



# LKP Finance Ltd.

Regd. Off.: 112 - A / 203, Embassy Centre, Nariman Point, Mumbai - 400 021.  
Tel.: 4002 4785 / 86 • Fax : 2287 4787 • Website : www.lkpsec.com  
CIN : L65990MH1984PLC032831

July 19, 2021

To,  
Dept. of Corporate Services (CRD)  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

**Scrip Code: 507912**

Dear Sir / Madam,

**Sub: Regulation 34 – Submission of Notice of the Thirty-Seventh Annual General Meeting and Annual Report for the year ended March 31, 2021**

Pursuant to the requirements of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the financial year 2020-21 (“Annual Report”) along with the Notice of the Thirty-Seventh Annual General Meeting (“Notice”) of the Company to be held on **Tuesday, August 10, 2021 at 11:30 A.M. (IST)** through Video Conference / Other Audio Visual Means.

In accordance with Ministry of Corporate Affairs circular dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 and SEBI circular dated May 12, 2020 and January 15, 2021, the Annual Report along with the Notice is sent through electronic mode to the Members of the Company.

Further the aforesaid Annual Report along with Notice has also been uploaded on the website of the Company at [www.lkpsec.com](http://www.lkpsec.com).

We request you to take the aforesaid on records.

Thanking you,

Yours faithfully,  
For **LKP Finance Limited**

**Girish Kumar Innani**  
**GM (Legal) & Company Secretary**  
**Contact No.: 9821930869**

Encl.: As above

# **LKP Finance Limited**



**37<sup>TH</sup> ANNUAL REPORT 2020-2021**

<b>Board of Directors :</b>	<b>DIN</b>
Shri Mahendra V. Doshi <i>Executive Chairman &amp; Managing Director</i>	00123243
Shri Vineet N. Suchanti	00004031
Shri Sajid Mohamed	06878433
Shri Pratik M. Doshi	00131122
Smt. Anjali Suresh	02545317
Shri Dinesh Waghela (w.e.f December 4, 2020)	00230087

**Head Corporate Affairs (CFO)**

Shri S. S. Gulati

**Company Secretary :**

Shri Girish B. Innani  
General Manager (Legal) & Company Secretary

**Auditors :**

MGB & Co LLP  
Chartered Accountants  
Peninsula Business Park,  
Tower B, 19th Floor,  
Lower Parel,  
Mumbai - 400 013.

**Registered Office :**

203, Embassy Centre,  
Nariman Point,  
Mumbai - 400 021.  
Tel. : 4002 4785 / 4002 4786  
Fax : 2287 4787

**CIN: L65990MH1984PLC032831**

**Registrar & Shares Transfer Agent :**

Adroit Corporate Services Pvt. Ltd.  
19, Jaferbhoy Industrial Estate,  
1st Floor, Makavana Road,  
Marol Naka, Andheri (East),  
Mumbai - 400 059.  
Tel. : 28590942 / 28594060

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**37th Annual General Meeting on Tuesday, August 10, 2021  
at 11.30 a.m. through Video Conferencing (VC)/ Other Audio  
Visual Means (OAVM)**

**NOTICE**

**NOTICE is hereby given that the Thirty Seventh (37th) Annual General Meeting (“Meeting”) of the member(s) of LKP Finance Limited (“Company”) will be held on Tuesday, August 10, 2021 at 11:30 a.m. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) to transact the following business:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt
  - a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Report of the Board of Directors and the Statutory Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Report of the Statutory Auditors thereon.
2. To declare dividend for the Financial Year 2020-2021.
3. To appoint a Director in place of Mr. Pratik M. Doshi (holding DIN 00131122), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. MGB & Co. LLP, Chartered Accountants, Firm Reg. No. 101169W/W100035 as statutory auditors of the Company and fix their remuneration.

