01, 2017

₹ in Lakhs

Particulars	Cost	Accumulated depreciation	Net Block
Building	3,435.00	495.37	2,939.63
Total	**3,435.00**	**495.37**	**2,939.63**

8.b RECONCILIATION OF CHANGES IN THE FAIR VALE OF INVESTMENT PROPERTY

The fair value of the Companys investment properties have been arrived at on the basis of valuation carried out at the respective date 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.

₹ in Lakhs

Particulars	Building	Total
As at 1 April 2017	4,472.53	4,472.53
Changes in the fair value	-	-
Closing balance as on 31 March 2018	**4,472.53**	**4,472.53**
Changes in the fair value	-	-
Closing balance as on 31 March 2019	**4,472.53**	**4,472.53**

8.c INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

₹ in Lakhs

Particulars	Current Year 2018-2019	Previous Year 2017-2018
Rental income derived from investment property	271.12	293.14
Direct operating expenses (including repairs & maintenance) generating rental income	23.34	24.25
Profit arising from investment property before depreciation and indirect expenses	247.78	268.89
Less: Depreciation	57.38	57.38
Profit arising from investment property before indirect expenses	**190.40**	**211.51**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 9
PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Plant and machinery	Computers	Furniture and fixtures	Office equipments	Office Building	Vehicles	Total
Gross block (Deemed cost- refer note 9.a below)							
As at 1 April 2017	0.23	2.33	35.63	8.27	353.24	188.94	588.64
Additions	-	21.38	0.89	2.04	107.47	95.13	226.91
Disposals	-	(0.38)	-	-	-	(70.03)	(70.41)
As at 31 March 2018	**0.23**	**23.33**	**36.52**	**10.31**	**460.71**	**214.04**	**745.14**
Additions	-	3.25	1.33	3.83	-	-	8.41
Disposals	-	-	-	(0.21)	-	(83.81)	(84.02)
As at 31 March 2019	**0.23**	**26.58**	**37.85**	**13.93**	**460.71**	**130.23**	**669.53**
Accumulated depreciation							
As at 1 April 2017	-	-	-	-	-	-	-
Additions	0.06	4.51	16.58	3.75	8.41	48.36	81.67
Disposals	-	(0.08)	-	-	-	(16.32)	(16.40)
As at 31 March 2018	**0.06**	**4.43**	**16.58**	**3.75**	**8.41**	**32.04**	**65.27**
Additions	0.17	9.34	9.68	2.72	8.05	32.08	62.04
Disposals	-	-	-	(0.03)	-	(30.96)	(30.99)
As at 31 March 2019	**0.23**	**13.77**	**26.26**	**6.44**	**16.46**	**33.16**	**96.32**
Net block							
As at 1 April 2017	**0.23**	**2.33**	**35.63**	**8.27**	**353.24**	**188.94**	**588.64**
As at 31 March 2018	**0.17**	**18.90**	**19.94**	**6.56**	**452.30**	**182.00**	**679.87**
As at 31 March 2019	**-**	**12.81**	**11.59**	**7.49**	**444.25**	**97.07**	**573.21**

Vehicles include vehicles hypothecated against loan taken having gross block of ₹ 95.13 Lakhs (as at March 31, 2018 ₹ 95.13 Lakhs and as at April 01, 2017 ₹ 51.58 Lakhs), accumulated depreciation of ₹ 14.82 Lakhs (as at March 31, 2018 ₹ 2.93 Lakhs and as at April 01, 2017 ₹ Nil) and net block of ₹ 80.31 Lakhs (as at March 31, 2018 ₹ 92.20 Lakhs and as at April 01, 2017 ₹ 51.58 Lakhs).

NOTE - 9.a

The Company used carrying amount as per previous GAAP as on April 01, 2017 in its opening IND AS statement of financial position as deemed cost for an item of property, plant and equipment.

Following are the disclosures with regard to its gross block value, accumulated depreciation and net block value as per previous GAAP as on April 01, 2017

₹ in Lakhs

Particulars	Cost	Accumalated depreciation	Net Block
Plant and machinery	3.69	3.46	0.23
Computers	145.36	143.03	2.33
Furniture and fixtures	212.69	177.06	35.63
Office equipments	140.82	132.55	8.27
Office buildings	403.21	49.97	353.24
Leasehold improvements	240.46	240.46	-
Vehicles	400.27	211.33	188.94
Total	**1,546.50**	**957.86**	**588.64**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

NOTE - 10
INTANGIBLE ASSETS

	Software	Total
Gross block (Deemed cost- refer note 10.a below)		
As at 1 April 2017	1.87	1.87
Additions	4.73	4.73
Disposals	-	-
As at 31 March 2018	**6.60**	6.60
Additions	10.91	10.91
Disposals	-	-
As at 31 March 2019	**17.51**	**17.51**
Accumulative amortisation :		
As at 1 April 2017	-	-
Additions	1.99	1.99
Disposals	-	-
As at 31 March 2018	**1.99**	**1.99**
Additions	4.31	4.31
Disposals	-	-
As at 31 March 2019	**6.30**	**6.30**
Net book:		
As at 1 April 2017	**1.87**	**1.87**
As at 31 March 2018	**4.61**	**4.61**
As at 31 March 2019	**11.21**	**11.21**

NOTE - 10.a

The Company used carrying amount as per previous GAAP as on April 01, 2017 in its opening IND AS statement of financial position as deemed cost for Intangible assets. Following are the disclosures with regard to its gross block value, accumulated depreciation and net block value as per previous GAAP as on April 01, 2017

₹ in Lakhs

Particulars	Cost	Accumalated depreciation	Net Block
Software	45.68	43.81	1.87
	45.68	**43.81**	**1.87**

₹ in Lakhs

NOTE - 11
OTHER NON-FINANCIAL ASSETS

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Advance to suppliers	5.14	6.79	8.91
Capital advance	-	-	7.00
Prepaid expenses	22.32	22.84	22.43
Balance with government authorities	10.77	1.65	3.72
Other receivables	-	-	29.11
	38.23	**31.28**	**71.17**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

NOTE - 12
PAYABLES

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(I) Trade payables			
(i) Total outstanding dues of micro enterprises & small enterprises*	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	151.10	155.54	55.67
	151.10	**155.54**	**55.67**

*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.

Particulars	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-	-

₹ in Lakhs

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

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(a)Term loans			
(i) from banks*	3,494.81	2,989.13	-
(ii) from other parties**	-	-	3,000.00
(b) Loan from a related party* **	-	-	2,250.00
(c) Loans repayable on demand			
(i) from banks****	3,737.14	17,761.93	33,081.14
(d) Other loans			
-Vehicle loans*****	52.33	67.07	21.84
Total (A)	7,284.28	20,818.13	38,352.98
Borrowings in India	7,284.28	20,818.13	38,352.98
Borrowings outside India	-	-	-
Total (B)	7,284.28	20,818.13	38,352.98
Secured	7,284.28	20,818.13	38,352.98
Unsecured	-	-	-
Total (C)	**7,284.28**	**20,818.13**	**38,352.98**

* 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 20-36 monthly / quarterly installments.

** Term loan from other parties represents loan from NBFCs which was secured against mortgage of the Company's immovable property together with all structures and appurtenances thereon held by the Company situated at 8th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021. The loan amount was repayable in 12 quarterly instalments commencing from the end of third month after the moratorium period of 24 months from the date of first disbursement, with a put and call option at the end of moratorium period and every 6 months thereon with 30 days notice. During the financial year 2017-18, the term loan has been fully repaid.

*** Loan from related party was secured against subservient charge by way of hypothecation / pledge / mortgage over all the property, plant and equipment of the Company (excluding the charges already created in favour of existing lenders).

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

NOTE - 14
DEPOSITS (AT AMORTISED COST)

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Rental deposits from others (Unsecured)	245.30	279.18	279.18
	245.30	**279.18**	**279.18**

NOTE - 15
OTHER FINANCIAL LIABILITIES

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Interest accrued and due on borrowings	-	19.68	23.58
Interest accrued but not due on borrowings	-	14.58	2.26
Employee dues	141.82	97.44	73.43
Unpaid dividends*	14.30	10.63	11.11
Deferred Lease Income	32.49	-	-
	188.61	**142.33**	**110.38**

* During the year ended March 31, 2019, ₹ 1.48 Lakhs (Previous year ₹ 1.73 Lakhs) has been credited into Investor Education and Protection Fund under Section 124 of the Companies Act, 2013.

NOTE - 16
PROVISIONS

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Provision for employee benefits			
Gratuity (refer note 29)	146.20	188.03	125.01
Leave encashment	12.77	14.15	10.91
	158.97	**202.18**	**135.92**

NOTE - 17
DEFERRED TAX LIABILITIES/ (ASSETS) (NET)

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Deferred tax liabilities			
On the account of			
Depreciation	453.64	537.56	521.80
Fair value gain / (loss) on investments	-	86.50	207.27
Less: Deferred tax assets:			
Expenses allowable on payment basis (gratuity)	(33.22)	(43.50)	(43.26)
Expenses allowable on section 35D	(11.07)	(19.25)	(26.30)
Expenses under section 40(a)(ia)	-	(6.18)	-
Fair value gain / (loss) on investments	(2.42)	-	-
Deferred tax liabilities/ (assets) (net)	**406.93**	**555.13**	**659.51**

NOTE - 18
OTHER NON-FINANCIAL LIABILITIES

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Statutory dues	159.24	156.29	50.51
	159.24	**156.29**	**50.51**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 19

(a) SHARE CAPITAL

Equity share capital

₹ in Lakhs

Particulars	As at 31-03-2019		As at 31-03-2018		As at 01-04-2017	
	Numbers of shares	Amount	Numbers of shares	Amount	Numbers of shares	Amount
Authorized:						
Equity shares of ₹ 10 each	33,000,000	3,300.00	33,000,000	3,300.00	33,000,000	3,300.00
Preference shares of ₹ 100 each	10,200,000	10,200.00	10,200,000	10,200.00	10,200,000	10,200.00
Total		**13,500.00**		**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	6,600,000	660.00
Total		**660.00**		**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 ₹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 31-03-2019		As at 31-03-2018		As at 01-04-2017	
	Numbers of shares	Percentage of shareholding	Numbers of shares	Percentage of shareholding	Numbers of shares	Percentage of shareholding
Family Home Consultancy Services Private Limited	3,002,024	45.49%	2,953,454	44.75%	2,920,825	44.25%
A. K. Mittal	689,965	10.45%	689,965	10.45%	558,665	8.46%
A. M. Credit Analysis and Research LLP (Formerly known as A. M. Credit Analysis and Research Limited)	371,000	5.62%	371,000	5.62%	371,000	5.62%

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

Particulars	As at 31-03-2019	As at 31-03-2018
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 31-03-2019	As at 31-03-2018
Capital reserve		
At the beginning of the year	675.00	675.00
Add: Additions during the year	-	-
At the close of the year	**675.00**	**675.00**
Securities premium		
Opening balance	3,440.00	3,440.00
Add: Additions during the year	-	-
At the close of the year	**3,440.00**	**3,440.00**
General reserve		
Opening balance	4,960.89	4,960.89
Add: Additions during the year	-	-
At the close of the year	**4,960.89**	**4,960.89**
Retained earnings		
Opening balance	27,607.24	26,178.06
Add: Profit for the year	2,351.15	1,905.79
Profit available for appropriation	**29,958.39**	**28,083.85**
Less: Dividend paid	396.00	396.00
Less: Dividend distribution tax	51.75	80.61
Closing balance of retained earnings	**29,510.64**	**27,607.24**
Other comprehensive income		
Opening balance	(641.85)	(681.09)
Add: Other comprehensive income for the year	22.79	39.24
Closing balance of other comprehensive income	(619.06)	(641.85)
	37,967.47	**36,041.28**

* During the year 2018-19, the Board of Directors of the Company had paid a final dividend of ₹ 6 per equity share (previous year ₹ 6 per equity share pertaining to financial year ended March 31, 2017) having face value of ₹ 10 each for the year ended March 31, 2018. The same is approved by the shareholders of the Company in the annual general meeting held on September 22, 2018 (previous year's annual general meeting held on September 16, 2017). The total cash outflow of ₹ 447.75 Lakhs (previous year 476.61 Lakhs), including corporate dividend tax.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

NOTE - 20 SALE OF SERVICES	Current Year 2018-2019	Previous Year 2017-2018
Merchant banking fees	6,411.69	5,851.35
Brokerage fees	47.05	34.04
	6,458.74	**5,885.39**

NOTE - 21
NET GAIN ON FAIR VALUE CHANGES

Net gain/(loss) on investments at fair value through profit and loss		
- Realised	10.35	(24.41)
- Unrealised	3.36	159.27
	13.71	**134.86**
Additional Information :		
Profit on sale of Investments (actual) (A)	278.10	477.71
Net gain/(loss) on investments due to fair value change (B)		
- Realised	(267.75)	(502.12)
- Unrealised	3.36	159.27
	(264.39)	**(342.85)**
Total (A+B)	**13.71**	**134.86**

NOTE - 22
INTEREST INCOME

₹ in Lakhs

Particulars	Current Year 2018-2019		Previous Year 2017-2018	
	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	375.95	1,177.19	644.97	3,518.24
Interest on deposits with banks	0.56	-	0.31	-
Interest income on loans	17.60	-	24.76	-
Other interest income	6.95	-	15.20	-
Total	**401.06**	**1,177.19**	**685.24**	**3,518.24**

₹ in Lakhs

NOTE - 23 OTHER INCOME	Current Year 2018-2019	Previous Year 2018-2019
Liabilities written back	10.00	-
Miscellaneous Income	9.11	5.00
	19.11	**5.00**

NOTE - 24
FINANCE COSTS (AT AMORTISED COST)

Interest on borrowings	1,571.67	3,313.00
Interest on income tax	8.43	6.02
Unwinding interest cost	20.25	-
	1,600.35	**3,319.02**

NOTE - 25
EMPLOYEE BENEFITS EXPENSES

Salaries and wages	1,561.85	1,856.84
Gratuity	28.95	128.98
Contribution to provident and other funds	11.42	13.33
Staff welfare expenses	15.78	19.27
	1,618.00	**2,018.42**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 26
OTHER EXPENSES

₹ in Lakhs

	Current Year 2018-2019	Previous Year 2017-2018
Rent, taxes and energy costs	253.50	337.74
Repairs and maintenance	36.53	57.60
Printing and stationery	9.63	14.05
Selling expenses	1,199.21	1,110.86
Advertisement expenses	1.22	1.47
Auditor's remuneration		
-for audit fees	4.00	4.00
-for other services	0.22	0.05
Legal and professional charges	126.49	254.81
Travelling expense	127.21	140.34
Bad debts	-	6.00
Loss on sale of property, plant and equipment	6.22	12.56
CSR expenditure	26.50	52.00
Directors' sitting fees	4.05	2.49
Insurance expenses	11.06	11.67
Other expenditure	185.62	198.95
	1,991.46	**2,204.59**

NOTE - 27
CONTINGENT LIABILITIES

₹ in Lakhs

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Corporate guarantee given to a bank in respect of working capital facility, cash credit and term loan facility taken by a subsidiary company	27,500.00	27,500.00	17,500.00
	27,500.00	**27,500.00**	**17,500.00**

NOTE - 28
DISAGGREGATED REVENUE INFORMATION

The table below represents disaggregation of Company's revenue from contracts with the customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

₹ in Lakhs

	Current Year 2018-2019	Previous Year 2017-2018
Type of goods or service		
Merchant banking fees		
Arranger and advisory fees	6,157.59	5791.47
Lead manager fees	254.10	59.88
Brokerage	47.05	34.04
Total revenue from contracts with the customers	**6,458.74**	**5,885.39**
Geographical markets		
-India	6,458.74	5,885.39
-Outside India	-	-
Total revenue from contracts with the customers	**6,458.74**	**5,885.39**
Relation with customer		
-Non related party	6,458.74	5,784.63
-Related Party	-	100.76
Total revenue from contracts with the customers	**6,458.74**	**5,885.39**
Timing of revenue recognition		
-Service transferred over a period of time	254.10	59.88
-Service transferred over a point of time	6,204.64	5,825.51
Total revenue from contracts with the customers	**6,458.74**	**5,885.39**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 29

AS PER IND AS 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED ARE GIVEN BELOW:

Defined Contribution Plan

Contribution to Defined Contribution Plan , recognised as expense for the year is as under :

₹ in Lakhs

Particulars	Current Year 2018-2019	Previous Year 2017-2018
Employer's Contribution to Provident Fund	11.42	13.33

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 2018-2019	Previous Year 2017-2018
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	14.40	32.07
Past service cost	-	87.47
Interest cost on defined benefit obligation	14.55	9.44
(Gain) / losses on settlement	-	-
Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)	**28.95**	**128.98**
(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	17.20	(49.10)
Actuarial loss / (gain) arising from change in demographical assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	(49.35)	(10.17)
Amount recognised in OCI (B)	**(32.15)**	**(59.27)**
Gratuity expense recognised in the statement of profit and loss and OCI (A+B)	**(3.20)**	**69.71**
(c) Reconciliation of net liability / asset		
Opening defined benefit liability / (assets)	188.03	125.01
Expense charged to profit & loss account	28.95	128.98
Amount recognised in outside profit and loss account	(32.15)	(59.27)
Benefit paid	(38.62)	(6.69)
Closing net defined benefit liability / (asset)	**146.20**	**188.03**
(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	188.02	125.01
Current service cost	14.40	32.07
Past service cost	-	87.47
Interest on defined benefit obligation	14.55	9.44
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	17.20	(49.10)
Actuarial loss / (gain) arising on account of experience changes	(49.35)	(10.17)
Benefits paid	(38.64)	(6.69)
Closing defined benefit obligation [liability/(asset)] recognised in balance sheet	**146.17**	**188.02**
(e) Net liability is bifurcated as follows :		
Current	22.81	45.54
Non-current	123.39	142.49
Net liability	**146.20**	**188.03**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 29

AS PER INDIAN ACCOUNTING STANDARD 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED ARE GIVEN BELOW (CONTD.):

₹ in Lakhs

Particulars	Current Year 2018-2019	Previous Year 2017-2018
(f) The principal assumptions used in determining gratuity benefit obligation for the company's plans are shown below:		
Discount rate	7.65%	7.74%
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
Upto 30 years	30.00%	30.00%
From 31 to 44 years	20.00%	30.00%
Above 45 years	1.00%	20.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
(g) 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	(32.48)	(73.60)
Impact on defined benefit obligation -decrease of sensitivity level	139.71	77.23
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	39.71	76.63
Impact on defined benefit obligation-decrease of sensitivity level	(32.38)	(74.29)

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

₹ in Lakhs

Particulars	Current Year 2018-2019	Previous Year 2017-2018
Within 1-2 year	35.29	100.04
2-3 year	26.68	103.78
3-4 year	43.73	107.71
5-6 year	47.26	111.83
6-7 year	56.14	116.16

The average duration of the defined benefit plan obligation at the end of the reporting period is 13.52 years (March 31, 2018 - 11.56 years)

NOTE - 30

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 31

AS PER INDIAN ACCOUNTING STANDARD 24 RELATED PARTY DISCLOSURES, THE DISCLOSURES AS DEFINED ARE GIVEN BELOW:

I Related party relationships:

Subsidiaries

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

Key managerial personnel

Mr. A. K. Mittal- Managing Director
Mr. Deepak Mittal- Whole Time Director (Till February 03, 2018)
Mr. Vikas Jain - Whole Time Director (Appointed w.e.f. February 03, 2018)
Mr. Ashish Agarwal - Whole Time Director (Appointed w.e.f. February 03, 2018)
Mr. Tejas Davda - Company Secretary
Mr. Mahesh Bhootra - Chief Financial Officer
Mr. Subhash Chandra Bhargava - Independent Director
Mr. Raghubinder Rai - Independent Director (Till February 2, 2019)
Mr. Subhash Chander Madan - Independent Director
Mr. Khimji Shamji Pandav - Independent Director (Appointed w.e.f. August 11, 2018)

Relative of key management personnel

Mrs. Anshu Aggarwal
Mr. Abhinav Kumar Mittal
Mrs. Aditi Mittal (Appointed w.e.f. February 03, 2018 as Non-executive women Director)

Enterprise controlled by key management personnel

A. K. Services Private Limited

Enterprise in which key management personnel is having significant influence

M Square Automobile Private Limited

Notes:

a) The related party relationships have been determined on the basis of the requirements of the 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 2018-2019	Previous Year 2017-2018
Transactions with related parties:		
Investments in share capital		
A. K. Capital (Singapore) Pte. Limited	105.20	-
Investments in preference share capital		
A. K. Capital Finance Limited	-	2,550.00
Key managerial remuneration *		
Short term benefits (including perquisites)	498.22	271.56
Directors' sitting fees	4.05	2.40
Brokerage expense		
A. K. Stockmart Private Limited	5.24	2.31
Dividend received		
A. K. Capital Finance Limited	151.23	-
Demat charges		
A. K. Stockmart Private Limited	0.22	0.02

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

II Details of related party transactions are as follows Contd:	Current Year 2018-2019	Previous Year 2017-2018
Purchase of car		
M Square Automobile Private Limited	-	95.00
Sale of car		
M Square Automobile Private Limited	-	35.00
Sale of Bonds		
A. K. Services Private Limited (Excluding Accrued Interest)	292.50	-
Repairs and maintenance charges		
M Square Automobile Private Limited	2.63	2.81
Interest expenses		
A. K. Services Private Limited	1.21	264.09
Rent expense		
A. K. Mittal	33.64	34.08
Anshu Aggarwal	16.84	17.28
Abhinav Kumar Mittal	21.70	21.70
Interest Income on Investment in Non Convertible Debentures		
A. K. Capital Finance Limited	2.00	59.48
Brokerage Income		
A. K. Stockmart Private Limited	-	100.76
Loan Taken during the year		
A. K. Services Private Limited	1,000.00	4,350.00
Loan Repaid during the year		
A. K. Services Private Limited	1,000.00	6,600.00
Investment in Non Convertible Debentures		
A. K. Capital Finance Limited (Including ₹ 0.43 Lakhs accrued interest, Previous year 17.87 Lakhs)	500.43	2,517.88

₹ in Lakhs

III Balances with related parties:	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Balance payable			
A. K. Stockmart Private Limited	0.01	0.12	0.48
M Square Automobile Private Limited	0.00	0.00	2.91
Rent deposit given outstanding as at year end			
A. K. Mittal	48.00	62.50	62.50
Anshu Aggarwal	-	24.50	24.50
Abhinav Kumar Mittal	19.62	19.62	19.62
Rent Deposit received Back			
Anshu Aggarwal	24.50	-	-
A. K. Mittal	14.50	-	-
Accrued int. income on investment in Non-Convertible Debentures			
A. K. Capital Finance Limited	-	8.65	8.70
Loan outstanding			
A.K.Services Private Limited	-	-	2,250
Investment in Non Convertible Debentures			
A. K. Capital Finance Limited	-	148.20	1,640.00
Corporate guarantee given to a bank in respect of working Capital demand loan taken by a subsidiary company			
A. K. Capital Finance Limited	27,500.00	27,500.00	17,500.00

Note: Transaction amount is excluding taxes, wherever applicable.

* Key managerial remuneration related to retirement benefits (i.e. Gratuity) are recognised under Employee benefits expenses in statement of profit and loss along with other employees gratuity costs of the Company based on the actuarial valuation carried out by Independent Actuary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 32
AS PER INDIAN ACCOUNTING STANDARD 17 "LEASES", THE DISCLOSURES AS DEFINED ARE GIVEN BELOW:

I Where the Company is lessee:

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

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

₹ in Lakhs

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Not later than one year	51.87	94.73	20.23
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-

Notes:

The amount of minimum lease payments with respect to operating lease recognised in the statement of profit and loss for the year is ₹ 226.21 (previous year ₹ 302.95)

II Where the Company is lessor:

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

₹ in Lakhs

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Not later than one year	249.48	249.48	-
Later than one year and not later than five years	-	249.48	-
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 ₹ 271.12 (previous year ₹ 293.14)

NOTE - 33 EARNINGS PER SHARE	Current Year 2018-2019	Previous Year 2017-2018
Profit for the year as per statement of profit and loss (₹ in Lakhs)	2,351.15	1,905.79
Weighted average number of equity shares outstanding during the year for basic and diluted earnings per share (Nos.)	6,600,000	6,600,000
Basic and diluted earnings per share (₹)	35.62	28.88
Nominal value of share (₹)	10.00	10.00

NOTE - 34
CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

₹ in Lakhs

Particulars			Amount
Gross amount required to be spent by the Company during the year (including previous years' shortfall of ₹ 60.15)			123.91
Amount spent during the year	**Yet to be paid in Cash**	**In Cash**	**Total**
(I) Cnstruction/acquisition of any asset	-	-	-
(ii) Donation for promoting education	-	26.50	26.50
(iii) Donation for promoting preventive health care and sanitation	-	-	-
(iii) Donation for empowering woman and setting up homes	-	-	-
Short fall in CSR Expenditure			**97.41**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE -35

FINANCIAL INSTRUMENTS

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.

The carrying value and fair value of financial instrument by categories as of March 31, 2019 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	113.34	-	-	113.34	113.34
Bank balances other than above	29.52	-	-	29.52	29.52
Trade receivables	284.31	-	-	284.31	284.31
Loans	125.08	-	-	125.08	125.08
Investments	5,165.51	3,593.73	0.86	8,760.10	8,975.61
Other financial assets	585.70	-	-	585.70	585.70
TOTAL	**6,303.46**	**3,593.73**	**0.86**	**9,898.05**	**10,113.56**
Liabilities:					
Trade payables	151.10	-	-	151.10	151.10
Borrowings (other then debt securities)	7,284.28	-	-	7,284.28	7,293.72
Deposits	245.30	-	-	245.30	245.30
Other financial liabilities	188.61	-	-	188.61	188.61
TOTAL	**7,869.29**	**-**	**-**	**7,869.29**	**7,878.73**

The carrying value and fair value of financial instrument by categories as of March 31, 2018 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	95.61			95.61	95.61
Bank balances other than above	10.63	-	-	10.63	10.63
Trade receivables	182.43	-	-	182.43	182.43
Loans	165.64	-	-	165.64	165.64
Investments	7,936.61	12,716.57	0.94	20,654.12	28,640.33
Other financial assets	536.85	-	-	536.85	536.85
TOTAL	**8,927.77**	**12,716.57**	**0.94**	**21,645.28**	**29,631.49**
Liabilities:					
Trade payables	155.54	-	-	155.54	155.54
Borrowings (other then debt securities)	20,818.13	-	-	20,818.13	20,830.84
Deposits	279.18	-	-	279.18	279.18
Other financial liabilities	142.33	-	-	142.33	142.33
TOTAL	**21,395.18**	**-**	**-**	**21,395.18**	**21,407.89**

The carrying value and fair value of financial instrument by categories as of April 01, 2017 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	60.21	-	-	60.21	60.21
Bank balances other than above	11.11	-	-	11.11	11.11
Trade receivables	293.01	-	-	293.01	293.01
Loans	146.01	-	-	146.01	146.01
Investments	500.19	38,063.91	0.94	38,565.04	39,126.64
Other financial assets	799.81	-	-	799.81	799.81
TOTAL	**1,810.34**	**38,063.91**	**0.94**	**39,875.19**	**40,436.79**
Liabilities:					
Trade payables	55.67	-	-	55.67	55.67
Borrowings (other then debt securities)	38,352.98	-	-	38,352.98	38,369.85
Deposits	279.18	-	-	279.18	279.18
Other financial liabilities	110.38	-	-	110.38	110.38
TOTAL	**38,798.21**	**-**	**-**	**38,798.21**	**38,815.08**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE -36

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, 2019:

₹ in Lakhs

Particulars	As at 31-03-2019	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments in hybrid instruments FVTPL	9.12	9.12	-	-
Debt instruments FVTPL	3,584.61	-	3,584.61	-
Equity instruments FVTOCI	0.86	-	-	0.86

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

₹ in Lakhs

Particulars	As at 31-03-2018	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments in hybrid instruments FVTPL	22.91	22.91	-	-
Debt instruments FVTPL	12,693.66	-	12,693.66	-
Equity instruments FVTOCI	0.94	-	-	0.94

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 01, 2017:

₹ in Lakhs

Particulars	As at 01-04-2017	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments in hybrid instruments FVTPL	25.68	25.68	-	-
Debt instruments FVTPL	38,038.23	-	38,038.23	-
Equity instruments FVTOCI	0.94	-	-	0.94

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. 2.Latest traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-5 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
Unquoted equity instruments measured at FVOTCI	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, 2019

NOTE -37

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 derivative financial instruments.

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 ₹ 284.31 Lakhs, ₹ 182.43 Lakhs and ₹ 293.01 Lakhs as at March 31, 2019, March 31, 2018 and April 01, 2017. 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 2018-2019	Previous Year 2017-2018
Revenue from top customer	1,727.00	815.43
Revenue from top 5 customers	4,772.43	2,977.93

(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 31-03-2019	As at 31-03-2018	As at 01-04-2017
Within credit days	271.37	153.36	283.75

(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 31-03-2019	As at 31-03-2018	As at 01-04-2017
Trade receivables:			
Less than 90 days	11.73	27.23	8.86
91 to 180 days	1.21	1.37	0.40
181 to 270 days	-	0.47	-
Total	**12.94**	**29.07**	**9.26**

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.

Investments in debt securities measured at amortised cost

Expected credit losses are measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. Since there was no significant increase in credit risk from initial recognition, the management has applied 12 months ECL. No expected credit loss is required to be made based on the Company's management assessment considering the probability of default, loss given default, exposure at default and the discounting rate applied to the individual investments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 31-03-2019	As at 31-03-2018	As at 01-04-2017
Financial assets			
Interest bearing			
- fixed interest rate			
Loans	125.08	165.64	146.01
Bank balances other than cash and cash equivalents	29.52	10.63	11.11
Investments	8,750.12	19,296.93	38,538.43
- floating interest rate			
Investments	-	1,333.33	-
Total	**8,904.72**	**20,806.53**	**38,695.55**
Financial Liabilities			
Interest bearing			
- fixed interest rate			
Borrowings (From related parties)	-	-	2,250.00
Borrowings (Vehicle loans)	52.33	67.07	21.84
- floating interest rate			
Borrowings (Term loans)	3,494.81	2,989.13	3,000.00
Borrowings (Repayable on demand)	3,737.14	17,761.93	33,081.14
Total	**7,284.28**	**20,818.13**	**38,352.98**

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 2018-2019	Previous Year 2017-2018
Increase in basis points	50	50
Effect on profit before tax	(36.16)	(97.09)
Decrease in basis points	50	50
Effect on profit before tax	36.16	97.09

NOTE -38
LIQUIDITY RISK

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

The Company's maximum exposure to liquidity risk for the components of the balance sheet at March 31, 2019, March 31, 2018 and April 01, 2017 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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

Particulars	On demand	Less than 3 months	3 to12 months	1 to 5 years	>5 years	Total
As at 31 March 2019						
Borrowings	3,774.62	349.10	1,006.44	2,435.59	-	7,565.75
Trade and other payables	-	151.10	-	-	-	151.10
Deposits	-	-	-	245.30	-	245.30
Other financial liabilities	14.30	147.23	16.23	10.85	-	188.61
	3,788.92	**647.43**	**1,022.67**	**2,691.74**	**-**	**8,150.76**
As at 31 March 2018						
Borrowings	17,790.66	75.72	577.90	3,050.35	-	21,494.63
Trade and other payables	-	155.54	-	-	-	155.54
Deposits	279.18	-	-	-	-	279.18
Other financial liabilities	30.31	112.02	-	-	-	142.33
	18,100.15	**343.28**	**577.90**	**3,050.35**	**-**	**22,071.68**
As at 01 April 2017						
Borrowings	35,348.01	633.01	2,673.81	3,226.47	-	41,881.30
Trade and other payables	-	55.67	-	-	-	55.67
Deposits	-	-	279.18	-	-	279.18
Other financial liabilities	34.69	75.69	-	-	-	110.38
	35,382.70	**764.37**	**2,952.99**	**3,226.47**		**42,326.53**

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 31-03-2019	As at 31-03-2018	As at 01-04-2017
Borrowings	7,284.28	20,818.13	38,352.98
Trade payables	151.10	155.54	55.67
Other financial liabilities	188.61	142.33	110.38
Less: cash and cash equivalents	(113.34)	(95.61)	(60.21)
Net debt (A)	**7,510.65**	**21,020.39**	**38,458.82**
Equity share capital	660.00	660.00	660.00
Other equity	37,967.47	36,041.28	34,572.86
Total member's capital (B)	**38,627.47**	**36,701.28**	**35,232.86**
Capital and net debt (C=A+B)	**46,138.12**	**57,721.67**	**73,691.68**
Gearing ratio (%) (A/C)	**16.28**	**36.42**	**52.19**

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 period.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE -39

RECONCILIATION OF BALANCE SHEET, TOTAL OTHER COMPREHENSIVE INCOME, EQUITY AND CASH FLOWS AS PER PREVIOUS GAAP TO IND AS.

A Effect of Ind AS adoption on the Balance Sheet as at March 31, 2018 and April 01, 2017

₹ in Lakhs

Particulars	Notes	As at 31-03-2018			As at 01-04-2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS BS	Previous GAAP	Effect of transition to Ind AS	As per Ind AS BS
ASSETS							
(1) Financial assets							
(a) Cash and cash equivalents		95.61	-	95.61	60.20	(0.01)	60.21
(b) Bank balances other than (a) above		10.63	-	10.63	11.11	-	11.11
(c) Trade receivables		182.43	-	182.43	293.01	-	293.01
(d) Loans		483.41	317.77	165.64	582.85	436.84	146.01
(e) Investments	a to d	54,767.67	277.12	54,490.55	69,962.16	110.69	69,851.47
(f) Other financial assets	i	-	(536.85)	536.85	-	(799.81)	799.81
Total financial assets		**55,539.75**	**58.04**	**55,481.71**	**70,909.34**	**(252.29)**	**71,161.62**
(2) Non-financial assets							
(a) Current tax assets (net)		-	-	-	-	(114.08)	114.08
(b) Investment Property		-	(2,882.25)	2,882.25	-	(2,939.63)	2,939.63
(c) Property, plant and equipment		3,562.12	2,882.25	679.87	3,528.27	2,939.63	588.64
(d) Other Intangible assets		4.61	-	4.61	1.87	-	1.87
(e) Other non financial assets	i	427.12	395.84	31.28	565.34	494.17	71.17
Total non-financial assets		**3,993.85**	**395.84**	**3,598.01**	**4,095.47**	**380.09**	**3,715.39**
TOTAL ASSETS		**59,533.60**	**453.88**	**59,079.72**	**75,004.81**	**127.80**	**74,877.01**
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		155.54	-	155.54	55.67	-	55.67
(b) Borrowings (Other than Debt Securities)	e	20,450.55	(367.58)	20,818.13	37,851.29	(501.69)	38,352.98
(c) Deposits	f	-	(279.18)	279.18	-	(279.18)	279.18
(d) Other financial liabilities	j	-	(142.33)	142.33	-	(110.38)	110.38
Total financial liabilities		**20,606.09**	**(789.09)**	**21,395.18**	**37,906.96**	**(891.25)**	**38,798.21**
(2) Non-financial liabilities							
(a) Current tax liabilities (Net)	l	-	(69.66)	69.66	-	-	-
(b) Provisions		271.84	69.66	202.18	135.93	0.01	135.92
(c) Deferred tax liabilities (net)		448.62	(106.51)	555.13	452.23	(207.28)	659.51
(d) Other non-financial liabilities		974.96	818.67	156.29	958.65	908.14	50.51
Total non-financial liabilities		**1,695.42**	**712.16**	**983.26**	**1,546.80**	**700.86**	**845.94**
TOTAL LIABILITIES		**22,301.51**	**(76.93)**	**22,378.44**	**39,453.76**	**(190.39)**	**39,644.15**
EQUITY							
(a) Equity share capital		660.00	-	660.00	660.00	-	660.00
(b) Other equity		36,572.09	530.81	36,041.28	34,891.05	318.19	34,572.86
TOTAL EQUITY		**37,232.09**	**530.81**	**36,701.28**	**35,551.05**	**318.19**	**35,232.86**
TOTAL LIABILITIES AND EQUITY		**59,533.60**	**453.88**	**59,079.72**	**75,004.81**	**127.80**	**74,877.01**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

B Net Profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under :

₹ in Lakhs

Particulars	Notes	Previous Year 2017-2018
Net profit after tax as reported under Indian GAAP		2,157.65
Ind AS adjustments increasing (decreasing) net profit as reported under Indian GAAP:		
Fair valuation of investments	a to d	(342.85)
Reversal of long term capital loss	b	28.70
Remeasurement of transaction costs on borrowings	e	0.85
Re-measurement of security deposit given	f	(0.08)
Remeasurement of defined benefit obligation	g	(59.26)
Tax effect on above adjustments	h	120.78
Net profit as per IND AS		**1,905.79**
Other comprehensive income, net of tax as per IND AS		39.24
Total comprehensive income as per IND AS		**1,945.03**

C Statement of reconciliation of Equity under previous GAAP and Ind AS

₹ in Lakhs

Particulars	Notes	As at 31-March-2018	As at 1-April-2017
As reported under IGAAP			
Equity capital		660.00	660.00
Reserves		36,572.09	34,891.05
Total		**37,232.09**	**35,551.05**
Adjustments			
Fair valuation of investments	a to d	(453.72)	(110.88)
Reversal of long term capital loss	b	28.70	-
Remeasurement of transaction costs on borrowings	e	0.85	-
Re-measurement of security deposit given	f	(0.12)	(0.05)
Remeasurement of defined benefit obligation	g	(20.02)	-
Tax effect on above adjustments	h	(86.50)	(207.26)
Total IND AS Adjustments		(530.81)	(318.19)
Equity as per IND AS		**36,701.28**	**35,232.86**

D Reconciliation of cash flow for the year ended March 31, 2018

₹ in Lakhs

Particulars	Note	Previous GAAP	Ind AS	Change
Cash flow from operating activities	a to g	1,516.01	1,434.94	(81.07)
Cash flow from financing activities	e	(21,237.46)	(21,332.92)	(95.46)
Cash flow from investing activities	a to d	19,756.86	19,933.38	176.52

a) IND AS 27 & IND AS 109– Investment in subsidiaries

Under previous GAAP, an entity is required to account for its investments in subsidiaries cost. Under Ind AS, investment can be measured at cost or fair value. At the transition date, the Company has adopted previous GAAP carrying value as deemed cost.

b) IND AS 109 Financial instrument – Investments in unit capital

Under previous GAAP, long term investments are carried at cost less return on capital and provision for diminution , if any, being permanent in nature. Under Ind AS, investments in units not being equity as per ind AS 32 (Since it has redemption feature & SPPI test are not met) for issuer shall be recorded at Fair value through profit and loss.

c) IND AS 109 Financial instrument – Investments in equity instruments other than subsidiary

Under previous GAAP, long term investments are carried at cost less provision for diminution , if any, being permanent in nature . Under Ind AS, Investments in equity instruments shall be recorded at Fair value through P&L. However, an irrevocable option is available to measure the same through OCI. The Company has elected the option to recognise the fair value gain or loss in OCI. Accordingly, the impact has been recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

d) IND AS 109 Financial instrument – Investments in Debt securities

Under previous GAAP, current investments are carried at cost or market value, whichever is lower. Under Ind AS, investments in debt securities held within the business model objective of realising cash flows through the sale of the assets shall be measured at FVTPL. Accordingly, the Company has fair valued its investments in debt securities held within aforesaid business model and recognised the impact at the date of transition and for the year ended March 31, 2018.

e) IND AS 109 Financial instrument – Transaction costs on borrowings

Under the previous GAAP, loan needs to be carried at its transaction price less repayment, if any. the transaction cost incurred in relation to borrowings are either to be capitalised if the same relates to qualifying assets or be charged to the statement of profit and loss. However, under Ind AS, At initial recognition, entity shall measure financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

f) IND AS 109 Financial instrument – Fair value of security deposits given/ taken

Under previous GAAP, lease security deposit (that are refundable in the nature on the completion of the lease term) are recorded at the transaction value. However, under Ind AS, security deposits shall be recorded initially fair value and subsequently measured at amortized costs. Day 1 impact would be considered as prepaid rent expense/income and be amortised over the lease term. Unwinding income /expenses shall be recorded in the statement of profit and loss with corresponding increase in deposits.

g) IND AS 19 – Defined benefits plan

Under previous GAAP, defined benefits plan being unfunded gratuity are recognised based on actuarial. The entire measurement cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, actuarial gain or loss needs to be recorded in other comprehensive income with no subsequent recycling to the statement of profit and loss

h) Tax effect on remeasurement

Under Ind AS, the Company is required to create deferred tax assets / liabilities on temporary differences calculated based on balance sheet method. Due to adoption of Ind AS, there is change in the carrying value of financial position of Company leading temporary differences and thus, deferred tax has been recognised.

i) Classification and presentation of assets and liabilities

Under previous GAAP, the Company was not required to present its assets and liabilities bifurcating between financial assets / financial liabilities and non financial assets / non financial liabilities . Under Ind AS, the Company is required to present its assets and liabilities bifurcating between financial assets / financial liabilities and non financial assets / non financial liabilities . Accordingly, the Company has classified and presented its assets and liabilities.