**SPECIAL BUSINESS:**

5. To appoint Mr. Dinesh K. Waghela (DIN: 00230087) as a Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Dinesh K. Waghela (DIN: 00230087) who was appointed as an Additional Director of the Company w.e.f. December 04, 2020 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 64 of the Article of Association, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, and being eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Dinesh K. Waghela’s candidature for the office of the Director, be and is hereby appointed as a Non-executive, Non Independent Director of the Company, liable to retire by rotation, with effect from the date of this Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. To re-appoint Mr. Sajid Mohamed (DIN: 06878433) as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a

Special Resolution:

“RESOLVED THAT pursuant to the provisions of sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder read with Schedule IV to the Act and regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force) and any other applicable law(s), regulation(s), guideline(s), and recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Sajid Mohamed (DIN: 06878433), who was appointed as an Independent Director and who holds office of an Independent Director up to the conclusion of 37<sup>th</sup> Annual General Meeting of the Company in the calendar year 2021 and being eligible for re-appointment and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing with effect from June 10, 2021 upto June 09, 2026 on the Board of the Company.”

By order of the Board of Directors

**For LKP Finance Limited  
(Girish Kumar B. Innani)  
General Manager (Legal) &  
Company Secretary**

Place : Mumbai  
Date : June 24, 2021

**Registered Office:**  
LKP Finance Limited  
(CIN: L65990MH1984PLC032831)  
203, Embassy Centre,  
Nariman Point, Mumbai – 400 021

**NOTES:**

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 (‘the Act’) relating to certain ordinary business and the special businesses to be transacted at the Thirty-Seventh AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Act shall be available for inspection electronically.
2. Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulation’) and Secretarial Standards on General Meeting (‘SS-2’), the required details of the Director proposed to be re-appointed and the terms of proposed remuneration of the Directors are given in the Annexure forming part of the Notice. Members seeking to inspect such documents can send an email to [lkpfininvestor.relations@lkpsec.com](mailto:lkpfininvestor.relations@lkpsec.com).

3. In view of the continuing COVID-19 pandemic, social distancing norms to be followed and pursuant to General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020 read with General Circular No. 39/2020 dated December 31, 2020 (collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (collectively referred to as "SEBI Circulars") and in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permitted holding of Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without physical presence of members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the provisions of the Act read with MCA Circulars and SEBI Listing Regulations, the AGM of the Company will be held through VC/OAVM. The deemed venue for the Thirty-Seventh AGM shall be the Registered Office of the Company i.e. 203, Embassy Centre, Nariman Point, Mumbai 400 021.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of the Act, a Member is entitled to attend and vote at the AGM is entitled to appoint proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since, this AGM is being held through VC/OAVM, the physical attendance has been dispensed with. Accordingly, the facility for appointment of proxies by the members to attend and cast vote is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
8. In line with the Ministry of Corporate Affairs (MCA) Circulars the Notice calling the AGM along with Annual Report 2020-21 is being sent only through electronic mode to those members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice of AGM along with Annual Report has also been uploaded on the website of the Company at [www.lkpsec.com](http://www.lkpsec.com), websites of BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-voting facility and e-voting system during the AGM) at [www.evotingindia.com](http://www.evotingindia.com). Members (Physical / Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting to our Registrar and Share Transfer Agent i.e. Adroit Corporate Services Private Limited ('RTA') at [info@adroitcorporate.com](mailto:info@adroitcorporate.com) and to the Company at [lkpfininvestor.relations@lkpsec.com](mailto:lkpfininvestor.relations@lkpsec.com).
9. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [lkpfinancescrutinizer@gmail.com](mailto:lkpfinancescrutinizer@gmail.com) or with a copy marked to [www.evotingindia.com](http://www.evotingindia.com).
10. Notice is also given under Section 91 of the Companies Act, 2013 read with Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Register of Members and the Share Transfer Book of the Company will remain closed from Wednesday, August 04, 2021 to Tuesday, August 10, 2021 (both days inclusive).
11. The information and instructions for shareholders for remote e-voting are as under:
  - I. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.
  - II. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility.

III. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Tuesday, August 03, 2021. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

IV. 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, i.e. Tuesday, August 03, 2021 only shall be entitled to avail the facility of e-voting/ Poll on Demand.