NOTE -40
INCOME TAX

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

₹ in Lakhs

Particulars	Current Year 2018-2019	Previous Year 2017-2018
Current income tax:		
Current income tax charge	970.00	1,060.00
Adjustments in respect of previous year	(4.97)	(2.60)
Deferred tax:		
Relating to origination and reversal of temporary differences	(157.56)	(124.39)
Income tax expense reported in the statement of profit or loss	**807.47**	**933.01**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE -40

INCOME TAX (CONTD.)

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

₹ in Lakhs

Particulars	Current Year 2018-2019	Previous Year 2017-2018
Profit before tax	3,158.62	2,838.80
Applicable Tax Rate	29.12%	34.61%
Computed expected tax expenses	919.79	982.45
Tax effect of :		
Tax effect due to non-deductible expenses	9.92	14.09
Tax effect due to additional deduction under income tax	(20.97)	(29.45)
Tax effect due to change in tax rate	(78.26)	
Tax effect due to different tax rate	(18.05)	(31.49)
Adjustments in respect of current income tax of previous year	(4.97)	(2.60)
Income tax expense reported in the statement of profit or loss	**807.47**	**933.01**

NOTE 41

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

NOTE 42

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 43 Subsequent events

The Board of Directors of the Company in its meeting held on May 25, 2019, have recommended a final dividend of ₹ 6 per equity share having face value of ₹ 10 each for the year ended March 31, 2019. 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 ₹ 446.82 Lakhs.

SIGNATURES TO 1 TO 43

As per our report of even date attached

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

G. D. Joglekar
Partner
Membership No. 39407

Place: Mumbai
Date: May 25, 2019

For and on behalf of the Board of Directors

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 25, 2019

INDEPENDENT AUDITORS' REPORT

To,

The Members of

A. K. Capital Services Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of A. K. Capital Services Limited ("the Holding Company") and its subsidiaries (together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as " the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended ("Ind AS") and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's response
1	**Transition to Indian Accounting Standards ("Ind AS")** The Group has adopted Ind AS notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2018 and the effective date of such transition is April 01, 2017. Ind AS is new and complex accounting standards which require considerable judgment and interpretation in its implementation. Further, Ind AS 101 ("First-time Adoption of Indian Accounting Standards") allows two categories of exceptions to the first-time adopters which mainly include prohibition to retrospective application of certain requirements of Ind AS and exemption from some requirements of Ind AS. We consider this transition and the required disclosure to be a key audit matter because new accounting policies have been developed by the Group to comply with these standards and judgment. Note 1 "Significant Accounting Policies", Note 40 "Fair value hierarchy", Note 41 "Market risk", 42 "Liquidity Risk" and Note 43 "Reconciliation of Balance Sheet, Total Other Comprehensive Income, Equity and Cash flows as per previous GAAP to Ind AS, to the Consolidated Financial Statements provide detailed information on the significant policies, critical judgment and estimation along with details of exemptions applied from certain requirements under Ind AS based on which these Consolidated Financial Statements are prepared.	**Principal Audit Procedures** We have performed the following audit procedures in order to obtain sufficient audit evidence: • Assessed the Group's process to identify the impact of adoption and transition to the new accounting standards; • Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of Consolidated Financial Statements; • Reviewed the exemptions availed by the Group from certain requirements under Ind AS; • Obtained an understanding of the governance over the determination of key judgments; • Evaluated and tested the key assumptions and judgments adopted by management; • Assessed the disclosures made against the relevant Ind AS; and • Determined the appropriateness of the methodologies and models used along with the responsibility of the outputs.

Sr. No.	Key Audit Matter	Auditor's response
2	**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 the objective of its business model to manage the cash flows and options available in the standard: • Debt instruments at amortised cost • Debt instruments and equity instruments at fair value through profit or loss (FVTPL) • Equity instruments measured at fair value through other comprehensive income FVTOCI. The Group has assessed following two business model: - Held to collect contractual cash flows - Realising cash flows through the sale of investments. The 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), 39 and 40 to the consolidated financial statements.	**Principal Audit Procedures** • Obtained an understanding of Group's business model assessed in accordance with Ind AS 109. • Evaluated the Group's assessment of business model. • Obtained an understanding of the determination of the measurement of the investments and tested the reasonableness of the significant judgments applied by the management. • Evaluated the design of internal controls relating to the measurement and also tested the operating effectiveness of the aforesaid controls. • Obtained valuation certificate of independent valuer in respect of fair value investments • 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. • Assessed the appropriateness of the disclosure in the consolidated financial statements in accordance with the applicable financial reporting framework.
3	**Loans and impairment loss allowance** The value of loans as at March 31, 2019 is significant and there is a high degree of complexity and judgment involved for the Group in estimating individual and collective credit impairment provisions and write-offs against these loans. The Group's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three stage impairment model ("ECL Model") including the selection and input of forward-looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modeled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.	**Principal Audit Procedures** We have started our audit procedures with understanding of the internal control environment related to impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Group. We also assessed whether the impairment methodology used by the Group is in line with Ind AS 109 "Financial instruments" requirements. Particularly, we assessed the approach of the Group regarding definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL. For loans which are assessed for impairment on a portfolio basis we performed particularly the following procedures: • We read and understood the methodology and policy laid down for loans given by the Group. • We have verified the existence of recovery process plan in the event of default. • We have verified the historical trends of repayment of principal amount of loan and repayment of interest; • We tested the reliability of key data inputs and related management controls; • We checked the stage classification as at the balance sheet date as per definition of default of the Group; • We have assessed the assumptions made by the Company in making provision considering forward looking information.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report and Corporate Governance Report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the audit of the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the audit of Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its 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 financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance 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

a) We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 244,092.95 Lakhs as at March 31, 2019, total revenues of ₹ 33,844.69 Lakhs and net cash flows amounting to ₹ 577.46 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 these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

b) The comparative financial information of the Group for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these consolidated financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards specified under section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India audited by us in our report for the year ended March 31, 2018 dated May 26, 2018 and predecessor auditor whose report for the year ended March 31, 2017 dated May 20, 2017, respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS.

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 matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

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

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

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid or provided to its directors during the year is in accordance with the provision of Section 197 of the Act.

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

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

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

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

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

G. D. Joglekar
Partner
Membership No.: 39407

Place: Mumbai
Date: May 25, 2019

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITORS’ REPORT
(Referred to in paragraph 2(f) under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the A. K. Capital Services Limited (“the Holding Company”) as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting with reference to the financial statements of the Holding Company and its subsidiary companies which is incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing & 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 & errors, the accuracy and completeness of the accounting records, & the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the respective Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanation given to us and based on the consideration of reporting of other auditors as mentioned in "Other Matter" paragraph, the holding Company and its subsidiary companies, 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 March 31, 2019, 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 Intenal Financial Controls Over Financial Reporting issued by ICAI.

Other Matters

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

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

G. D. Joglekar
Partner
Membership No.: 39407

Place: Mumbai
Date: May 25, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

₹ in Lakhs

	Note No.	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	3(a)	1,060.91	465.72	747.04
(b) Bank balances other than (a) above	3(b)	526.40	1,311.12	226.48
(c) Trade receivables	4	819.14	335.73	579.93
(d) Loans	5	73,603.29	98,211.80	33,147.32
(e) Investments	6	79,078.36	82,801.16	112,296.05
(f) Other financial assets				
(i) Stock of securities	7(a)	91,725.88	54,286.49	92,795.58
(ii) Other financial assets	7(b)	2,909.68	4,016.07	5,257.13
Total financial assets		**249,723.66**	**241,428.09**	**245,049.53**
(2) Non-financial assets				
(a) Current tax assets (net)		267.62	263.46	361.79
(b) Deferred tax assets (net)	8	17.46	28.90	22.20
(c) Investment property	9	3,870.58	3,945.80	2,939.63
(d) Property, plant and equipment	10	2,330.43	2,906.04	2,082.81
(e) Goodwill		399.97	399.97	182.79
(f) Intangibles assets	11	52.11	19.32	9.51
(g) Other non financial assets	12	192.26	344.81	328.65
Total non-financial assets		**7,130.43**	**7,908.30**	**5,927.38**
TOTAL ASSETS		**256,854.09**	**249,336.39**	**250,976.91**
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Trade payables				
(i) Total outstanding dues of micro enterprise and small enterprises				
(ii) Total outstanding dues of creditors other than micro and small enterprises	13	797.14	329.75	371.57
(b) Debt securities	14	71,727.00	45,550.00	21,260.00
(c) Borrowings (other than debt securities)	15	115,815.35	142,896.65	178,853.93
(d) Deposits	16	271.89	302.65	279.18
(e) Other financial liabilities	17	3,609.46	1,715.21	427.03
Total financial liabilities		**192,220.84**	**190,794.26**	**201,191.71**
(2) Non-financial liabilities				
(a) Current tax liabilities (net)		106.33	75.06	21.60
(b) Provisions	18	592.31	757.11	382.56
(c) Deferred tax liabilities (net)	19	447.23	742.16	1,153.53
(d) Other non-financial liabilities	20	372.30	289.55	121.24
Total non-financial liabilities		**1,518.17**	**1,863.88**	**1,678.93**
TOTAL LIABILITIES		**193,739.01**	**192,658.14**	**202,870.64**
EQUITY				
(a) Equity share capital	21(a)	660.00	660.00	660.00
(b) Other equity	21(b)	57,846.30	51,724.41	46,928.32
(c) Non Controlling interest		4,608.78	4,293.84	517.95
TOTAL EQUITY		**63,115.08**	**56,678.25**	**48,106.27**
TOTAL LIABILITIES AND EQUITY		**256,854.09**	**249,336.39**	**250,976.91**
Significant accounting policies	1-2			

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

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

G. D. Joglekar
Partner
Membership No. 39407
Place: Mumbai
Date: May 25, 2019

For and on behalf of the Board of Directors

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 25, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

	Note No.	Current Year 2018-2019	Previous Year 2017-2018
Revenue from operations			
Sale of service	22	16,802.16	8,744.82
Interest income	23	21,413.84	21,739.15
Fees and commission income	24	1,553.00	151.58
Dividend income		40.48	10.55
Net gain on fair value changes	25	1,978.45	2,030.47
Rental income		354.65	319.80
Total revenue from operations		**42,142.58**	**32,996.37**
Other income	26	24.88	11.58
Total income		**42,167.46**	**33,007.95**
EXPENSES			
Finance costs	27	15,292.19	13,796.16
Fees and commission expense		213.74	220.08
Employee benefits expense	28	5,088.43	4,623.82
Depreciation and amortization	9,10,11	267.25	259.44
Other expenses	29	11,641.42	5,012.92
Total expenses		**32,503.03**	**23,912.42**
Profit before exceptional items and tax		9,664.43	9,095.53
Exceptional items		-	-
Profit before tax		**9,664.43**	**9,095.53**
Tax expense:			
Current tax		2,776.94	3,185.80
Deferred tax expense/ (credit)		(308.99)	(437.51)
Profit for the year [A]		**7,196.48**	**6,347.24**
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit & loss	30	95.61	(914.06)
Less: Income tax expense on above		(26.87)	(17.36)
Total other comprehensive income for the year [B]		**68.74**	**(931.42)**
Total comprehensive income for the year [A+B]		**7,265.22**	**5,415.82**
Profit for the year attributable to:		**7,196.48**	**6,347.24**
Owners of the Company		7,137.53	6,290.38
Non-controlling interest		58.95	56.86
Other comprehensive income attributable to:		**68.74**	**(931.42)**
Owners of the Company		68.70	(918.84)
Non-controlling interest		0.04	(12.58)
Total comprehensive income attributable to:		**7,265.22**	**5,415.82**
Owners of the Company		7,206.23	5,371.54
Non-controlling interest		58.99	44.28
Earnings per equity share (in ₹)			
Basic and diluted earnings per share	37	108.14	95.31
Significant accounting policies	**1-2**		

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

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

G. D. Joglekar
Partner
Membership No. 39407
Place: Mumbai
Date: May 25, 2019

For and on behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 25, 2019

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, 2019

₹ in Lakhs

A EQUITY SHARE CAPITAL

	Number of shares	Amount
At 1 April 2017	6,600,000	660.00
Issue of share capital	-	-
At 31 March 2018	**6,600,000**	**660.00**
Issue of share capital	-	-
At 31 March 2019	**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 1 April 2017	**675.00**	**4,960.89**	**2,188.22**	**3,657.35**	**(21.62)**	**36,829.91**	**(41.34)**	**(1,320.09)**	**517.95**	**47,446.27**
Profit for the year	-	-	-	-	-	6,290.38	-	-	56.86	6,347.24
Other comprehensive income net of tax for the year	-	-	-	-	-	-	54.45	(973.29)	(12.58)	(931.42)
Transfer (to) /from reserves	-	-	799.71	-	-	(799.71)	-	-	-	-
Addition to translation reserve	-	-	-	-	10.78	-	-	-	-	10.78
Other adjustments	-	-	-	-	-	0.89	(40.11)	-	-	(39.22)
Expenses incurred in relation to share capital	-	-	-	-	-	(70.40)	-	-	-	(70.40)
Share of non controlling interest	-	-	-	-	-	-	-	-	4,000.00	4,000.00
Dividend paid	-	-	-	-	-	(396.00)	-	-	(223.14)	(619.14)
Dividend distribution tax paid	-	-	-	-	-	(80.61)	-	-	(45.25)	(125.86)
Balance at 31 March 2018	**675.00**	**4,960.89**	**2,987.93**	**3,657.35**	**(10.84)**	**41,774.46**	**(27.00)**	**(2,293.38)**	**4,293.84**	**56,018.25**
Profit for the year	-	-	-	-	-	7,137.53	-	-	58.95	7,196.48
Other comprehensive income net of tax for the year	-	-	-	-	-	-	72.11	(3.41)	0.04	68.74
Share of non controlling interest	-	-	-	-	-	(255.95)	-	-	255.95	-
Transfer (to) /from reserves	-	-	917.11	-	-	(917.11)	-	-	-	-
Addition to translation reserve	-	-	-	-	(5.18)	-	-	-	-	(5.18)
Other adjustments						-	(83.75)	-		(83.75)
Dividend paid	-	-	-	-	-	(637.97)	-	-	-	(637.97)
Dividend distribution tax paid	-	-	-	-	-	(101.49)	-	-	-	(101.49)
Balance at 31 March 2019	**675.00**	**4,960.89**	**3,905.04**	**3,657.35**	**(16.02)**	**46,999.47**	**(38.64)**	**(2,296.79)**	**4,608.78**	**62,455.08**

Significant accounting policies 1-2

As per our report of even date attached

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

G. D. Joglekar
Partner
Membership No. 39407
Place: Mumbai
Date: May 25, 2019

For and on behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN: 00698377)
Place: Mumbai
Date: May 25, 2019

Vikas Jain
Director
(DIN: 07887754)

Mahesh Bhootra
Chief Financial Officer

Tejas Davda
Company Secretary
(ACS: A27660)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

₹ in Lakhs

		Current Year 2018-2019	Previous Year 2017-2018
(A)	**Cash flow from/(used in) operating activities**		
	Profit /(loss) before tax	**9,664.43**	**9,095.53**
	Adjustment for:		
	Depreciation and amortisation	267.25	259.44
	Loss on sale of property, plant and equipment (Net)	23.91	6.06
	Bad debts written-off	-	6.12
	Provision for expected credit loss	(99.43)	-
	Contingent provision for standard assets	187.90	274.11
	Dividend income	(40.48)	(10.55)
	Interest income	(21,413.84)	(21,739.15)
	Rental Income	(354.65)	(319.80)
	Net gain on fair value changes	(1,978.45)	(2,030.47)
	Interest expenses	15,292.19	13,796.16
	Movement in working capital:		
	Increase/(decrease) in trade payable and other financial liabilities	542.89	0.84
	Increase/(decrease) in non-financial liabilities	(82.05)	542.86
	(Increase)/decrease in trade receivables and other financial assets	(37,835.15)	37,703.81
	(Increase)/decrease in non-financial assets	152.55	(16.16)
	Cash (used in)/generated from operations	**(35,672.93)**	**37,568.80**
	Income tax paid	(2,751.20)	(3,031.93)
	Net cash (used in)/generated from operating activities [A]	**(38,424.13)**	**34,536.87**
(B)	**Cash flow from/(used in) investing activities**		
	Proceeds from sale of investments (net)	3,946.64	29,612.05
	Payment for acquisition of property, plant and equipment	(28.51)	(1,207.08)
	Payment for acquisition of intangibles	(52.69)	(236.10)
	Payment for acquisition of investment property	-	(1,070.00)
	Proceeds from sale of property, plant and equipment	408.08	191.29
	Investments in fixed deposits	784.72	(1,084.64)
	Proceeds from loans given (net)	24,608.51	(65,064.48)
	Realised net gain on fair value changes	1,754.61	981.89
	Interest income received	22,350.79	23,680.56
	Dividend income received	40.48	10.55
	Rent income received	354.65	319.80
	Cash generated from/(used in) investing activities [B]	**54,167.28**	**(13,866.16)**
(C)	**Cash flow from/(used in) financing activities**		
	Proceeds from long-term borrowings	80,500.00	26,766.50
	Repayments of long-term borrowings	(12,207.08)	(13,057.46)
	Proceeds from debt securities	26,177.00	24,290.00
	Proceeds from issue of preferencial shares in subsidiary	-	4,000.00
	Repayment of short-term borrowings (net)	(95,374.22)	(49,666.32)
	Interest paid	(13,504.20)	(12,539.75)
	Dividends paid including dividend distribution tax	(739.46)	(745.00)
	Cash used in financing activities [C]	**(15,147.96)**	**(20,952.03)**
	Net increase/(decrease) in cash and cash equivalents [A+B+C]	**595.19**	**(281.32)**
	Add: Cash and cash equivalents at the beginning of the year	465.72	747.04
	Cash and cash equivalents at the end of the year	1,060.91	465.72

Reconciliation of liabilities arising from financing activities

Particulars	As at 31-03-2018	Cash Flows	Transaction cost	Interest accrual	As at 31-03-2019
Long-term borrowings	82,961.10	94,469.92	-	-	177,431.02
Short-term borrowings	105,485.55	(95,374.22)	-	-	10,111.33
Interest on above borrowings	1,468.31	(13,504.20)	-	15,292.19	3,256.30
Total liabilities from financing activities	**189,914.96**	**(14,408.50)**	**-**	**15,292.19**	**190,798.65**

Reconciliation of liabilities arising from financing activities

Particulars	As at 01-04-2017	Cash Flows	Transaction cost	Interest accrual	As at 31-03-2018
Long-term borrowings	44,962.06	37,999.04	-	-	82,961.10
Short-term borrowings	155,151.87	(49,666.32)	-	-	105,485.55
Interest on above borrowings	211.90	(12,539.75)	-	13,796.16	1,468.31
Total liabilities from financing activities	**200,325.83**	**(24,207.03)**	**-**	**13,796.16**	**189,914.96**

Significant accounting policies 1 - 2

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

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

G. D. Joglekar
Partner
Membership No. 39407
Place: Mumbai
Date: May 25, 2019

For and on behalf of the Board of Directors

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 25, 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 1

CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

CORPORATE INFORMATION

The consolidated financial statements comprise of financial statements of A. K. Capital Services Limited ('the Company' or 'the Holding Company' or 'Parent') and its subsidiaries (collectively, 'the Group'). The Company was incorporated on October 5, 1993. The registered address of the Company is situated at 30-38, 3rd, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400021. The Company is a SEBI Registered Category I Merchant Banker. The financial statements of the Group for the year ended March 31, 2019 were authorized for issue by the Board of Directors on May 25, 2019.

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 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.

For all periods upto and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended March 31, 2019 are the first financials which the Group has prepared in accordance with Ind AS.

Refer to note 43 for information on how the Group has adopted Ind AS.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns

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

a) The contractual arrangement with the other vote holders of the investee

b) The ability to use its power over the investee to affect its returns

c) The Group's voting rights and potential voting rights

d) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

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

(e) **Changes in ownership interests**

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

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

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

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

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

(h) Following companies are consolidated

Name of Company	Country of incorporation	Reporting currency	Effective date of becoming subsidiary	Nature of principal activity	Extent of Holding %		
					As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
A. K. Capital Corporation Private Limited	India	Indian Rupees	29-Jan-2007	Investment activity	100	100	100
A. K. Capital Finance Limited	India	Indian Rupees	04-Sep-2008	Non Banking Finance Company (Investment and lending activities)	98.73	98.73	98.73
A. K. Stockmart Private Limited	India	Indian Rupees	20-Feb-2006	Stcok broking (Retail Distribution, WDM Broking, Stock Broking, Depository Services)	100	100	100
A. K. Wealth Management Private Limited	India	Indian Rupees	12-May-2010	Portfolio management services	100	100	100
A. K. Capital (Singapore) Pte. Ltd	Singapore	Singapore Dollar	29-Jul-2013	Financial advisory services	100	100	100
Family Home Finance Private Limited	India	Indian Rupees	29-Jun-2017	Housing Finance activity	98.73	98.73	NA

2.02 First-time adoption of Ind AS

Ind AS 101 requires that all Ind AS effective for the first Ind AS financial statements, be applied consistently and retrospectively for all fiscal years presented. However, this standard provides some exception and exemption to this general requirement in specific cases. The application of relevant exception and exemption are

Exceptions to retrospective application of other Ind AS

(a) **Estimates:** An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. The Group has not made any changes to estimates considered in accordance with Previous GAAP.

(b) **Ind AS 109-Financial Instruments (Classification and measurement financial assets) :**

Classification and measurement shall be made on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Group has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured the financial assets on the date of transition.

Exemptions from retrospective application of Ind AS

(a) **Ind AS 16 Property, Plant and Equipment/ Ind AS 38 Intangible Assets :** If there is no change in the functional currency, an entity may elect to measure an item of property, plant and equipment /Intangible assets at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of property, plant and equipment/intangible assets by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

The Group has elected to continue with the carrying amount for all of its Property, Plant and Equipment and Intangible Assets, measured as per Previous GAAP and use that as its deemed cost as at the date of transition i.e. April 01, 2017

(b) **Ind AS 40 Investment Property:** If there is no change in the functional currency, an entity may elect to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the date of transition. The Group has elected to continue with the previous GAAP carrying amount of investment Property as deemed cost at the date of transition i.e. April 01, 2017

(c) **Ind AS 17 Leases:** An entity shall determine based on facts and circumstances existing at the date of transition to Ind AS whether an arrangement contains a Lease and when a lease includes both land and building elements, an entity shall assess the operating lease. The Group has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.

(d) **Ind AS 109-Financial Instruments:** Ind AS 109 permits an entity to designate a financial liability and financial asset (meeting certain criteria) at fair value through profit or loss. A financial liability and financial asset shall be designated at fair value through profit or loss, on the basis of facts and circumstances that exist at the date of transition.

2.03 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.

2.04 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

2.05 Fair value measurement

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

In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

2.06 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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."

Fees and Commission Income

Revenue from fees based activities are 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 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 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.

2.07 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

2.08 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.

Upon first time adoption of IND-AS, the Group has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount at its deemed cost on the date of transition to IND-AS i.e. April 01, 2017.

Subsequent Cost

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

Depreciation

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

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

Derecognition of assets

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

2.09 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.

2.10 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.

The Group has elected to continue with the previous GAAP carrying amount of all intangible assets as deemed cost at the date of transition i.e. April 01, 2017

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Derecognition

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 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.

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

Debt Instruments:

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

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

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

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

Equity Instruments:

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

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

Derecognition

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

Financial Liabilities:

Initial recognition and measurement

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

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.

ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Group provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumsump payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Group. The Group's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Group's obligation. The calculation is performed annually by a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

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

iii) Short term benefits

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

iv) Compensated absences

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

2.18 Lease

As a lessee:

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized at their fair value at the inception of the lease or at the present value of the minimum lease payments, whichever is lower.

Operating lease payments are recognised to the Statement of Profit and Loss on a straight line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for lessors expected inflationary costs increases, in which case the same are recognised as an expense in line with the contractual terms.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

Ind-AS 116 – Leases:

On March 30, 2019 , Ministry of Corporate Affairs has notified Ind AS 116 , Leases . Ind AS 116 will replace the existing leases Standard, Ind AS17 Leases , and related Interpretations . The Standard sets out the principles for the recognition, measurement , presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss.

The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 01,2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

The effect of adoption as on transition date is expected to be insignificant.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is financial periods beginning on or after April 01, 2019.

The Group will adopt the standard on April 01, 2019.The effect on adoption of Ind AS 12 Appendix C is expected to be insignificant.

Amendment to Ind AS 12 – Income taxes

On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The effective date for adoption of Ind AS 12 is financial periods beginning on or after April 01, 2019.

Amendment to Ind AS 19 – Employee Benefits

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The effective date for adoption of Ind AS 19 is financial periods beginning on or after April 01, 2019.

The Group will adopt the standard on April 01, 2019.The effect on adoption of Ind AS 19 is expected to be insignificant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

NOTE - 3
(a) CASH AND CASH EQUIVALENTS

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Cash on hand	61.70	36.84	139.26
Balances with banks	980.11	418.96	592.44
Cheques, drafts on hand	19.10	9.92	15.34
	1,060.91	**465.72**	**747.04**

(b) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Fixed deposits with banks*	512.10	1,300.49	215.37
In earmarked accounts- unpaid dividend	14.30	10.63	11.11
	526.40	**1,311.12**	**226.48**

*Lien against deposit with Securitisation Trust/Guarantee of ₹15.22 lakhs (As at March 31, 2018 and as at April 01, 2017 ₹ Nil)

₹ in Lakhs

NOTE - 4
TRADE RECEIVABLES

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Unsecured, considered good	819.14	335.73	579.93
	819.14	**335.73**	**579.93**

₹ in Lakhs

NOTE - 5
LOANS (AT AMORTISED COST)

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(A) Loans			
(I) Loan to an employee	50.02	50.08	50.14
(ii) Loan to securitisation trusts	75.06	115.56	95.87
(iii) Loan repayable on demand	684.24	2,530.00	1,500.00
(iii) Term loans	72,793.97	95,516.16	31,501.31
Total (A) -Gross	**73,603.29**	**98,211.80**	**33,147.32**
Less: Impairment loss allowance	**-**	**-**	**-**
Total (A) - Net	**73,603.29**	**98,211.80**	**33,147.32**
(B)			
(I) secured	71,557.45	95,563.82	32,501.31
(ii) Unsecured	2,045.84	2,647.98	646.01
Total (B)-Gross	**73,603.29**	**98,211.80**	**33,147.32**
Less: Impairment loss allowance	**-**	**-**	**-**
Total (B)-Net	**73,603.29**	**98,211.80**	**33,147.32**
(C) Loans in India			
(i) Public sector	-	-	-
(ii) Others	73,603.29	98,211.80	33,147.32
Total (C) Gross	**73,603.29**	**98,211.80**	**33,147.32**
Less: Impairment loss allowance	**-**	**-**	**-**
Total(C)-Net	**73,603.29**	**98,211.80**	**33,147.32**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 6

INVESTMENTS

₹ in Lakhs

As at 31-03-2019							
		At fair value					
Particulars	Amortised cost	Through other comprehensive Income*	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others (At cost)	Total
(I) Government securities	**13,220.98**	**-**	**10.01**	**-**	**13,230.99**	**-**	**13,230.99**
i) Quoted	13,220.98	-	10.01	-	13,230.99	-	13,230.99
(II) Mutual fund	**-**	**-**	**18.02**	**-**	**18.02**	**-**	**18.02**
i) Quoted	-	-	18.02	-	18.02	-	18.02
(III) Debt securities	**46,809.48**	**-**	**17,809.50**	**-**	**64,618.98**	**-**	**64,618.98**
i) Quoted	46,809.48	-	17,809.50	-	64,618.98	-	64,618.98
(IV) Equity instruments							
i) Quoted (fully paid)	**-**	**28.13**	**-**	**-**	**28.13**	**-**	**28.13**
150,000 Equity shares of UCO Bank Limited of ₹ 10 each	-	28.13	-	-	28.13	-	28.13
ii) Unquoted (fully paid)	**-**	**0.86**	**-**	**-**	**0.86**	**-**	**0.86**
636,000 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
1,000 Equity shares of A. K. Capital Retail Private Limited of ₹10 each	-	0.10	-	-	0.10	-	0.10
3,000 Equity shares of A. K. Commodities Private Limited of ₹ 10 each	-	0.30	-	-	0.30	-	0.30
(V) Units of venture capital fund	**-**	**-**	**9.12**	**-**	**9.12**	**-**	**9.12**
(VI) Units of securitisation trust	**1,359.45**	**-**	**-**	**-**	**1,359.45**	**-**	**1,359.45**
Total – Gross (A)	**61,389.91**	**28.99**	**17,846.65**	**-**	**79,265.55**	**-**	**79,265.55**
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investments in India	61,389.91	28.99	17,846.65	-	79,265.55	-	79,265.55
Total (B)	**61,389.91**	**28.99**	**17,846.65**	**-**	**79,265.55**	**-**	**79,265.55**
Less: Allowance for Impairment loss (C)	(187.19)	-	-	-	(187.19)	-	(187.19)
Total – Net D= (A)-(C)	**61,202.72**	**28.99**	**17,846.65**	**-**	**79,078.36**	**-**	**79,078.36**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 6
INVESTMENTS

₹ in Lakhs

Particulars	Amortised cost	At fair value			Subtotal	Others (At cost)	Total
As at 31-03-2018							
		Through other comprehensive Income*	Through profit or loss	Designated at fair value through profit or loss			
(I) Government securities	**13,220.98**	**-**	**-**	**-**	**13,220.98**	**-**	**13,220.98**
i) Quoted	13,220.98	-	-	-	13,220.98	-	13,220.98
(II) Mutual fund	**-**	**-**	**30.12**	**-**	**30.12**	**-**	**30.12**
i) Quoted	-	-	30.12	-	30.12	-	30.12
(III) Debt securities	**36,864.43**	**-**	**28,693.87**	**-**	**65,558.30**	**-**	**65,558.30**
i) Quoted	36,864.43	-	28,693.87	-	65,558.30	-	65,558.30
(IV) Equity instruments							
i) Quoted (fully paid)	**-**	**926.55**	**-**	**-**	**926.55**	**-**	**926.55**
150,000 Equity shares of UCO Bank Limited of ₹ 10 each	-	32.40	-	-	32.40	-	32.40
950,210 Equity shares of Union Bank of India Limited of ₹ 10 each	-	894.15	-	-	894.15	-	894.15
ii) Unquoted (fully paid)	**-**	**0.94**	**-**	**-**	**0.94**	**-**	**0.94**
636,000 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
1,000 Equity shares of A. K. Capital Retail Private Limited of ₹ 10 each	-	0.10	-	-	0.10	-	0.10
3,000 Equity shares of A. K. Commodities Private Limited of ₹ 10 each	-	0.30	-	-	0.30	-	0.30
8,000 Equity shares of India Bond Private Limited of ₹ 1 each	-	0.08	-	-	0.08	-	0.08
(V) Units of venture capital fund	**-**	**-**	**22.91**	**-**	**22.91**	**-**	**22.91**
(VI) Units of securitisation trust	**3,041.36**	**-**	**-**	**-**	**3,041.36**	**-**	**3,041.36**
Total – Gross (A)	**53,126.77**	**927.49**	**28,746.90**	**-**	**82,801.16**	**-**	**82,801.16**
(i) Investments outside India							
(ii) Investments in India	53,126.77	927.49	28,746.90	-	82,801.16	-	82,801.16
Total (B)	**53,126.77**	**927.49**	**28,746.90**	**-**	**82,801.16**	**-**	**82,801.16**
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-
Total – Net D= (A)-(C)	**53,126.77**	**927.49**	**28,746.90**	**-**	**82,801.16**	**-**	**82,801.16**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 6
INVESTMENTS

₹ in Lakhs

As at 01-04-2017								
Particulars	Amortised cost	At fair value			Subtotal	Others (At cost)	Total
		Through other comprehensive Income*	Through profit or loss	Designated at fair value through profit or loss			
(I) Government securities	**4,852.33**	**-**	**54,537.74**	**-**	**59,390.07**	**-**	**59,390.07**
i) Quoted	4,852.33	-	54,537.74	-	59,390.07	-	59,390.07
(II) Mutual fund	**-**	**-**	**5.14**	**-**	**5.14**	**-**	**5.14**
i) Quoted	-	-	5.14	-	5.14	-	5.14
(III) Debt securities	**5,054.91**	**-**	**47,765.38**	**-**	**52,820.29**	**-**	**52,820.29**
i) Quoted	5,054.91	-	47,765.38	-	52,820.29	-	52,820.29
(IV) Equity instruments							
i) Quoted (fully paid)	**-**	**53.93**	**-**	**-**	**53.93**	**-**	**53.93**
150,000 Equity shares of UCO Bank Limited of ₹ 10 each	-	53.93	-	-	53.93	-	53.93
ii) Unquoted (fully paid)	**-**	**0.94**	**-**	**-**	**0.94**	**-**	**0.94**
636,000 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
1,000 Equity shares of A. K. Capital Retail Private Limited of ₹ 10 each	-	0.10	-	-	0.10	-	0.10
3,000 Equity shares of A. K. Commodities Private Limited of ₹ 10 each	-	0.30	-	-	0.30	-	0.30
8,000 Equity shares of India Bond Private Limited of ₹ 1 each	-	0.08	-	-	0.08	-	0.08
(V) Units of venture capital fund	**-**	**-**	**25.68**	**-**	**25.68**	**-**	**25.68**
Total – Gross (A)	**9,907.24**	**54.87**	**102,333.94**	**-**	**112,296.05**	**-**	**112,296.05**
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investments in India	9,907.24	54.87	102,333.94	-	112,296.05	-	112,296.05
Total (B)	**9,907.24**	**54.87**	**102,333.94**	**-**	**112,296.05**	**-**	**112,296.05**
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-
Total – Net D= (A)-(C)	**9,907.24**	**54.87**	**102,333.94**	**-**	**112,296.05**	**-**	**112,296.05**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 7

(a) STOCK OF SECURITIES (MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS)

₹ in Lakhs

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(I) **State development loans**			
(i) Quoted	-	-	6,103.50
(II) **Debt Securities**			
(i) Quoted	91,716.02	54,204.72	84,155.25
(III) **Exchange Traded funds**			
(i) Quoted	9.86	81.77	91.69
(IV) **Commercial Paper**			
(i) Quoted	-	-	2,445.14
Total - Gross (A)	**91,725.88**	**54,286.49**	**92,795.58**
Stock of securities outside India	-	-	-
stock of securities in Indian	91,725.88	54,286.49	92,795.58
Total(B)	**91,725.88**	**54,286.49**	**92,795.58**
Less Allowance for impairment loss (c)	-	-	-
Total - Net D= (A)-(C)	**91,725.88**	**54,286.49**	**92,795.58**

(b) OTHER FINANCIAL ASSETS

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Deposits			
Earnest money deposits	41.45	25.91	16.45
Exchanges/Depository/Clearing House deposits	330.60	5.97	5.89
Utility deposits	4.63	0.00	0.00
Rental deposits			
i) with other parties	162.64	560.33	527.02
ii) with related parties	317.58	356.42	356.40
Other deposits	15.06	28.54	37.53
Interest accrued and due on			
-Loans to related party	-	-	26.89
-Loans to Others	-	-	64.56
Interest accrued but not due on			
-Loans to related party	-	55.47	-
-Loans to Others	159.50	93.95	741.78
-Securities/Investments and deposits	944.64	1,891.67	3,240.72
Other receivables	858.58	773.81	15.89
Deposits with banks for more than 12 months	75.00	224.00	224.00
	2,909.68	**4,016.07**	**5,257.13**

₹ in Lakhs

NOTE 8

DEFERRED TAX ASSETS (NET)

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
Deferred tax liabilities			
On account of:			
Depreciation	(0.41)	(1.38)	(3.07)
Fair valuation of financial assets as at reporting date	-	0.12	(0.09)
Less: Deferred tax assets:			
Expenses disallowed under section 35D	2.16	2.85	-
Expenses allowable on payment basis (gratuity)	15.71	27.20	25.35
Depreciation	-	0.10	-
Re-measurements of other financial assets	-	0.01	0.01
Deferred tax assets (net)	**17.46**	**28.90**	**22.20**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 9
INVESTMENT PROPERTY

₹ in Lakhs

	Building	Total
Gross block (Deemed cost- refer note 9.a below)		
As at 1 April 2017	2,939.63	2,939.63
Additions	1,070.00	1,070.00
Disposals	-	-
As at 31 March 2018	**4,009.63**	**4,009.63**
Additions	-	-
Disposals	-	-
As at 31 March 2019	**4,009.63**	**4,009.63**
Accumulated depreciation and impairment		
As at 1 April 2017	-	-
Additions	63.83	63.83
Disposals	-	-
As at 31 March 2018	**63.83**	**63.83**
Additions	75.22	75.22
Disposals	-	-
As at 31 March 2019	**139.05**	**139.05**
Net Block		
As at 1 April 2017	**2,939.63**	**2,939.63**
As at 31 March 2018	**3,945.80**	**3,945.80**
As at 31 March 2019	**3,870.58**	**3,870.58**

9.a The Group used carrying amount as per previous GAAP as on April 01, 2017 in its opening IND AS statement of financial position as deemed cost for an item of property, plant and equipment.

Following are the disclosures with regard to its gross block value, accumulated depreciation and net block value as per previous GAAP as on April 01, 2017

₹ in Lakhs

Particulars	Cost	Accumulated depreciation	Net Block
Building	3,435.00	495.37	2,939.63
Total	**3,435.00**	**495.37**	**2,939.63**

9.b RECONCILIATION OF CHANGES IN THE FAIR VALE OF INVESTMENT PROPERTY

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

₹ in Lakhs

Particulars	Building	Total
As at 1 April 2017	4,472.53	4,472.53
Addition	1,070.00	1,070.00
Changes in the fair value	-	-
Closing balance as on 31 March 2018	**5,542.53**	**5,542.53**
Changes in the fair value	51.64	51.64
Closing balance as on 31 March 2019	**5,594.17**	**5,594.17**

9.c INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

₹ in Lakhs

Particulars	Current Year 2018-2019	Previous Year 2017-2018
Rental income derived from investment property	354.65	319.80
Direct operating expenses (including repairs & maintenance) generating rental income	24.55	25.46
Profit arising from investment property before depreciation and indirect expenses	**330.10**	**294.34**
Less: Depreciation	75.22	63.83
Profit arising from investment property before indirect expenses	**254.88**	**230.51**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 10
PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Computers	Office equipments	Furniture and fixtures	Building	Vehicles	Plant and machinery	Total
Gross block							
As at 1 April 2017	18.39	25.67	86.59	1,273.84	678.09	0.23	2,082.81
Additions	46.07	11.29	8.13	973.08	168.51	-	1,207.08
Disposals	(1.57)	-	-	-	(216.47)	-	(218.04)
As at 31 March 2018	**62.89**	**36.96**	**94.72**	**2,246.92**	**630.13**	**0.23**	**3,071.85**
Additions	14.80	7.07	1.40	5.24	-	-	28.51
Disposals	(1.28)	(0.21)	-	(364.51)	(121.74)	-	(487.74)
As at 31 March 2019	**76.41**	**43.82**	**96.12**	**1,887.65**	**508.39**	**0.23**	**2,612.62**
Accumulated depreciation							
As at 1 April 2017	-	-	-	-	-	-	-
Additions	14.88	11.09	22.63	35.22	102.62	0.06	186.50
Disposals	(0.93)	-	-	-	(19.76)	-	(20.69)
As at 31 March 2018	**13.95**	**11.09**	**22.63**	**35.22**	**82.86**	**0.06**	**165.81**
Additions	24.52	9.39	16.12	33.56	88.37	0.17	172.13
Disposals	-	(0.03)	-	(5.89)	(49.83)	-	(55.75)
As at 31 March 2019	**38.47**	**20.45**	**38.75**	**62.89**	**121.40**	**0.23**	**282.19**
Net block							
As at 1 April 2017	**18.39**	**25.67**	**86.59**	**1,273.84**	**678.09**	**0.23**	**2,082.81**
As at 31 March 2018	**48.94**	**25.87**	**72.09**	**2,211.70**	**547.27**	**0.17**	**2,906.04**
As at 31 March 2019	**37.94**	**23.37**	**57.37**	**1,824.76**	**386.99**	**-**	**2,330.43**

1) Vehicles include vehicles hypothecated against loan taken having net block as at March 31, 2019 ₹ 144.18 Lakhs (as at 31 March 2018 ₹ 166.34 Lakhs and as at April 01, 2017 ₹ 216.76 Lakhs)

2) Building include premises hypothecated against loan taken having net block as at March 31, 2019 ₹ 706.03 Lakhs (as at 31 March 2018 ₹ 718.81 Lakhs and as at April 01, 2017 ₹ 731.71 Lakhs)

3) Building include premises mortgaged against non convertible debenture issued having net block as at 31 March 2019 of ₹ 192.78 Lakhs (as at March 31, 2018 ₹ 196.11 Lakhs and as at April 01, 2017 ₹ Nil).