12. Information and other instructions relating to e-voting are as under::

(i) The voting period begins on Friday, August 06, 2021 at 09:00 A.M. and ends on Monday, August 09, 2021 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, August 03, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal</li> </ol>

Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select “Register Online for IDeAS” Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>.
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

**Individual Shareholders (holding securities in demat mode) login through their Depository Participants**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (iv) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.
  - 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

- 6) If you are a first-time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
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. <ul style="list-style-type: none"> <li>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 (v).</li> </ul>

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN no. 210709002 of LKP Finance Limited on which you choose to vote.
- (ix) 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.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) If a demat account holder has forgotten the 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.
- (xv) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 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.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at [lkpfinancescrutinizer@gmail.com](mailto:lkpfinancescrutinizer@gmail.com) and [lkpfininvestor.relations@lkpsec.com](mailto:lkpfininvestor.relations@lkpsec.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
13. **Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:**
- i. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at



[lkpfininvestor.relations@lkpsec.com](mailto:lkpfininvestor.relations@lkpsec.com) or RTA at [info@adroitcorporate.com](mailto:info@adroitcorporate.com).

- ii. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at [lkpfininvestor.relations@lkpsec.com](mailto:lkpfininvestor.relations@lkpsec.com) or RTA at [info@adroitcorporate.com](mailto:info@adroitcorporate.com).

**14. Instructions for shareholders attending the AGM through VC/OAVM are as under:**

- i. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at [www.evotingindia.com](http://www.evotingindia.com) under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- ii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iii. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request before the cut-off date for the AGM (i.e on or before Tuesday, August 03, 2021) mentioning their name, demat account number/folio number, email id, mobile number at [lkpfininvestor.relations@lkpsec.com](mailto:lkpfininvestor.relations@lkpsec.com).
- vi. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance before the cut-off date for the AGM (i.e on or before Tuesday, August 03, 2021) mentioning their name, demat account number/folio number, email id, mobile number at [lkpfininvestor.relations@lkpsec.com](mailto:lkpfininvestor.relations@lkpsec.com). These queries will be replied to by the Company suitably by email.
- vii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
- viii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- ix. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders

have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

15. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

16. Members can avail themselves, the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's Registrar & Transfer Agents (R&T Agents). Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
17. The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the Depositories for any payment (including dividend) through Electronic Clearing Service ("ECS") to investors. In the absence of ECS facility, companies shall mandatorily print the bank account details of the investors on such payment instruments. Members are encouraged to avail ECS facility and requested to update bank account details in the prescribed form to their respective Depository Participant(s) and/or the Company's R&T Agents.
18. Members who have not registered their e-mail ID so far are requested to register the same for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company in electronic form.
19. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail ID, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their respective Depository Participant(s) in case the shares are held in electronic form and to the Company's R&T Agents in case the shares are held in physical form.
20. In terms of the Regulation 40 of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019, except in case of transmission or transposition of securities. In view of the above, Members are advised to dematerialise shares held by them in physical form. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail numerous benefits of dematerialisation, which include easy

liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

By order of the Board of Directors  
**For LKP Finance Limited**

21. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
22. Mr. V. Ramachandran (Membership No. A-7731 / CP No. 4731), Proprietor M/s. V. R. Associates, Practicing Company Secretaries has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
23. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company at [www.lkpsec.com](http://www.lkpsec.com) and on the website of CDSL immediately after the declaration of result by the Chairperson or a person authorised by him/her in writing. The Results shall also be immediately forwarded to Stock Exchanges.
24. In terms of section 101 and 136 of the Act, read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at [www.lkpsec.com](http://www.lkpsec.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
25. The Ministry of Corporate Affairs had notified provisions relating to unpaid/unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the Companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period.
26. Members are requested to send all communications to our R&T Agents at the following address:  
**Adroit Corporate Services Private Limited**  
19, Jafferbhoy Industrial Estate, 1st Floor,  
Makwana Road, Marol Naka, Andheri East,  
Mumbai - 400 059  
Tel. No.: +91 22 4227 0400; Fax No.: +91 22 2850 3748.  
E-mail ID: [info@adroitcorporate.com](mailto:info@adroitcorporate.com)
27. Since the meeting will be conducted through VC/OAVM facility, the Route Map is not annexed in this Notice.