NOTE - 10.a

The Group used carrying amount as per previous GAAP as on April 01, 2017 in its opening IND AS statement of financial position as deemed cost for an item of property, plant and equipment

Following are the disclosures with regard to its gross block value, accumulated depreciation and net block value as per previous GAAP as on April 01, 2017:

₹ in Lakhs

Particulars	Cost	Accumalated depreciation	Net Block
Plant and machinery	3.69	3.46	0.23
Computers	240.66	222.27	18.39
Furniture and fixtures	288.99	202.40	86.59
Office equipments	179.29	153.62	25.67
Office buildings	1,362.58	88.74	1,273.84
Leasehold improvements	240.46	240.46	-
Vehicles	993.24	315.15	678.09
Total	**3,308.91**	**1,226.10**	**2,082.81**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

NOTE - 11
INTANGIBLE ASSETS

	Software	Total
Gross Block (Deemed cost- refer note 11.a below)		
As at 1 April 2017	9.51	9.51
Additions	18.92	18.92
Disposals	-	-
As at 31 March 2018	**28.43**	**28.43**
Additions	52.69	52.69
Disposals	-	-
As at 31 March 2019	**81.12**	**81.12**
Accumulated depreciation		
As at 1 April 2017	-	-
Additions	9.11	9.11
Disposals	-	-
As at 31 March 2018	**9.11**	**9.11**
Additions during the year	19.90	19.90
Disposals during the year	-	-
As at 31 March 2019	**29.01**	**29.01**
Net Block		
As at 1 April 2017	**9.51**	**9.51**
As at 31 March 2018	**19.32**	**19.32**
As at 31 March 2019	**52.11**	**52.11**

11. a The Group used carrying amount as per previous GAAP as on April 01, 2017 in its opening IND AS statement of financial position as deemed cost for Intangible assets. Following are the disclosures with regard to its gross block value, accumulated depreciation and net block value as per previous GAAP as on April 01, 2017

₹ in Lakhs

Particulars	Cost	Accumalated depreciation	Net Block
Software	148.94	139.43	9.51
Total	**148.94**	**139.43**	**9.51**

₹ in Lakhs

NOTE - 12
OTHER NON-FINANCIAL ASSETS

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
Advance to suppliers	5.14	6.79	8.92
Capital advance	-	4.19	7.00
Prepaid expenses	67.19	229.87	86.76
Balance with government authorities	119.38	103.34	195.37
Other advances and receivables	0.55	0.62	30.60
	192.26	**344.81**	**328.65**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

NOTE - 13
TRADE PAYABLES

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(I) Trade payables			
(i) Total outstanding dues of micro enterprises & small enterprises*	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	797.14	329.75	371.57
	797.14	**329.75**	**371.57**

* 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 31-03-2019	As at 31-03-2018	As at 01-04-2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-	-

₹ in Lakhs

NOTE - 14
DEBT SECURITIES (AT AMORTISED COST)

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Non convertible debentures (Refer note 44)	71,727.00	45,550.00	21,260.00
Total (A)	**71,727.00**	**45,550.00**	**21,260.00**
Debt securities in India	71,727.00	45,550.00	21,260.00
Debt securities outside India	-	-	-
Total (B)	**71,727.00**	**45,550.00**	**21,260.00**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

NOTE - 15 BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(a) Term loans			
(i) from banks*	56,603.23	16,525.26	20,003.91
(ii) from other parties**	-	-	3,000.00
(iii) from NBFCs***	588.91	633.36	676.31
(b) Loans from related parties****	-	-	2,250.00
(c) Loans repayable on demand from banks*****	46,517.62	89,914.58	82,750.55
(d) Other loans			
(i) from Collaterlised Borrowing and Lending Obligation (CCIL) #	12,000.00	11,300.00	41,950.00
(ii) from NBFCs ##	-	17,497.55	-
(iii) from Repo account ###	-	-	18,286.00
(iv) Commercial Papers	-	6,889.88	9,787.10
(e) Vehicle Loans ####	105.59	136.02	128.22
Total (A)	**115,815.35**	**142,896.65**	**178,853.93**
Borrowings in India	115,815.35	142,896.65	178,853.93
Borrowings outside India	-	-	-
Total (B)	**115,815.35**	**142,896.65**	**178,853.93**
Secured	115,815.35	136,006.77	169,066.83
Unsecured	-	6,889.88	9,787.10
Total (C)	**115,815.35**	**142,896.65**	**178,853.93**

* Term loan from banks to the extent of ₹ 3,494.81 lakhs (as at March 31, 2018 ₹ 2,989.13 lakhs and as at April 01, 2017 ₹ Nil) is secured against mortgage of the Holding Company'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 are repayable in the range of 20-36 monthly / quarterly installments.

* Term loans from banks to the extent of ₹ 53,108.42 lakhs (as at March 31, 2018 ₹ 11,052.52 lakhs and as at April 01, 2017 ₹ 20,003.91 lakhs) are repayable in 8 to 16 quarterly installments along with interest from the date of loan. The loans are secured by Pari- passu first charge by way of hypothecation/assignment of assets financed including current and future receivables of a subsidiary company, in favour of the security trustee.

** Term loans from other parties represents loan from NBFCs which was secured against mortgage of the Holding Company's immovable property together with all structures and appurtenances thereon held by the Holding Company situated at 8th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021. The loan amount was repayable in 12 quarterly instalments commencing from the end of third month after the moratorium period of 24 months from the date of first disbursement, with a put and call option at the end of moratorium period and every 6 months thereon with 30 days notice. During the financial year 2017-18, the term loan has been fully repaid.

*** Term loan from NBFC (Housing loan) is repayable in 180 equated monthly installments along with interest from the date of loan. The loans are secured by mortgage of Holding Company's premises at Delhi, purchased there against.

**** Loan from related party was secured against subservient charge by way of hypothecation / pledge / mortgage over all the property, plant and equipment of the Holding Company (excluding the charges already created in favour of existing lenders).

***** Loan repayable on demand from banks to the extent of ₹ 3,737.14 lakhs (as at March 31, 2018 ₹ 17,761.93 lakhs and as at April 01, 2017 ₹ 33,081.14 lakhs) are secured against pledge of debt securities / Central & State Government securities/ subservient charge on standard moveable assets of the Holding Company.

"***** Loan repayable on demand from banks to the extent of ₹ 40,280.92 lakhs (as at March 31, 2018 ₹ 72,152.65 lakhs and as at April 01, 2017 ₹ 49,669.14 lakhs) are secured against:

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

(b) first pari passu charge by way of hypothecation/ assignment of assets financed including current and future receivables of a subsidiary company, in favour of the security trustee.

***** Loan repayable on demand from banks to the extent of ₹ 2,499.56 lakhs (as at March 31, 2018 ₹ Nil lakhs and as at April 01, 2017 ₹ Nil) are secured against pledge/lien on government securities and other debt securities and corporate guarantee of the Holding Company and demand promissory note.

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

\## Loan from NBFC is secured by hypothecation on first pari passu charge over the "business assets" of a subsidiary company, in favour of the security trustee.

\### Secured against corporate debt securities of a subsidiary company under repo transaction.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
NOTE - 16			
DEPOSITS (AT AMORTISED COST)			
Rental deposits from others (Unsecured)	271.89	302.65	279.18
	271.89	**302.65**	**279.18**
NOTE - 17			
OTHER FINANCIAL LIABILITIES			
Interest accrued and due on borrowings	-	64.92	89.32
Interest accrued but not due on borrowings	3,256.30	1,403.39	122.58
Employee dues	306.37	233.37	199.69
Unpaid dividends*	14.30	10.63	11.11
Deferred lease income	32.49	-	-
Sundry creditor for capital goods	-	0.96	0.48
Other payables	-	1.94	3.85
	3,609.46	**1,715.21**	**427.03**

* During the year ended March 31, 2019, ₹ 1.48 Lakhs (Previous year ₹ 1.73 Lakhs) has been credited into Investor Education and Protection Fund under Section 124 of the Companies Act, 2013.

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
NOTE - 18			
PROVISIONS			
Provision for employee benefits			
Gratuity (Refer note 33)	262.15	330.19	234.92
Leave encashment	35.67	33.71	28.54
Contingent provision for standard assets	294.49	393.21	119.10
	592.31	**757.11**	**382.56**
NOTE - 19			
DEFERRED TAX LIABILITIES (NET)			
Deferred tax liabilities			
On account of:			
Depreciation	561.41	650.29	594.22
Fair value gain on investments in debt securities	53.73	237.81	481.30
Fair valuation of financial assets as at reporting date	-	-	2.19
Transaction costs on financial assets	19.19	12.37	15.19
Less: Deferred tax assets:			
Expenses disallowed under section 35D	(22.23)	(34.13)	(36.95)
Contingent provisions against standard assets	(85.56)	(114.50)	-
Expenses allowable on payment basis (gratuity)	(50.37)	(59.09)	(44.17)
Fair value loss on investments in equity shares	(2.42)	86.50	207.27
Transaction costs	(26.52)	(30.92)	(65.52)
Expenses under section 40(a)(ia)	-	(6.17)	-
Deferred tax liabilities (net)	**447.23**	**742.16**	**1,153.53**
NOTE - 20			
OTHER NON-FINANCIAL LIABILITIES			
Statutory dues	371.08	283.48	121.24
Deferred lease income	1.22	2.40	-
Processing fees received in advance	-	3.67	-
	372.30	**289.55**	**121.24**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 21

(a) SHARE CAPITAL

Equity share capital

₹ in Lakhs

Particulars	As at 31-03-2019		As at 31-03-2018		As at 01-04-2017	
	Numbers of shares	Amount	Numbers of shares	Amount	Numbers of shares	Amount
Authorized:						
Equity shares of ₹ 10 each	33,000,000	3,300.00	33,000,000	3,300.00	33,000,000	3,300.00
Preference shares of ₹ 100 each	10,200,000	10,200.00	10,200,000	10,200.00	10,200,000	10,200.00
		13,500.00		**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	6,600,000	660.00
		660.00		**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 ₹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 Company :

Particulars	As at 31-03-2019		As at 31-03-2018		As at 01-04-2017	
	Numbers of shares	Percentage of shareholding	Numbers of shares	Percentage of shareholding	Numbers of shares	Percentage of shareholding
Family Home Consultancy Services Private Limited	3,002,024	45.49%	2,953,454	44.75%	2,920,825	44.25%
A. K. Mittal	689,965	10.45%	689,965	10.45%	558,665	8.46%
A. M. Credit Analysis and Research LLP (Formerly known as A. M. Credit Analysis and Research Limited)	371,000	5.62%	371,000	5.62%	371,000	5.62%

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

₹ in Lakhs

Particulars	As at 31-03-2019	As at 31-03-2018
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, 2019

₹ in Lakhs

(b) OTHER EQUITY	As at 31-03-2019	As at 31-03-2018
Capital reserve		
Opening balance	675.00	675.00
Add: Additions during the year	-	-
Closing balance of capital reserve	**675.00**	**675.00**
Special reserve*		
Opening balance	2,987.93	2,188.22
Add: Current year transfer	917.11	799.71
Closing balance of special reserve	**3,905.04**	**2,987.93**
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	(10.84)	(21.62)
Add: Additions during the year	(5.18)	10.78
Closing balance	**(16.02)**	**(10.84)**
Retained earnings		
Opening balance	41,774.46	36,829.91
Add: Profit for the year	7,137.53	6,290.38
Profit available for appropriation	**48,911.99**	**43,120.29**
Less: Dividend paid	(637.97)	(396.00)
Less: Dividend distribution tax	(101.49)	(80.61)
Less: Expenses incurred in relation to share capital	-	(70.40)
Less: Transfer to special reserve	(917.11)	(799.71)
Add: Other adjustments	-	0.89
Less: Share of non controlling interest	(255.95)	-
Closing balance of retained earnings	**46,999.47**	**41,774.46**
Other comprehensive income		
Opening balance	(2,320.38)	(1,361.43)
Add: Other adjustments	(83.75)	(40.11)
Add: Other comprehensive income for the year	68.70	(918.84)
Closing balance of other comprehensive income	(2,335.43)	(2,320.38)
	57,846.30	**51,724.41**

During the year 2018-19, the Board of Directors of the Holding Company had paid a final dividend of ₹ 6 per equity share having face value of ₹10 each for the year ended March 31, 2018. The same is approved by the shareholders of the Holding Company in the annual general meeting held on September 22, 2018. The total case outflow of ₹ 447.75 Lakhs (previous year ₹ 446.61 Lakhs), including corporate dividend tax.

*Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-banking Finance Company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purpose specified by the RBI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 22
SALE OF SERVICES

₹ in Lakhs

	Current Year 2018-2019	Previous Year 2017-2018
Merchant banking fees	6,411.69	5,851.34
Brokerage fees	9,372.66	2,793.21
Fees and other operative income	1,017.81	100.27
	16,802.16	**8,744.82**

NOTE - 23
INTEREST INCOME

₹ in Lakhs

Particulars	Current Year 2018-2019			Previous Year 2017-2018		
	On financial assets measured at amortised cost	Interest income on securities classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	Interest income on securities classified at fair value through profit or loss	Total
Interest on loans	11,608.91	-	11,608.91	7,114.02	-	7,114.02
Processing fees income	199.22	-	199.22	528.70	-	528.70
Interest income from investments	4,679.07	2,080.84	6,759.91	3,331.89	5,963.98	9,295.87
Interest on deposits with Banks	89.53	-	89.53	78.51	-	78.51
Interest received on income tax refund	-	-	-	14.29	-	14.29
Interest income from debt securities	-	2,732.77	2,732.77	0.85	4,682.52	4,683.37
Interest Income on other deposits	7.67	-	7.67	23.25	-	23.25
Other interest income	15.83	-	15.83	1.14	-	1.14
Total	**16,600.23**	**4,813.61**	**21,413.84**	**11,092.65**	**10,646.50**	**21,739.15**

NOTE - 24
FEES AND COMMISSION INCOME

₹ in Lakhs

	Current Year 2018-2019	Previous Year 2017-2018
Syndication and other fees	867.30	28.32
Advisory fees	685.70	123.26
	1,553.00	**151.58**

NOTE - 25
NET GAIN/(LOSS) ON FAIR VALUE CHANGES

	Current Year 2018-2019	Previous Year 2017-2018
Net gain/(loss) on financial instruments at fair value	291.70	60.31
-Investments	1,686.75	1,970.16
-Stock of securities	**1,978.45**	**2,030.47**
Total		
Net gain/(loss) on financial instruments at fair value		
-Realised	1,754.61	981.89
-Unrealised	223.84	1,048.58
Total	**1,978.45**	**2,030.47**
Additional Information :		
Profit / (loss) on sale of Investments (actual) (A)	1,224.60	925.57
Net gain/(loss) on investments due to fair value change (B)		
-Realised	(862.66)	(1,028.72)
-Unrealised	(70.24)	163.46
Total (A+B)	**291.70**	**60.31**
Profit on sale of stock of securities (actual) (C)	**1,127.05**	**1,750.96**
Net gain/(loss) on stock of securities due to fair value change (D)		
-Realised	265.62	(665.92)
-Unrealised	294.08	885.12
Total (C+D)	**1,686.75**	**1,970.16**
Total	**1,978.45**	**2,030.47**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

NOTE - 26
OTHER EXPENSES

	Current Year 2018-2019	Previous Year 2017-2018
Profit on sale of Property, plant and equipment	-	6.50
Other non operating income	19.79	-
Interest received on refund	3.47	5.00
Others	1.62	0.08
	24.88	**11.58**

NOTE - 27
FINANCE COSTS (AT AMORTISED COST)

	Current Year 2018-2019	Previous Year 2017-2018
Interest on borrowings	8,286.30	7,898.13
Unwinding interest cost	20.25	-
Interest on debt securities	6,234.34	3,368.77
Interest on income tax	8.43	8.89
Other interest expense	742.87	2,520.37
	15,292.19	**13,796.16**

NOTE - 28
EMPLOYEE BENEFITS EXPENSES

	Current Year 2018-2019	Previous Year 2017-2018
Salaries and wages	4,908.90	4,349.27
Gratuity	46.93	144.80
Contribution to provident and other funds	46.83	49.21
Staff welfare expenses*	85.77	80.54
	5,088.43	**4,623.82**

*includes rental expense for staff accomodation ₹ 55.58 lakhs,(previous year ₹ 49.62 lakhs)

NOTE - 29
OTHER EXPENSES

	Current Year 2018-2019	Previous Year 2017-2018
Rent, taxes and energy costs	569.99	636.77
Travelling expense	318.75	308.30
Insurance expense	12.23	10.80
Repairs and maintenance	73.37	95.67
Printing and stationery	11.32	16.86
Advertisement and publicity	48.71	72.42
Bad debts	-	6.12
Auditor's fees and expenses		
-for audit fees	10.79	10.03
-for other services	2.55	1.39
Legal and professional fees	632.82	381.28
Provision for expected credit loss	(99.43)	-
Contingent provision for standard assets	187.90	274.11
Loss on sale of property,plant and equipment	23.91	12.56
Foreign exchange loss	-	5.94
Corporate social responsibilities	58.50	52.00
Brokerage paid	8,119.71	1,566.54
Directors' sitting fees	11.50	3.38
IPO markerting fees	34.85	21.49
Stock exchange expenses	9.86	13.50
Processing and other charges	11.90	0.39
Communication costs	5.59	16.01
Office expense	13.97	13.56
Selling expenses	1,200.43	1,112.33
Miscellaneous expenditure	382.20	381.47
	11,641.42	**5,012.92**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

NOTE - 30 OTHER COMPREHENSIVE INCOME	Current Year 2018-2019	Previous Year 2017-2018
Items that will not be reclassified to profit or loss		
a. Remeasurement of defined benefit obligation	94.69	50.29
b. Equity instruments through other comprehensive income	0.92	(964.35)
	95.61	**(914.06)**

NOTE - 31
CONTINGENT LIABILITIES

There are no contingent liabilities as at March 31, 2019.

NOTE - 32
DISAGGREGATED REVENUE INFORMATION

The table below represents disaggregation of Group's revenue from contracts with the customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

₹ in Lakhs

	Current Year 2018-2019	Previous Year 2017-2018
Type of goods or service		
Merchant banking fees		
Arranger and advisory fees	8,728.40	6,043.31
Lead manager fees	254.10	59.88
Brokerage	9,372.66	2,793.21
Total revenue from contracts with the customers	**18,355.16**	**8,896.40**
Geographical markets		
-India	18,209.28	8,838.42
-Outside India	145.88	57.98
Total revenue from contracts with the customers	**18,355.16**	**8,896.40**
Relation with customer		
-Non related party	18,352.95	8,891.60
-Related Party	2.21	4.80
Total revenue from contracts with the customers	**18,355.16**	**8,896.40**
Timing of revenue recognition		
-Service transferred over a period of time	399.98	117.86
-Service transferred over a point of time	17,955.18	8,778.54
Total revenue from contracts with the customers	**18,355.16**	**8,896.40**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 33

AS PER IND AS 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED ARE GIVEN BELOW:

Defined Contribution Plan

Contribution to Defined Contribution Plan , recognised as expense for the year is as under :

₹ in Lakhs

Particulars	Current Year 2018-2019	Previous Year 2017-2018
Employer's Contribution to Provident Fund	46.83	49.21
Contribution to Labour Welfare Fund	0.09	0.03

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 2018-2019	Previous Year 2017-2018
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	47.20	58.95
Past service cost	-	91.49
Interest cost on defined benefit obligation	25.55	17.74
(Gain) / losses on settlement		
Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)	**72.75**	**168.18**
(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	27.97	(34.83)
Actuarial loss / (gain) arising from change in demographical assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	(122.66)	(15.46)
Amount recognised in OCI (B)	**(94.69)**	**(50.29)**
Gratuity expense recognised in the statement of profit and loss and OCI (A+B)	**(21.94)**	**117.89**
(c) Reconciliation of net liability / asset		
Opening defined benefit liability / (assets)	330.19	235.00
Expense charged to profit & loss account	72.75	168.17
Amount recognised in outside profit and loss account	(94.70)	(50.29)
Benefit paid	(46.10)	(22.69)
Closing net defined benefit liability / (asset)	**262.15**	**330.19**
(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	330.19	235.00
Current service cost	47.20	58.95
Past service cost	-	91.49
Interest on defined benefit obligation	25.55	17.74
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	27.96	(34.82)
Actuarial loss / (gain) arising on account of experience changes	(122.66)	(15.47)
Benefits paid	(46.10)	(22.61)
Closing defined benefit obligation [liability/(asset)] recognised in balance sheet	**262.15**	**330.19**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 33

AS PER INDIAN ACCOUNTING STANDARD 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED ARE GIVEN BELOW (CONTD.):

Particulars	Current Year 2018-2019	Previous Year 2017-2018
(e) The principal assumptions used in determining gratuity benefit obligation for the Group's plans are shown below:		
Discount rate	7.65%	7.74%
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
Upto 30 years	3%-30%	3%-33%
From 31 to 44 years	2%-20%	2%-42.11%
Above 45 years	1%-20%	1%-61.54%
Mortality pre-retirement	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
(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	(34.93)	(74.60)
Impact on defined benefit obligation -decrease of sensitivity level	142.29	78.23
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	42.34	77.30
Impact on defined benefit obligation-decrease of sensitivity level	(34.90)	(75.05)

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

₹ in Lakhs

Particulars	Current Year 2018-2019	Previous Year 2017-2018
Within 1-2 year	89.39	156.87
2-3 year	98.31	164.14
3-4 year	134.45	175.85
5-6 year	159.64	186.34
6-7 year	189.41	202.41

The average duration of the defined benefit plan obligation at the end of the reporting period is 0.98-13.52 years (March 31, 2018 - 3.78-11.56 years)

NOTE - 34

SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108, the Group operates in a single operating segment i.e. "Investment and Financing Activity" within India. Accordingly, no separate disclosure is required. The Board of Directors of the Holding Company are collectively the Chief Operating Decision Makers (CODMs) of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 35

RELATED PARTY DISCLOSURES

I RELATED PARTY RELATIONSHIPS:

a Key Managerial Personnel (KMP)

Mr. A.K. Mittal
Mr. Deepak Mittal
Ms. Aditi Mittal
Mr. Abhinav Kumar Mittal
Mrs. Sneh Lata Mittal
Mr. Ashish Agarwal (Appointed w.e.f February 03, 2018)
Mr. Vikas Jain (Appointed w.e.f February 03, 2018)
Mr. Ankit Gupta
Ms. Annu Garg
Mr. Mahesh Bhootra
Mr. Tejas Davda
Mr. Govind Lalwani (Appointed w.e.f December 28, 2018)
Mrs. Meeta Sanghavi (Upto December 27, 2018)
Mr. Ranjit Dutta
Mr. Ramesh Suthar
Mr. Subhash Chandra Bhargava
Mr. Raghubinder Rai (Till February 2, 2019)
Mr. S C Madan
Mr. Rajiv Kumar Bakshi
Mr. Khimji Shamji Pandav (Appointed w.e.f August 11, 2018)

b Relatives of KMP

Anshu Aggarwal
Purvi Jain

c Enterprises controlled by KMP

Family Home Consultancy Services Private Limited (Formally known as Second Leasing Private Limited)
A. K. Services Private Limited
A. K. Capital Markets Limited
M Square Automobile Private Limited
M Square Advisors Private Limited

d Enterprises in which relative of KMP is having influence

Goodwill Capital Services Pvt. Ltd.

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.

₹ in Lakhs

II Details of transactions with related parties are given as under:	Current Year 2018-2019	Previous Year 2017-2018
Key managerial remuneration *		
Short term benefits (including perquisites)	1,066.05	654.23
Director's sitting fees	11.05	3.20
Remuneration to relative of key managerial personnel		
Anshu Aggarwal	96.83	84.24
Brokerage received		
Purvi Jain	0.03	0.68
A. K. Services Private Limited	0.26	2.31
Family Home Consultancy Services Private Limited	0.16	0.16
Aditi Mittal	-	0.05
A. K Mittal	-	0.66
Abhinav Kumar Mittal	-	0.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

II Details of transactions with related parties are given as under: (CONTD.)

₹ in Lakhs

	Current Year 2018-2019	Previous Year 2017-2018
Brokerage paid		
M Square Automobile Private Limited	625.04	53.98
Family Home Consultancy Services Private Limited	3.00	-
Demat charges received		
A. K. Capital Markets Limited	0.02	0.03
A. K. Services Private Limited	0.56	0.20
Family Home Consultancy Services Private Limited	0.02	0.03
Goodwill Capital Services Pvt. Ltd.	0.03	-
M Square Automobile Private Limited	0.01	0.01
M Square Advisors Private Limited	0.01	0.01
Aditi Mittal	-	0.01
A. K Mittal	-	0.02
Purvi Jain	-	0.02
Abhinav Kumar Mittal	-	0.01
Purchase of car		
M Square Automobile Private Limited	-	169.47
Sale of Car		
M Square Automobile Private Limited	-	35.00
Sales of securities (excluding accrued interest)		
A. K. Capital Markets Limited	60.05	69.40
A. K. Services Private Limited	2,984.47	2,577.54
A. K. Mittal	-	197.80
Abhinav Kumar Mittal	-	9.80
Aditi Mittal	-	40.00
Family Home Consultancy Services Private Limited	50.05	79.40
Purchase of securities (excluding accrued interest)		
A. K. Services Private Limited	41,685.35	6,508.17
A. K. Capital Markets Limited	-	10.00
Goodwill Capital Services Private Limited	280.06	2,530.50
Family Home Consultancy Services Private Limited	6.00	10.05
Aditi Mittal	18.54	-
A. K. Mittal	-	50.59
Repurchase of non convertible debentures (excluding accrued interest)		
A. K. Services Private Limited	1.00	-
A. K. Capital Markets Limited	10.00	-
Family Home Consultancy Services Private Limited	24.00	-
Repairs and maintenance expenses		
M Square Automobile Private Limited	6.94	5.59
Interest expenses		
A. K. Services Private Limtied	1.21	265.05
Rent Paid		
A. K. Mittal	69.64	70.08
Aditi Mittal	24.00	24.00
Anshu Aggarwal	34.84	35.28
Abhinav Kumar Mittal	21.70	21.70
Interest income on loan given		
A. K. Services Private Limited	-	8.14
M Square Automobile Private Limited	206.89	78.15
Goodwill Capital Services Private Limited	111.62	123.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

II Details of transactions with related parties are given as under: (CONTD.)

₹ in Lakhs

	Current Year 2018-2019	Previous Year 2017-2018
Loan given		
A. K. Services Private Limited	-	1,000.00
M Square Automobile Private Limited	1,600.00	2,235.00
(Revolving credit sanction limits amounting to ₹ 3500 Lakhs)		
Goodwill Capital Services Private Limited	11,510.00	-
(Revolving credit sanction limits amounting to ₹ 5000 Lakhs)		
Goodwill Capital Services Private Limited (Term loan)	-	30.00
Repayment of loan given		
A. K. Services Private Limited	-	1,000.00
M Square Automobile Private Limited (Sanction amount)	2,700.00	1,235.00
(Revolving credit sanction limits amounting to ₹ 3500 Lakhs)		
Goodwill Capital Services Private Limited	11,510.00	-
(Revolving credit sanction limits amounting to ₹ 5000 Lakhs)		
Goodwill Capital Services Private Limited (Term loan)	1,030.00	-
Loan taken during the year		
A. K. Services Private Limtied	1,000.00	5,450.00
Loan repaid during the year		
A. K. Services Private Limtied	1,000.00	7,700.00
Preference shares		
A. K. Mittal	-	3,000.00
Aditi Mittal	-	2,500.00
A. K. Capital Markets Limited	-	1,000.00
Interest expenses on non convertible debentures		
Family Home Consultancy Services Private Limited	0.71	-
A. K. Capital Markets Limited	0.89	-
A. K. Services Private Limited	0.03	-
Rent deposits received back		
Anshu Aggarwal	24.50	-
A. K. Mittal	14.50	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

III Balances with related parties:	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Balances payable			
M Square Automobile Private Limited	1.71	-	3.60
Family Home Consultancy Services Private Limited	-	-	0.01
Purvi Jain	-	-	5.57
Balances receivable			
A. K. Services Private Limited	0.09	-	0.03
M Square Advisors Private Limited	0.01	0.01	-
Goodwill Capital Services Pvt. Ltd.	0.02	-	-
A. K. Capital Markets Limited	-	0.01	0.01
Aditi Mittal	-	0.01	0.01
Anshu Aggarwal	-	-	0.01
A. K. Mittal	-	-	0.01
Abhinav Kumar Mittal	-	-	0.01
Investment in non convertible debentures			
A. K. Services Private Limited	25.00	-	
Interest accrued on non convertible debentures			
A. K. Services Private Limited	0.20	-	
Rent deposit given outstanding as at year end			
A. K. Mittal	148.00	162.50	162.50
Anshu Aggarwal	50.00	74.50	74.50
Aditi Mittal	100.00	100.00	100.00
Abhinav Kumar Mittal	19.62	19.62	19.62
Non convertible debentures held			
A. K. Services Private Limited	-	-	53.00
Accured interest income on investment in Non-Convertible Debentures			
A. K. Services Private Limited	-	-	0.35
Interest accrued but not due on loan given (net of TDS)			
Goodwill Capital Services Private Limited	-	55.47	26.89
Loan outstanding			
A.K.Services Private Limited	-	-	2,250.00
Loan given			
M Square Automobile Private Limited	400.00	1,500.00	500.00
Goodwill Capital Services Private Limited	-	1,030.00	1,000.00

Note: Transaction amount is excluding taxes, wherever applicable.

* Key managerial remuneration related to retirement benefits (i.e. Gratuity) are recognised under Employee benefits expenses in statement of profit and loss along with other employees gratuity costs of the Company based on the actuarial valuation carried out by Independent Actuary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE - 36

AS PER INDIAN ACCOUNTING STANDARD 17 "LEASES", THE DISCLOSURES AS DEFINED ARE GIVEN BELOW:

I Where the Group is lessee:

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

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

₹ in Lakhs

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Not later than one year	65.76	131.18	66.60
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-

Notes:

The amount of minimum lease payments with respect to operating lease recognised in the statement of profit and loss for the year is ₹ 375.62 Lakhs (previous year ₹ 433.06 Lakhs)

II Where the Group is lessor:

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

₹ in Lakhs

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Not later than one year	290.11	298.30	-
Later than one year and not later than five years	8.43	298.54	-
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 ₹ 354.65 Lakhs (previous year ₹ 319.80 Lakhs)

₹ in Lakhs

NOTE - 37 EARNINGS PER SHARE	Current Year 2018-2019	Previous Year 2017-2018
Profit after tax available for equity share holders for basic earning per share (₹ in lakhs.)	7,137.53	6,290.38
Weighted average number of equity shares outstanding during the year for basic earnings per share (Nos.)	6,600,000	6,600,000
Basic and diluted earnings per share (₹)	108.14	95.31
Nominal value of share (₹)	10.00	10.00

NOTE - 38

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

₹ in Lakhs

Particulars			**Amount**
Gross amount required to be spent by the Group during the year (including previous years' shortfall of ₹132.23 Lakhs)			289.38
Amount spent during the year	**Yet to be paid in Cash**	**In Cash**	**Total**
(I) Cnstruction/acquisition of any asset	-	-	-
(ii) Donation for promoting education	-	58.50	58.50
(iii) Donation for promoting preventive health care and sanitation	-	-	-
(iii) Donation for empowering woman and setting up homes	-	-	-
Short fall in CSR Expenditure			**230.88**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE -39

FINANCIAL INSTRUMENTS

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.

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

Particulars	At Amortised cost	At Fair value through profit and loss	At fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	1,060.91	-	-	1,060.91	1,060.91
Bank balances other than above	526.40	-	-	526.40	526.40
Trade receivables	819.14	-	-	819.14	819.14
Loans	73,603.29	-	-	73,603.29	73,987.64
Investments	61,202.72	17,846.65	28.99	79,078.36	80,354.69
Stock of securities	-	91,725.88	-	91,725.88	91,566.14
Other financial assets	2,909.68	-	-	2,909.68	2,909.68
TOTAL	**140,122.14**	**109,572.53**	**28.99**	**249,723.66**	**251,224.60**
Liabilities:					
Trade payables	797.14	-	-	797.14	797.14
Debt Securities	71,727.00	-	-	71,727.00	71,727.00
Borrowings (other then debt securities)	115,815.35	-	-	115,815.35	116,170.52
Deposits	271.89	-	-	271.89	271.89
Other financial liabilities	3,609.46	-	-	3,609.46	3,609.46
TOTAL	**192,220.84**	**-**	**-**	**192,220.84**	**192,576.01**

The carrying value and fair value of financial instrument by categories as of March 31, 2018 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	465.72	-	-	465.72	465.72
Bank balances other than above	1,311.12	-	-	1,311.12	1,311.12
Trade receivables	335.73	-	-	335.73	335.73
Loans	98,211.80	-	-	98,211.80	98,314.31
Investments	53,126.77	28,746.90	927.49	82,801.16	90,994.41
Stock of securities	-	54,286.49	-	54,286.49	54,855.82
Other financial assets	4,016.07	-	-	4,016.07	4,016.07
TOTAL	**157,467.21**	**83,033.39**	**927.49**	**241,428.09**	**250,293.18**
Liabilities:					
Trade payables	329.75	-	-	329.75	329.75
Debt Securities	45,550.00	-	-	45,550.00	45,550.00
Borrowings (other then debt securities)	142,896.65	-	-	142,896.65	143,026.55
Deposits	302.65	-	-	302.65	302.65
Other financial liabilities	1,715.21	-	-	1,715.21	1,715.21
TOTAL	**190,794.27**	**-**	**-**	**190,794.27**	**190,924.17**

The carrying value and fair value of financial instrument by categories as of April 01, 2017 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	747.04	-	-	747.04	747.04
Bank balances other than above	226.48	-	-	226.48	226.48
Trade receivables	579.93	-	-	579.93	579.93
Loans	33,147.32	-	-	33,147.32	33,336.63
Investments	9,907.24	102,333.95	54.86	112,296.05	114,848.42
Stock of securities	-	92,795.58	-	92,795.58	92,854.95
Other financial assets	5,257.13	-	-	5,257.13	5,257.13
TOTAL	**49,865.14**	**195,129.53**	**54.86**	**245,049.53**	**247,850.57**
Liabilities:					
Trade payables	371.57	-	-	371.57	371.57
Debt Securities	21,260.00	-	-	21,260.00	21,260.00
Borrowings (other then debt securities)	178,853.93	-	-	178,853.93	178,853.93
Deposits	279.18	-	-	279.18	279.18
Other financial liabilities	427.03	-	-	427.03	427.03
TOTAL	**201,191.71**	**-**	**-**	**201,191.71**	**201,191.71**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE -40
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, 2019:

₹ in Lakhs

Particulars	As at 31-03-2019	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments in hybrid instruments	9.12	9.12	-	-
Debt instruments FVTPL	17,809.50	-	17,809.50	-
Equity instruments FVTOCI	28.99	28.13	-	0.86
Mutual Funds at FVTPL	28.03	28.03	-	-
Stock of securities:				
Exchange Traded funds at FVTPL	9.86	9.86	-	-
Debt instruments at FVTPL	91,716.02	-	86,854.78	4,861.24

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

₹ in Lakhs

Particulars	As at 31-03-2018	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments in hybrid instruments	22.91	22.91	-	-
Debt instruments FVTPL	28,693.87	-	28,693.87	-
Equity instruments FVTOCI	927.49	926.55	-	0.94
Mutual Funds at FVTPL	30.12	30.12	-	-
Stock of securities:				
Exchange Traded funds at FVTPL	81.77	81.77	-	-
Debt instruments at FVTPL	54,204.72	-	50,805.55	3,399.17

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 01, 2017:

₹ in Lakhs

Particulars	As at 01-04-2017	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Investments in hybrid instruments	25.68	25.68	-	-
Debt instruments FVTPL	47,765.38	-	47,765.38	-
Government securities at FVTPL	54,537.74	-	54,537.74	-
Equity instruments FVTOCI	54.87	53.93	-	0.94
Mutual Funds at FVTPL	5.14	5.14	-	-
Stock of securities:				
Exchange Traded funds at FVTPL	91.69	91.69	-	-
Debt instruments at FVTPL	84,155.25	-	83,221.33	933.92
Commercial papers at FVTPL	2,445.14	-	2,445.14	-
State devlopment loans at FVTPL	6,103.50	-	6,103.50	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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. 2.Latest traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-5 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.
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.

NOTE -41
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 derivative financial instruments.

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 ₹ 819.14 Lacs, ₹ 335.73 Lacs and ₹ 579.93 Lacs as at March 31, 2019, March 31, 2018 and April 01, 2017, 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 2018-2019	Previous Year 2017-2018
Revenue from top customer	5,746.70	2,518.97
Revenue from top 5 customers	16,711.34	7,268.44

(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 31-03-2019	As at 31-03-2018	As at 01-04-2017
Within credit days	655.53	232.54	459.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(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 31-03-2019	As at 31-03-2018	As at 01-04-2017
Trade receivables:			
Less than 90 days	153.61	96.45	116.51
91 to 180 days	9.18	3.71	1.52
181 to 270 days	0.82	3.02	2.69
271 to 360 days	-	-	-
Over 360 days	-	-	-
Total	**163.61**	**103.19**	**120.72**

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

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. Since there was no significant increase in credit risk from initial recognition, the management has applied 12 months ECL. No expected credit loss is required to be made based on the Group's management assessment considering the probability of default, loss given default, exposure at default and the discounting rate applied to the individual investments.

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 31-03-2019	As at 31-03-2018	As at 01-04-2017
Financial assets			
Interest bearing			
- fixed interest rate			
Loans	42,183.18	68,518.63	32,154.80
Bank balances other than cash and cash equivalents	526.40	1,311.11	226.48
Investments	71,533.25	75,689.18	112,210.37
Stock of securities	91,725.88	54,286.49	92,795.58
Other financial assets	79.57	360.92	233.96
- floating interest rate			
Loans	31,420.11	29,693.17	992.52
Investments	7,496.98	6,161.57	5.14
Total	**244,965.37**	**236,021.07**	**238,618.85**
Financial Liabilities			
Interest bearing			
- fixed interest rate			
Borrowings	83,832.58	63,875.90	93,683.17
- floating interest rate			
Borrowings	103,709.77	124,570.75	106,430.76
Total	**187,542.35**	**188,446.65**	**200,113.93**

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:

₹ in Lakhs

Particulars	Current Year 2018-2019	Previous Year 2017-2018
Increase in basis points	50.00	50.00
Effect on profit before tax	(323.96)	(443.58)
Decrease in basis points	50.00	50.00
Effect on profit before tax	323.96	443.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 March 31, 2019, March 31, 2018 and April 0, 2017 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 2019						
Borrowings	39,077.37	21,691.44	26,284.08	108,424.29	29,825.17	225,302.35
Trade and other payables	0.61	796.53	-	-	-	797.14
Deposits	-	14.86	-	257.03	-	271.89
Other financial liabilities	15.00	1,927.22	1,656.39	10.85	-	3,609.46
	39,092.98	**24,430.05**	**27,940.47**	**108,692.17**	**29,825.17**	**229,980.84**
As at 31 March 2018						
Borrowings	68,288.53	36,102.87	33,209.03	53,028.18	23,637.74	214,266.35
Trade and other payables	0.69	329.06	-	-	-	329.75
Deposits	279.18	13.51	-	9.96	-	302.65
Other financial liabilities	30.88	1,374.92	309.41	-	-	1,715.21
	68,599.28	**37,820.36**	**33,518.44**	**53,038.14**	**23,637.74**	**216,613.96**
As at 01 April 2017						
Borrowings	72,744.37	80,515.71	15,804.05	34,372.74	17,586.52	221,023.39
Trade and other payables	0.28	371.29	-	-	-	371.57
Deposits	-	-	279.18	-	-	279.18
Other financial liabilities	34.69	294.44	97.90	-	-	427.03
	72,779.34	**81,181.44**	**16,181.13**	**34,372.74**	**17,586.52**	**222,101.17**

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 31-03-2019	As at 31-03-2018	As at 01-04-2017
Borrowings	187,542.35	188,446.65	200,113.93
Trade payables	797.14	329.75	371.57
Other financial liabilities	3,609.46	1,715.21	427.03
Deposits	271.89	302.65	279.18
Less: cash and cash equivalents	(1,060.91)	(465.72)	(747.04)
Net debt (A)	**191,159.93**	**190,328.54**	**200,444.67**
Equity share capital	660.00	660.00	660.00
Other equity	57,846.30	51,724.41	46,928.32
Non-controlling interest	4,608.78	4,293.84	517.95
Total member's capital (B)	**63,115.08**	**56,678.25**	**48,106.27**
Capital and net debt (C=A+B)	**254,275.01**	**247,006.79**	**248,550.94**
Gearing ratio (%) (A/C)	**75.18**	**77.05**	**80.65**

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, 2019

NOTE -43

RECONCILIATION OF BALANCE SHEET, TOTAL OTHER COMPREHENSIVE INCOME, EQUITY AND CASH FLOWS AS PER PREVIOUS GAAP TO IND AS.