Place : Mumbai  
Date : June 24, 2021

**Registered Office:**  
LKP Finance Limited  
(CIN: L65990MH1984PLC032831)  
203 , Embassy Centre,  
Nariman Point, Mumbai – 400 021

**(Girish B. Innani)**  
**General Manager (Legal) &**  
**Company Secretary**

#### **Statement pursuant to Section 102 of the Act**

##### **Item No. 5**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Mr. Dinesh K. Waghela (DIN: 00230087) as an Additional Director from December 04, 2020. In terms of Section 161(1) of the Companies Act, 2013 read with Article 64 of the present Articles of Association of the Company, Mr. Dinesh K. Waghela holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting. Mr. Dinesh K. Waghela, being eligible has offered himself for appointment as a Director. The Company received a notice from the Member under Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Mr. Dinesh K. Waghela for the office of Director of the Company.

Mr. Dinesh K. Waghela, aged 53 years, Indian national is a Commerce Graduate and has extensive experience of 32 years in the field of Capital Market. He is having long association with the LKP Group and served in various capacity.

The other details of Mr. Dinesh K. Waghela in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. The Board of Directors is of the opinion that Mr. Dinesh K. Waghela's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No. 5 of this Notice relating to his appointment as a Director, liable to retire by rotation as Ordinary Resolution for your approval. Except, Mr. Dinesh K. Waghela, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested or concerned in the Resolution at Item No. 5 of the Notice.

##### **Item No. 6**

Mr. Sajid Mohamed was appointed as an Independent Director of the Company by the Shareholders of the Company at the 32<sup>nd</sup> Annual General Meeting held on 10<sup>th</sup> June, 2016, for a period of five consecutive years for a term up to the conclusion of 37<sup>th</sup> Annual General Meeting of the Company in the calendar year 2021. The Board on June 08, 2021, based on the recommendations of the Nomination and Remuneration Committee and pursuant to the performance evaluation of Mr. Sajid Mohamed as a Member of the Board and considering that the continued association of Mr. Sajid Mohamed would be beneficial to the Company, proposed to re-appoint Mr. Sajid Mohamed as an Independent Director of the Company, not liable to retire by rotation, for a second term effective June 10, 2021 up to June 09, 2026. Further, the Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member proposing the candidature of Mr. Sajid Mohamed

for the office of Director. The Company has received from Mr. Sajid Mohamed (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act (iii) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with Regulation 16 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') and (iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority. In terms of Section 149, 152 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, and in terms of the applicable provisions of the Listing Regulations, each as amended, the re-appointment of Mr. Sajid Mohamed as an Independent Director of the Company for a second term with effect from June 10, 2021 till June 09, 2026 is being placed before the Shareholders for their approval by way of a special resolution. Mr. Sajid Mohamed, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Sajid Mohamed is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the Listing Regulations, each as amended, and is independent of the Management of the Company. A copy of the draft letter of appointment of Mr. Sajid Mohamed as an Independent Director setting out the terms and conditions of his appointment is available for inspection electronically without any fee. The profile and specific areas of expertise of Mr. Sajid Mohamed are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Sajid Mohamed, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 6 of the Notice. The Board recommends the Resolution set forth in Item No. 6 as Special Resolution for the approval by the Members.

By order of the Board of Directors  
**For LKP Finance Limited**

**(Girish B. Innani)**  
**General Manager (Legal) &**  
**Company Secretary**

Place : Mumbai  
Date : June 24, 2021

**Registered Office:**  
LKP Finance Limited  
(CIN: L65990MH1984PLC032831)  
203 , Embassy Centre,  
Nariman Point, Mumbai – 400 021

**Annexure - I**

**Information as required pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (“SS-2”), in respect of Directors seeking appointment / re-appointment / payment of remuneration at the Annual General Meeting:**

Name	Mr. Pratik M. Doshi	Mr. Dinesh K. Waghela	Mr. Sajid Mohamed
DIN	00131122	00230087	06878433
Date of Birth / Age	01/12/1980 40 Years	24/05/1968 53 Years	09/11/1979 41 Years
Date of First Appointment	26 <sup>th</sup> October 2009	4 <sup>th</sup> December 2020	3 <sup>rd</sup> August 2015
Qualification	B. A. In Economics-UK.	B. Com.	LL.B.
Expertise in Specific Functional Areas	Extensive experience of 17 years in the field of Foreign Exchange, Stock Market and Commodity Market.	Extensive experience of 32 years in the field of Capital Market.	Advocate, Member, Bar Council of Maharashtra & Goa Extensive experience in the field of Law.
Other Directorships	<ol style="list-style-type: none"> <li>1. LKP Securities Ltd. (Managing Director)</li> <li>2. MKM Share and Stock Brokers Ltd.</li> <li>3. Bhavana Holdings Pvt. Ltd.</li> <li>4. LKP Wealth Advisory Ltd.</li> <li>5. Alpha Commodity Pvt. Ltd.</li> <li>6. SolarEx P V Solution Pvt. Ltd.</li> <li>7. Peak Plastonics Pvt. Ltd.</li> <li>8. Astro Sports Pvt. Ltd.</li> <li>9. Astro Sports Promotion Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. MKM Share and Stock Brokers Ltd.</li> <li>2. Sea Glimpse Investments Private Ltd.</li> <li>3. Alpha Commodity Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. LKP Securities Ltd.</li> <li>2. Agrud Advisors (India) Pvt. Ltd.</li> </ol>
*Chairman / Member of Committee of the Board of the Companies on which he/she is a Director	LKP Securities Ltd. <ol style="list-style-type: none"> <li>i. Audit Committee-Member</li> <li>ii. Stakeholders Relationship Committee- Member</li> </ol>	None	LKP Securities Ltd. <ol style="list-style-type: none"> <li>i. Audit Committee-Member</li> <li>ii. Nomination &amp; Remuneration Committee- Member</li> </ol>
Shareholding in the Company	1,00,722 Equity Shares (0.80%)	1185 Equity Shares (0.009%)	Nil
Relationship with any Director(s) of the Company	Son of Mr. Mahendra V. Doshi	He is not related to any Director or Key Managerial Personnel of the Company.	He is not related to any Director or Key Managerial Personnel of the Company.

## DIRECTORS' REPORT

The Directors present the Thirty Seventh Annual Report and Audited Accounts of the Company for the year ended March 31, 2021.

### FINANCIAL HIGHLIGHTS

The financial performance of the Company is as follows:

Rs. In lakh

Particulars	Standalone		Consolidated	
	Financial Year 2020-21	Financial Year 2019-20	Financial Year 2020-21	Financial Year 2019-20
Revenue from Operations	9563.69	1936.13	9575.18	1936.25
Other Income	149.31	8.01	149.31	8.10
<b>Total Revenue</b>	<b>9713.00</b>	<b>1944.14</b>	<b>9724.49</b>	<b>1944.35</b>
Profit before Tax	6963.56	(2268.50)	6954.94	(2273.33)
Less: Tax expense	889.96	-	890.27	-
<b>Profit after Tax</b>	<b>6073.60</b>	<b>(2268.50)</b>	<b>6064.67</b>	<b>(2273.33)</b>
Other Comprehensive income for the year	4822.25	41.52	4822.54	31.08
<b>Total Comprehensive Income / (loss) for the year</b>	<b>10895.85</b>	<b>(2226.98)</b>	<b>10887.21</b>	<b>(2242.25)</b>
Earnings per equity share (Face Value of Rs.10/- each)				
- Basic and Diluted (in Rs.)	48.32	-18.05	48.25	-18.09

### RESERVE

The Company during the year under review has transferred Rs. 1214.72 lacs to Special Reserve as per applicable regulation for NBFCs, prescribed by the Reserve Bank of India Act, 1934.

### DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 2 (20%) per equity share of Rs. 10/- each for the financial year 2020-21, which is subject to consideration and approval of the Shareholders at the ensuing Annual General Meeting of the Company, and shall be paid within the statutory period to those members whose names appear in the Register of Members as on the date of book closure.

The total outflow on account of the proposed dividend shall amount to Rs. 251.37 lakhs.

### PERFORMANCE REVIEW

The Company's revenue from operation increased to Rs.9563.69 lacs from Rs. 1936.13 lacs and Other Income increased to Rs. 149.31 lacs from 8.01 lacs. There is a net profit after tax of Rs 6073.60 lakhs as against a net loss of Rs 2268.50 lakhs in the previous year. The Company has adopted Ind AS for reporting financial results.