A Effect of Ind AS adoption on the Balance Sheet as at March 31, 2018 and April 01, 2017

₹ in Lakhs

Particulars	Notes	As at 31-03-2018			As at 01-04-2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS BS	Previous GAAP	Effect of transition to Ind AS	As per Ind AS BS
ASSETS							
(1) Financial assets							
(a) Cash and cash equivalents		1,766.20	(1,300.48)	465.72	962.40	(215.36)	747.04
(b) Bank balances other than (a) above		10.63	1,300.49	1,311.12	11.12	215.36	226.48
(c) Trade receivables		1,592.01	(1,256.28)	335.73	2,208.24	(1,628.31)	579.93
(d) Loans		74,187.53	24,024.27	98,211.80	27,479.53	5,667.79	33,147.32
(e) Investments	e	82,727.22	73.94	82,801.16	111,828.89	467.16	112,296.05
(f) Other financial assets	a to d		-			-	
(i) Stock of securities		53,894.20	392.29	54,286.49	92,482.93	312.65	92,795.58
(ii) Other financial assets	i	27,671.27	(23,655.20)	4,016.07	9,972.12	(4,714.99)	5,257.13
Total financial assets		**241,849.07**	**(420.98)**	**241,428.09**	**244,945.23**	**104.30**	**245,049.53**
(2) Non-financial assets							
(a) Current tax assets (net)		262.96	0.50	263.46	361.41	0.38	361.79
(b) Investment Property		-	3,945.80	3,945.80	-	2,939.63	2,939.63
(c) Property, plant and equipment		6,851.84	(3,945.80)	2,906.04	5,022.44	(2,939.63)	2,082.81
(d) Goodwill		399.97	-	399.97	182.79	-	182.79
(e) Other Intangible assets		19.32	-	19.32	9.51	-	9.51
(f) Deferred tax assets net		-	28.90	28.90	-	22.20	22.20
(g) Other non financial assets	i	817.42	(472.61)	344.81	74.73	253.92	328.65
Total non-financial assets		**8,351.51**	**(443.21)**	**7,908.30**	**5,650.88**	**276.50**	**5,927.38**
TOTAL ASSETS		**250,200.57**	**(864.18)**	**249,336.39**	**250,596.11**	**380.80**	**250,976.91**
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		329.75	(0.00)	329.75	371.57	-	371.57
(b) Debt securities		45,550.00	-	45,550.00	21,260.00	-	21,260.00
(c) Borrowings (Other than Debt Securities)	e	138,707.85	4,188.80	142,896.65	171,553.47	7,300.46	178,853.93
(d) Deposits	f	-	302.65	302.65	-	279.18	279.18
(e) Other financial liabilities	i	6,108.98	(4,393.77)	1,715.21	7,877.46	(7,450.43)	427.03
Total financial liabilities		**190,696.58**	**97.68**	**190,794.26**	**201,062.50**	**129.21**	**201,191.71**
(2) Non-financial liabilities							
(a) Current tax liabilities (Net)		-	75.06	75.06	-	21.60	21.60
(c) Provisions		831.66	(74.55)	757.11	403.77	(21.21)	382.56
(d) Deferred tax liabilities (net)		387.74	354.42	742.16	490.95	662.58	1,153.53
(e) Other non-financial liabilities	i	530.38	(240.83)	289.55	336.35	(215.11)	121.24
Total non-financial liabilities		**1,749.78**	**114.10**	**1,863.88**	**1,231.07**	**447.86**	**1,678.93**
TOTAL LIABILITIES		**192,446.36**	**211.78**	**192,658.14**	**202,293.57**	**577.07**	**202,870.64**
EQUITY							
(a) Equity share capital		660.00	-	660.00	660.00	-	660.00
(b) Other equity		52,794.48	(1,070.07)	51,724.41	47,126.82	(198.50)	46,928.32
(c) Non Controlling interest		4,299.73	(5.89)	4,293.84	515.72	2.23	517.95
TOTAL EQUITY		**57,754.21**	**(1,075.96)**	**56,678.25**	**48,302.54**	**(196.27)**	**48,106.27**
TOTAL LIABILITIES AND EQUITY		**250,200.57**	**(864.18)**	**249,336.39**	**250,596.11**	**380.80**	**250,976.91**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

B Net Profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under :

₹ in Lakhs

Particulars	Notes	Previous Year 2017-2018
Net profit after tax as reported under Indian GAAP		6,185.00
Ind AS adjustments increasing (decreasing) net profit as reported under Indian GAAP:		
Re-measurement of security deposit given	f	(59.68)
Fair valuation of investments	a to d	(269.59)
Remeasurement of defined benefit obligation	g	4.77
Remeasurement of transaction costs on borrowings	e	(1.29)
Remeasurement of transaction costs on lending	e	84.27
Transaction cost on preference shares directly recognised in equity		70.40
Tax effect on above adjustments	h	333.36
Net profit as per IND AS		**6,347.24**
Other comprehensive income, net of tax as per IND AS		(931.42)
Total comprehensive income as per IND AS		**5,415.82**

C Statement of reconciliation of Equity under previous GAAP and Ind AS

₹ in Lakhs

Particulars	Notes	As at 31-03-2018	As at 01-04-2017
As reported under IGAAP			
Equity capital		660.00	660.00
Reserves		52,794.48	47,126.82
Total		**53,454.48**	**47,786.82**
Adjustments			
Fair valuation of investments	a to d	(687.46)	580.78
Re-measurement of stock of securities		-	1.73
Remeasurement of defined benefit obligation	g	(19.88)	-
Remeasurement of transaction costs on borrowings	e	42.61	43.91
Remeasurement of transaction costs on lending	e	(105.03)	(189.31)
Tax effect on above adjustments	h	(305.63)	(633.29)
Re-measurement of security deposit given	f	(0.57)	(0.08)
Share of Non-controlling Interests in above adjustments		5.89	(2.24)
Total IND AS Adjustments		**(1,070.07)**	**(198.50)**
Equity as per IND AS		**52,384.41**	**47,588.32**

D Statement of reconciliation of cash flow under previous GAAP and Ind AS

₹ in Lakhs

Particulars	Note	Previous GAAP	Ind AS	Change
Cash flow from operating activities	a to g	(46,411.91)	37,514.01	83,925.92
Cash flow from financing activities	e	(18,333.29)	(24,952.03)	(6,618.74)
Cash flow from investing activities	a to d	65,513.87	(12,843.29)	(78,357.16)

a) IND AS 27 & IND AS 109– Investment in subsidiaries

Under previous GAAP, an entity is required to account for its investments in subsidiaries cost. Under Ind AS, investment can be measured at cost or fair value. At the transition date, the Company has adopted previous GAAP carrying value as deemed cost.

b) IND AS 109 Financial instrument – Investments in unit capital

Under previous GAAP, long term investments are carried at cost less return on capital and provision for diminution, if any, being permanent in nature. Under Ind AS, investments in units not being equity as per ind AS 32 (Since it has redemption feature & SPPI test are not met) for issuer shall be recorded at Fair value through profit and loss.

c) IND AS 109 Financial instrument – Investments in equity instruments other than subsidiary

Under previous GAAP, long term investments are carried at cost less provision for diminution , if any, being permanent in nature . Under Ind AS, Investments in equity instruments shall be recorded at Fair value through P&L. However, an irrevocable option is available to measure the same through OCI. The Company has elected the option to recognise the fair value gain or loss in OCI. Accordingly, the impact has been recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

d) IND AS 109 Financial instrument – Investments in Debt securities

Under previous GAAP, current investments are carried at cost or market value, whichever is lower. Under Ind AS, investments in debt securities held within the business model objective of realising cash flows through the sale of the assets shall be measured at FVTPL. Accordingly, the Company has fair valued its investments in debt securities held within aforesaid business model and recognised the impact at the date of transition and for the year ended March 31, 2018.

e) IND AS 109 Financial instrument –Transaction costs on borrowings

Under the previous GAAP, loan needs to be carried at its transaction price less repayment, if any. the transaction cost incurred in relation to borrowings are either to be capitalised if the same relates to qualifying assets or be charged to the statement of profit and loss. However, under Ind AS, At initial recognition, entity shall measure financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

f) IND AS 109 Financial instrument – Fair value of security deposits given/ taken

Under previous GAAP, lease security deposit (that are refundable in the nature on the completion of the lease term) are recorded at the transaction value. However, under Ind AS, security deposits shall be recorded initially fair value and subsequently measured at amortized costs. Day 1 impact would be considered as prepaid rent expense/income and be amortised over the lease term. Unwinding income /expenses shall be recorded in the statement of profit and loss with corresponding increase in deposits.

g) IND AS 19 – Defined benefits plan

Under previous GAAP, defined benefits plan being unfunded gratuity are recognised based on actuarial. The entire measurement cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, actuarial gain or loss needs to be recorded in other comprehensive income with no subsequent recycling to the statement of profit and loss

h) Tax effect on remeasurement

Under Ind AS, the Company is required to create deferred tax assets / liabilities on temporary differences calculated based on balance sheet method. Due to adoption of Ind AS, there is change in the carrying value of financial position of Company leading temporary differences and thus, deferred tax has been recognised.

i) Classification and presentation of assets and liabilities

Under previous GAAP, the Company was not required to present its assets and liabilities bifurcating between financial assets / financial liabilities and non financial assets / non financial liabilities . Under Ind AS, the Company is required to present its assets and liabilities bifurcating between financial assets / financial liabilities and non financial assets / non financial liabilities . Accordingly, the Company has classified and presented its assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE -44

DETAILS OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

A Details of secured redeemable non-convertible debentures as at March 31, 2019

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

1. Face value of all the non convertible debentures is ₹1,00,000.
2. Non convertible debentures Series A, Series B, Series E, Series G, Series H, Series I, Series J, Series K, Series L, Series M, Series N and Series O are redeemable at a call option in the range of 24 months to 48 months.

B Details of secured redeemable non-convertible debentures as at March 31, 2018

Particulars	Number	Amount (₹ in lakhs)	Allotment Date	Redemption Date
9.50% Non Convertible Debentures-Series E-I	500.00	500.00	23-Jun-17	23-Jun-27
9.70% Non Convertible Debentures-Series B-II	500.00	500.00	07-Mar-17	07-Mar-27
9.40% Non Convertible Debentures-Series H	5,200.00	5,200.00	06-Dec-17	06-Dec-24
9.00% Non Convertible Debentures-Series E-II	6,500.00	6,500.00	10-Aug-17	10-Aug-24
9.70% Non Convertible Debentures-Series B-VII	1,500.00	1,500.00	21-Mar-17	21-Mar-24
9.60% Non Convertible Debentures-Series B-VI	500.00	500.00	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures-Series B-III	2,600.00	2,600.00	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures-Series B-I	2,500.00	2,500.00	07-Mar-17	07-Mar-24
8.80% Non Convertible Debentures-Series G	500.00	500.00	09-Nov-17	09-Nov-22
9.02% Non Convertible Debentures-Series F	10,000.00	10,000.00	07-Jul-17	07-Jul-22
9.55% Non Convertible Debentures-Series C	10,000.00	10,000.00	24-Mar-17	14-Apr-22
9.60% Non Convertible Debentures-Series A-III	300.00	300.00	20-Mar-17	20-Mar-22
9.50% Non Convertible Debentures-Series B-V	200.00	200.00	20-Mar-17	20-Mar-22
9.60% Non Convertible Debentures-Series A-II	400.00	400.00	09-Mar-17	09-Mar-22
9.60% Non Convertible Debentures-Series A-I	3,000.00	3,000.00	07-Mar-17	07-Mar-22
9.40% Non Convertible Debentures-Series B-IV	2,000.00	2,000.00	09-Mar-17	09-Sep-21

1. Face Value of all the Non-Convertible Debentures is ₹ 100,000.
2. Non Convertible Debentures Series A, Series B, Series E, Series G and Series H are redeemable at a call option in the range of 24 Months to 48 Months

C Details of secured redeemable non-convertible debentures as at April 01, 2017

Particulars	Number	Amount (₹ in lakhs)	Allotment Date	Redemption Date
9.70% Non Convertible Debentures-Series B-II	500.00	500.00	07-Mar-17	07-Mar-27
9.70% Non Convertible Debentures-Series B-VII	1,500.00	1,500.00	21-Mar-17	21-Mar-24
9.60% Non Convertible Debentures-Series B-VI	500.00	500.00	20-Mar-17	20-Mar-24
9.60% Non Convertible Debentures-Series B-III	2,600.00	2,600.00	09-Mar-17	09-Mar-24
9.60% Non Convertible Debentures-Series B-I	2,500.00	2,500.00	07-Mar-17	07-Mar-24
9.55% Non Convertible Debentures-Series C	10,000.00	10,000.00	24-Mar-17	14-Apr-22
9.60% Non Convertible Debentures-Series A-III	300.00	300.00	20-Mar-17	20-Mar-22
9.50% Non Convertible Debentures-Series B-V	200.00	200.00	20-Mar-17	20-Mar-22
9.60% Non Convertible Debentures-Series A-II	400.00	400.00	09-Mar-17	09-Mar-22
9.60% Non Convertible Debentures-Series A-I	3,000.00	3,000.00	07-Mar-17	07-Mar-22
9.40% Non Convertible Debentures-Series B-IV	2,000.00	2,000.00	09-Mar-17	09-Sep-21

1. Face Value of all the Non-Convertible Debentures is ₹ 100,000.
2. Non Convertible Debentures Series A and Series B are redeemable at a call option in the range of 24 Months to 48 Months

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE -45

INCOME TAX

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

₹ in Lakhs

Particulars	Current Year 2018-2019	Previous Year 2017-2018
Current income tax:		
Current income tax charge	2,760.65	3,192.35
Adjustments in respect of previous year	16.29	(6.55)
Deferred tax:		
Relating to origination and reversal of temporary differences	(308.99)	(437.51)
Income tax expense reported in the statement of profit or loss	**2,467.95**	**2,748.29**

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

₹ in Lakhs

Particulars	Current Year 2018-2019	Previous Year 2017-2018
Profit before tax		
Applicable Tax Rate	9,664.43	9,095.53
Computed expected tax expenses	29.26%	34.94%
	2,828.20	3,177.80
Tax effect of :		
Tax effect due to non-deductible expenses	(1.48)	20.27
Tax effect due to additional deduction under income tax	(28.05)	(32.01)
Tax effect due to change in tax rate	(79.78)	(69.90)
Tax effect due to recognition / non recognition of deferred tax assets / (liabilities)	(227.76)	(315.12)
Tax effect due to different tax rate	(18.05)	(31.49)
Adjustments in respect of current income tax of previous year	(13.56)	(3.08)
Others	8.43	1.81
Income tax expense reported in the statement of profit or loss	**2,467.95**	**2,748.29**

NOTE -46 (a)

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

₹ in Lakhs

Sr. No.	Particulars	Parent	Subsidiaries	Amount	Adjustment due to consolidation	Total
1	Net assets	38,627.47	57,870.29	1,369.60	(33,382.68)	63,115.08
	As a percentage of consolidated net assets (%)	61.20%	91.69%	2.17%	-52.89%	100%
2	Share in profit or loss	2,351.15	4,870.07	156.16	(24.74)	7,196.48
	As a percentage of consolidated profit or loss (%)	32.67%	67.67%	2.17%	-0.04%	100%
3	Share in other comprehensive income	22.79	45.95	1.49	-	68.74
	As a percentage of consolidated other comprehensive income (%)	33.15%	66.85%	2.17%	0.00%	100%
4	Share in total comprehensive income	2,373.94	4,916.02	157.65	(24.74)	7,265.22
	As a percentage of consolidated total comprehensive income (%)	32.68%	67.67%	2.17%	-0.04%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

46 (b) Salient Features of Financial Statements of Subsidiary Companies Act, 2013 (Pursuant to first proviso to sub-section (3) of section 129:

Part "A" : Subsidiaries

₹ in Lakhs

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	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	1,091.80	5,516.65	3,224.85	28.12	10,433.08	267.46	194.21	100.00
2	A. K. Capital Corporation Private Limited	INR	210.00	206.03	416.51	0.48	-	30.70	29.90	22.12	100.00
3	A. K. Wealth Management Private Limited	INR	225.00	154.25	482.97	103.72	18.02	715.04	70.56	52.60	100.00
4	A. K. Capital (Singapore) PTE. Limited	INR	451.39	(103.91)	378.02	14.52	-	147.46	(41.58)	(40.67)	100.00
		SGD*	904,884.00	(181,243.00)	752,274.00	28,633.00	-	286,517.00	(81,242.00)	(79,465.00)	
5	A. K. Capital Finance Limited (Formerly known as A. K. Capital Finance Private Limited)	INR	8,829.38	45,548.12	236,128.80	181,751.30	70763.81	22,433.17	6,143.49	4,597.25	98.73
6	Family Home Finance Private Limited	INR	1,101.00	58.23	1,170.00	10.77	610.01	85.24	60.73	44.56	**98.73

** 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

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

NOTE 48

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 49 Subsequent events

The Board of Directors of the Company in its meeting held on 25 May 2019, have recommended a final dividend of Rs 6 per equity share having face value of ₹ 10 each for the year ended March 31, 2019. 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 446.82 Lakhs.

SIGNATURES TO 1 TO 49

As per our report of even date attached

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

G. D. Joglekar
Partner
Membership No. 39407

Place: Mumbai
Date: May 25, 2019

For and on behalf of the Board of Directors

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 25, 2019

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A. K. CAPITAL SERVICES LTD.

BUILDING BONDS

Registered Office: 30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point Mumbai 400021
Tel: +91 (022) 6754 6500 | **Fax:** +91 (022) 6610 0594 | **Website:** www.akgroup.co.in | **CIN:** L74899MH1993PLC274881

NOTICE OF 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-Sixth (26th) Annual General Meeting (AGM) of the Members of A. K. Capital Services Limited ("the Company") will be held on Saturday, September 28, 2019 at 9.00 a.m. at The Retreat Hotel and Convention Centre, Madh Island, Erangal Beach, Madh Marve Road, Madh, Malad (West), Mumbai – 400 061, to transact the following businesses:

ORDINARY BUSINESSES:

1. To consider and adopt:

   a) The Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Report of the Board of Directors and the Auditors thereon;

   and

   b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Report of the Auditors thereon.

2. To declare a final dividend at the rate of INR 6/- (Indian Rupees Six) per equity share of INR 10/- (Indian Rupees Ten) each fully paid-up of the Company for the Financial Year 2018-19.

3. To appoint a Director in place of Ms. Aditi Mittal (DIN: 00698397), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESSES:

4. **Issuance of commercial paper of nominal value aggregating up to INR 100 Crores (Indian Rupees One Hundred Crores) within the overall borrowing limits set forth under Section 180 of the Companies Act, 2013**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 read with Rules notified thereunder, regulations, guidelines, provisions laid down by the Reserve Bank of India, Securities and Exchange Board of India (in force from time to time), subject to the provisions of the Articles of Association of the Company and other applicable regulations as may be amended and applicable from time to time, approval of the shareholders of the Company be and is hereby accorded to borrow from time to time, by way of issuance of Commercial Papers ("CPs") of nominal value aggregating up to INR 100 Crores (Indian Rupees One Hundred Crores), in one or more tranche(s) on such terms and conditions as the Board may deem fit and appropriate from time to time.

   RESOLVED FURTHER THAT the said limit of INR 100 Crores (Indian Rupees One Hundred Crores) shall be within the overall borrowing limit approved by the shareholders under Section 180(1) (C) of the Companies Act, 2013.

   RESOLVED FURTHER THAT the Board of Directors of the Company or any other Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution, be and is hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of CPs, including but not limited to number of issue(s)/ tranche(s), face value, issue price, discount on issue, size, timing, amount, yield, arrangement fee, listing, allotment, dematerialization and other terms and conditions of issue of CPs as they may, in their absolute discretion, deemed necessary.

   RESOLVED FURTHER THAT any one Director of the Company or the Company Secretary or Chief Financial Officer of the Company be and is hereby authorized severally to do all acts and take all such steps to give effect to this resolution including but not limited to filing e-forms, for the purpose of compliance under the Companies Act, 2013 and to furnish a certified true copy of the resolution as and when required."

5. **Issuance of preference shares of nominal value aggregating up to INR 100 Crores (Indian Rupees One Hundred Crores)**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "**RESOLVED THAT** in accordance with the provisions of Sections 42, 55, 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Rules made thereunder including but not limited to Companies (Prospectus and Allotment of Securities) Rules, 2014 as may be amended from time to time, the Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and the prevailing statutory guidelines in this behalf and subject to all necessary consents, permissions and approvals from all such authorities and institutions as may be relevant and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting any such consents, permissions and approvals and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) as it thinks fit in the interest of the Company, approval of the shareholders of the Company be and is hereby given to create, issue, offer and allot non-convertible redeemable preference shares ("NCRPS"), whether cumulative or non-cumulative of face value of INR 100/- each, aggregating up to a nominal amount not exceeding INR 100 Crores (Indian Rupees One Hundred Crores) at such price, to such person(s) including but not limited to qualified institutional buyers, companies and bodies corporate, mutual funds, banks, insurance companies, trusts, individuals, hindu undivided families, partnership firms, limited liability partnerships etc., whether or not such persons/entities/investors are shareholders of the Company for such period and on such terms as may be permitted in accordance with the prevailing rules/ guidelines in this behalf and as determined by the Board in conformity with the relevant provisions of the Act and the Articles of Association of the Company, wherever applicable and as the Board may deem advisable in the prevailing market situations.

RESOLVED FURTHER THAT in accordance with provisions of Section 43 of the Act, the NCRPS shall be non-participating, carrying a preferential right vis-a-vis equity shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall carry voting rights in accordance with the provisions of Section 47(2) of the Act.

RESOLVED FURTHER THAT if the aforesaid proposed transaction(s) is construed as related party transaction(s) under any applicable law(s), then said transaction(s), be and is hereby approved by the shareholders without being required to seek any further consent or approval from shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board is hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of NCRPS including but not limited to face value, nature of issue, premium on issue, issue price, issue size, timing, amount, rate(s) of dividend, yield, redemption premium, redemption price, listing, allotment, dematerialization, number of tranche(s) and other terms and conditions of issue NCRPS as they may, in their absolute discretion, deem necessary.

RESOLVED FURTHER THAT for giving effect to this Resolution, the Board of Directors of the Company or any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution be and is hereby authorized to take such steps and to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue, allotment, and utilization of the issue proceeds of the NCRPS, to prescribe the forms of application, enter into an agreement or other instruments and to take such actions or to give such directions as may be necessary or desirable and to obtain any approval, permission, sanction which may be necessary or desirable, as they may deem fit and to pay fees, remuneration, expenses relating thereto, with power to settle all questions, difficulties that may arise in regard to such issue and allotment as it may in its discretion deem fit in best interest of the Company.

RESOLVED FURTHER THAT any one Director of the Company or Chief Financial Officer of the Company or the Company Secretary be and is hereby severally authorized to furnish a certified true copy of the resolution as and when required."

For and on behalf of the Board of Directors,

A. K. Capital Services Limited

A. K. Mittal

Managing Director

(DIN: 00698377)

Place: Mumbai

Date: August 3, 2019

Registered Office:

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

Free Press Journal Marg, 215, Nariman Point,

Mumbai - 400 021

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE VALID, THE PROXY FORM MUST BE DULY FILLED IN ALL RESPECTS AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM. A PROXY FORM FOR THE AGM IS ENCLOSED IN THE ANNUAL REPORT.

2. Pursuant to the provisions of the Companies Act, 2013 (hereinafter referred to as ''the Act") and rules made thereunder a person can act as proxy on behalf of the members not exceeding 50 (fifty) in number and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Members/Proxy/Authorised Representatives are requested to:

   i) Bring their copies of Annual Report and the attendance slip duly completed and signed at the AGM.

   ii) Quote their respective folio numbers or DP ID and Client ID numbers for easy identification of their attendance at the AGM.

   iii) Furnish a valid identity proof such as PAN card, Passport, AADHAAR card or Driving License to enter the AGM hall.

4. Corporate members intending to send their authorized representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.

5. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the AGM in respect of item nos. 4 & 5 is annexed hereto and forms part of Notice.

6. Details as required, under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard 2 on General Meeting, in respect of the Director seeking re-appointment at the AGM, forms integral part of the Notice. The Director has furnished the requisite declarations for her re-appointment. Further, Ms. Aditi Mittal is not debarred from holding the office of director by virtue of any SEBI order or any authority.

7. **Note for shareholders holding shares in physical form**

   i) Members who are holding shares in physical form are hereby informed that SEBI has amended Regulation 40 of SEBI (LODR) Regulations 2015 vide Notification dated June 8, 2018 and in terms of said notification except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerlised form with a depository. Accordingly a detailed procedure for dematerialization of shares is hosted on website of the Company at:

   http://www.akgroup.co.in/docs/PROCEDURE%20%20DEMATERIALIZATION%20OF%20SHARES-201807301714218535964.pdf

   ii) Pursuant to the SEBI Circular dated April 20, 2018, the shareholder holding shares in physical form are required to update their bank and PAN details with registrar and share transfer agent of the Company with requisite proofs. Further shareholders are also recommended to get their shares dematerialized.

   iii) Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Share Transfer Agent (RTA) of the Company i.e. Link Intime India Private Limited having their office at C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083, quoting their folio number. Members holding shares in dematerialized form are requested to immediately notify change in their address, National Automated Clearing House (NACH) mandate, bank accounts details, to their respective depository participants.

   iv) Members are entitled to make nomination in respect of the shares held by them in physical form. Members desirous of making nomination may send their request in Form SH.13 in duplicate to the RTA of the Company. Members may obtain a blank Form SH13 upon request to the Company or its RTA.

   v) Members holding the Equity Shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.

8. Pursuant to the Regulation 42 and other applicable regulations, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at their meeting held on Saturday, May 25, 2019 had decided Friday, August 23, 2019 as the "Record Date" for the purpose of ascertaining the eligibility of the shareholders for the payment of final dividend for the Financial Year 2018-19.

9. Final dividend for the Financial Year 2018-19 as recommended by the Board of Directors, if declared at the 26th AGM, will be paid:

   i) to those Members, holding shares in physical form, whose names appear on the Register of Members of the Company, at the close of business hours on Friday, August 23, 2019.

   ii) in respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by depositories at the close of business hours on Friday, August 23, 2019.

10. Members desirous of receiving the dividend through National Automated Clearing House (NACH) can fill the "NACH Mandate Form" and send it to the Company's Registered Office address or email it to compliance@akgroup.co.in. The NACH Mandate Form is available at our website www.akgroup.co.in

11. An updated list of Unpaid/Unclaimed Dividend (Financial Year 2017-18) as of December 31, 2018 is hosted on website of the Company at http://www.akgroup.co.in/docs/AKCAP%202017-18-201907091201561558030.pdf

12. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's Registered Office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF) as per Section 124 of the Companies Act, 2013. Pursuant to provisions of Section 124 of the Companies Act, 2013, shares on which dividend remains unpaid for 7 consecutive years will be transferred to the IEPF. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

14. Members desirous of getting any information about the contents of the Annual Report are requested to write to the Company at its Registered Office at least 10 days before the date of the AGM to enable the Company to keep the information ready at the AGM.

15. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days between 10.00 A.M. and 12.00 noon up to the date of the AGM.

16. Electronic copy of the Notice of the 26th AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is also being sent to all the members who hold shares in dematerialized mode and whose email IDs are registered with the Depository Participants for communication purposes unless any member has requested a hard copy of the same. For those members who have not registered their email address, physical copies of the Notice of the 26th AGM of the Company inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent through permitted mode.

    i) In case, you are holding shares in demat form and you have not registered your email id with the Depository Participant, you are requested to register your email id with the Depository Participant at the earliest, so as to enable the Company to use the same for serving documents to you electronically.

    ii) In case, you are holding shares in physical form and you have not registered your email id, you are requested to fill the "Email Registration Form" and send it to the Company's Registered Office address or email it to compliance@akgroup.co.in. The email registration form is available at our website www.akgroup.co.in

17. Voting through electronic means:

    i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 26th AGM by electronic means and the business may be transacted through e-voting Services. The facility of casting votes by the members using an electronic voting system from place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL). Remote e-voting is optional and Members shall have the option to vote either through remote e-voting or in person through ballot paper at the AGM. The Members who had cast their vote by remote e-voting prior to the AGM may also attend the AGM ***but shall not be entitled to cast their vote again.***

    ii) The instructions for shareholders voting electronically are as under:

        a. The remote e-voting period shall commence on Wednesday, September 25, 2019 (9.00 a.m. IST) and close on Friday, September 27, 2019 (5.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in electronic form, as on the cut-off date i.e. Saturday, September 21, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by member, the same shall not be allowed to change it subsequently or cast the vote again. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

        b. The shareholders should log on to the remote e-voting website at www.evotingindia.com

        c. Click on Shareholders / Members

        d. Enter your User ID:

            - For CDSL: 16 digits beneficiary ID
            - For NSDL: 8 Character DP ID followed by 8 digits Client ID
            - Members holding shares in Physical Form should enter Folio Number registered with the Company.

        e. Next enter the Image Verification as displayed and click on Login.

        f. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

        g. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN Field which is printed on the Attendance Slip.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

        h. After entering these details appropriately, click on "SUBMIT" tab.

        I Members holding shares in physical form will then directly reach the company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

        j. For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

        k. Click on the Electronic Voting Sequence Number ("EVSN") of "A. K. Capital Services Limited".

l. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

m. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

n. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

o. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

p. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

q. If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on FORGOT PASSWORD & enter the details as prompted by the system.

r. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

iii) **Note for Non – Individual Shareholders and Custodians**

a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. In case of Non-individual members, admin user would also be able to link the accounts

d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

iv) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com or call at 18002005533.

18. Other Instructions:

i) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on cut-off date of Saturday, September 21, 2019.

ii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., September 21, 2019 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

iii) Any person who becomes a member of the Company after dispatch of the Notice and holds shares of the Company as on the cut-off date i.e. September 21, 2019 and whose PAN is not registered with the Company may obtain the login Id and password by sending request at helpdesk.evoting@cdslindia.com.

iv) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

19. Mr. Mayank Arora (Membership No A33328 and COP No. 13609) proprietor of M/s. Mayank Arora & Co., Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the voting and e-voting process in a fair and transparent manner.

20. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the AGM and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company, within two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

21. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.akgroup.co.in and on the website of CDSL www.evotingindia.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

22. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the AGM.

23. The Notice of 26th AGM and Annual Report for the Financial Year 2018-19 will also be available on the website of the Company at www.akgroup.co.in. The physical copy will also be available at the Company's Registered Office for inspection during the normal business hours on working days.

24. Route Map showing directions to reach to the venue of the 26th AGM is given along with the AGM notice.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statements set out all the material facts relating to the Special Businesses mentioned in the accompanying Notice:

Item No. 4:

The members are informed that in order to augment resources inter alia, to expand its operations and its working capital requirements, the Company may offer or invite subscription for issuance of Commercial Papers ("CPs") of nominal value aggregating up to INR 100 Crores (Indian Rupees One Hundred Crores), in one or more tranches on such terms and conditions as the Board of Directors (''The Board") may deem fit and appropriate from time to time.

The Board of the Company at its meeting held on August 3, 2019 has, subject to the approval of shareholders in the general meeting proposed to issue CPs on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any and as may be finalized by the Board and/or Committee of Board thereof. The price of CP shall be determined by the Board/Committee keeping into consideration various economic factors, tenure and other relevant factors.

Accordingly, consent of the shareholders is sought for passing a Special Resolution as set out under this item of the Notice. This resolution enables the Board of the Company or any other Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution to offer or invite subscription for CPs aggregating up to INR 100 Crores (Indian Rupees One Hundred Crores), in one or more series or tranches, as deemed fit, and within the overall borrowing limits of the Company, as approved by the shareholders from time to time and as per the details specified in the said Special Resolution. The Board of the Company or any other Committee thereof shall decide, inter alia, other terms and conditions for such fund raising.

The Board of the Company recommends the Special Resolution as set out in Item no. 4 of this Notice for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way, except to the extent of their respective shareholding in the Company, concerned or interested, financially or otherwise, in the proposed Special Resolution.

Item No. 5:

Pursuant to Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, an Explanatory Statement relating to the Special Resolution is given as under:

The Company has plans to expand its operations and therefore needs to augment its long term capital base and in the course of which, the Board of Directors (''The Board") of the Company may need to raise further funds to meet the expansion plans and augment the long term capital base and working capital requirements through the issue of further securities. Accordingly, in terms of Sections 42, 55 and 62 of the Companies Act, 2013 (the "Act") and other applicable provisions, if any, read with the Companies (Share Capital & Debentures) Rules, 2014, consent of the shareholders is being sought by way of special resolution for the issue of Non-convertible Redeemable Preference Shares ("NCRPS"), whether Cumulative or Non-Cumulative of face value of INR 100/- each, aggregating to nominal amount not exceeding INR 100 Crores (Indian Rupees One Hundred Crores) at such price and on the terms and conditions set out hereunder:

The material facts concerned with and relevant to the issue of the preference shares are as given below:

Issue size	Upto INR 100 Crores (Indian Rupees One Hundred Crores) divided into 1 Crore Preference Shares of INR 100/- each.
Nature of shares	It shall be in the nature of Cumulative or Non-Cumulative and shall be Non-Convertible and Non-Participating.
Objective of Issue	To expand its operations and augment the long term capital base and working capital requirements of the Company.
Manner of Issue	NCRPS will be issued and offered on a private placement basis in accordance with the provisions of Section 42 of the Act and the Rules made there under
Issue Price and basis for determining price	NCRPS will be issued at par / or at premium, depending upon market conditions and terms of issue
Terms of issue and rate of dividend	NCRPS will carry a dividend rate as may be decided by the Board in the best interest of the Company. Other terms to be determined by the Board.
Terms of Redemption	Redemption at par or at premium within a maximum period of 20 years from the date of allotment.
Manner and modes of Redemption	The proposed NCRPS shall be redeemed in accordance with the provisions of the Companies Act, 2013 or any such other applicable law, rules, regulations as may be applicable.
Expected dilution in equity share capital upon conversion of preference shares	Not Applicable, since the proposed NCRPS shall be Non-Convertible in nature.

The Equity Shareholding Pattern of the Company as on June 30, 2019 is as under:

Category	Number of shares	% of total Shareholding
Promoter and promoter group		
Indian	42,69,369	64.69
Foreign (NRI)	1,98,275	3.00
Sub-total (A)	**44,67,644**	**67.69**
Public		
NRIs/Foreign Bodies Corporate	18,880	0.29
Indian Bodies Corporate	5,94,755	9.01
Individuals/HUF	14,91,786	22.60
Clearing Members	19,724	0.30
Investor Education and Protection Fund (Authority of Ministry of Corporate Affairs)	7211	0.11
Sub-total (B)	**21,32,356**	**32.31**
Total Shareholding (A) + (B)	**66,00,000**	**100.00**

The Board of the Company recommends the Special Resolution as set out in Item no. 5 of this Notice for approval of the shareholders.

The issue of Preference Shares has been authorized by the Articles of Association of the Company. The Directors or Key Managerial Personnel of the Company or their respective relatives may be deemed to be concerned or interested in the said resolution to the extent of the Preference Shares that may be subscribed by them or any other entities in which they are interested.

Resolution set out at Item No. 5 of the Notice for approval of the shareholders.

For and on behalf of the Board of Directors

A. K. Capital Services Limited

A. K. Mittal

Managing Director

(DIN: 00698377)

Place: Mumbai

Date: August 3, 2019

Registered Office:

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

Free Press Journal Marg, 215, Nariman Point,

Mumbai – 400021

Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, following information is furnished about the Director proposed to be re-appointed:

<table>
<tr><td>Name of the Director</td><td colspan="3">Ms. Aditi Mittal</td></tr>
<tr><td>Designation</td><td colspan="3">Non-Executive - Non Independent Director</td></tr>
<tr><td>Age</td><td colspan="3">36 Years</td></tr>
<tr><td>Date of first appointment on Board</td><td colspan="3">February 3, 2018</td></tr>
<tr><td>Qualification</td><td colspan="3">B. Com, Chartered Accountant</td></tr>
<tr><td>Brief resume including experience</td><td colspan="3">Ms. Aditi Mittal is a Chartered Accountant by qualification. Aditi has a decade of experience with AK Group. Aditi has been pioneer in building, managing and engaging teams at AK Group to develop strategies both in India and abroad to achieve the Group’s vision of creating a liquid, transparent and vibrant domestic corporate bond market. At AK Group, she works on Prime Focus areas i.e. Business Forecasting, Product development, P&L, Key client relationship management and holistic strategic initiatives for the organization’s growth.
She was instrumental in the creation of A. K. Stockmart Private Limited (AKSPL), (a 100% subsidiary of the Company) from inception & now heads AKSPL in the capacity of a Managing Director.</td></tr>
<tr><td>Expertise in specific functional areas</td><td colspan="3">Business Forecasting, Product development, Key client relationship management and formulation of strategic plans</td></tr>
<tr><td>Directorship in Companies</td><td colspan="3">i. A. K. Capital Services Limited
ii. A. K. Stockmart Private Limited
iii. A. K. Wealth Management Private Limited
iv. Family Home Finance Private Limited</td></tr>
<tr><td rowspan="5">Membership/ Chairmanship of Public Limited companies</td><td colspan="3">Ms. Aditi Mittal holds the position of Chairperson/Member in the following Committees of A. K. Capital Services Limited:</td></tr>
<tr><td>Sr. No.</td><td>Name of the Committee(s)</td><td>Designation</td></tr>
<tr><td>1</td><td>Stakeholders’ Relationship Committee</td><td>Chairperson</td></tr>
<tr><td>2</td><td>Nomination and Remuneration Committee</td><td>Member</td></tr>
<tr><td>3</td><td>Management Committee</td><td>Member</td></tr>
<tr><td>Relationship with other Directors, Managers and other Key Managerial Personnel of the company</td><td colspan="3">Ms. Aditi Mittal is daughter of Mr. A. K. Mittal, Managing Director and Promoter of the Company.</td></tr>
<tr><td>No. of equity shares held in the Company (As on March 31, 2019)</td><td colspan="3">1,49,470 Equity Shares representing 2.26% of the paid up share capital of the Company.</td></tr>
<tr><td>No. of board meetings attended during the Financial Year 2018-19</td><td colspan="3">2 (Two)</td></tr>
<tr><td>Terms and conditions of appointment or re-appointment including remuneration</td><td colspan="3">Ms. Aditi Mittal is appointed as a non-executive woman director on the Board of the Company.
She shall be entitled to sitting fees for every Board/ Committee meeting attended by her.</td></tr>
<tr><td>Last Remuneration Drawn</td><td colspan="3">Sitting Fees of INR 45,000/- (for the Financial Year 2018-19)</td></tr>
</table>

ROUTE MAP FOR TWENTY SIXTH ANNUAL GENERAL MEETING VENUE