### COVID-19

The year under review has been one of the most challenging years for your Company. The COVID-19 pandemic outbreak which began in the middle of March 2020 continued to impact the economy throughout the financial year 2020-21. The year was full of uncertainties with slowdown in activities on the ground. The world was introduced to the new normal of lockdowns, containment zones, work from home with restricted movements of people and goods. The nationwide transport system came to a grinding halt as Air, Road and Rail travel got severely impacted. Your Company has been strictly adhering to lockdown announcements in accordance with the directives issued by the Central, State Government and Local Administration.

The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. It is focused on controlling costs, maintaining liquidity and closely monitoring to the operations. The Company carries shares and securities in its books. The effect of mark to market profit / losses thereon have been taken into account in the Statement of Profit and Loss for the year. The Company believes that it has taken into account the impact of known events arising out of COVID 19 pandemic in the preparation of financial results resulting out of fair valuation of the investments.

The Company has been in operation with minimal permitted staff. The Company has not faced any material adversity of its financial position as at 31 March 2021 and considering other relevant facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact of the global health pandemic may differ from that estimated as at the date of approval of the financial results and the Company will continue to closely monitor any material changes to future economic conditions.

### DELISTING

During the year under review the promoters of the Company proposed to delist the Company's shares from BSE Limited, the Board of Directors at its meeting held on December 17, 2020 took on record the due diligence report received from the Merchant Banker and approved the Delisting Offer in terms of Regulation 8(1)(a) of the Delisting Regulations, further shareholders also approved the delisting proposal vide a postal ballot results of which were declared on January 25, 2021.

The floor price of Rs. 75/- for the Delisting Offer was arrived at in accordance with Regulation 15(2) of the Delisting Regulations. The Bidding opened on March 5, 2021 and closed on March 12, 2021. In terms of Regulation 15(1) of the Delisting Regulations, the Discovered Price (being the price at which the shareholding of the Promoters reached 90%) was Rs.140/- per Equity Share.

The Promoters decided not to accept the Discovered Price of Rs.140/- per Equity Share and not to make any counter offer in terms of Regulation 16(1A) of the Delisting Regulations. Accordingly, the

Delisting Offer was deemed to have failed in terms of Regulation 19(1) of the Delisting Regulations and the shares continue to be listed on BSE platform.

#### **SHARE CAPITAL**

During the year under review, there is no change in the Share capital of the Company.

During the year under review, the Company has not issued any sweat equity shares or bonus shares or equity shares with differential rights.

#### **FIXED DEPOSITS**

The Company has no public deposits as of date and will not accept any deposits without prior approval of the Statutory Authorities concerned.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Auditors' function is defined in their letter of engagement. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Executive Chairman.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

#### **INDIAN ACCOUNTING STANDARD (IND AS)**

The Company has adopted Indian Accounting Standards ("IND AS") from April 01, 2019 with a transition date of April 01, 2018. Accordingly, the financial statement for the year 2020-21 have been prepared in accordance with IND AS, prescribed under Section 133 of the Act, read with the relevant rules issued thereunder and the other recognised accounting practices and policies to the extent applicable.

#### **SUBSIDIARY, JOINT VENTURE, HOLDING COMPANY AND ASSOCIATE COMPANIES**

As per the Circular No. 51/12/2007-CL-III dated 8<sup>th</sup> February, 2011 issued by Government of India, Ministry of Corporate Affairs, the required financial information in the consolidated balance sheet is given in respect of Company's subsidiary i.e. Bond Street Capital Private Limited (erstwhile Gayatri Cement and Chemical Industries Private Limited), in Form AOC 1 annexed to this Report as "Annexure I".

The annual accounts of the aforesaid subsidiary and the related detailed information shall be made available to shareholders of the Company, seeking such information at Company's website i.e. [www.lkpsec.com](http://www.lkpsec.com).

#### **CONSOLIDATED FINANCIAL STATEMENT**

During the year under review, the Board has reviewed the affairs of its subsidiary. The Consolidated Financial Statements of the Company is prepared in accordance with the Act and applicable IND AS along with the relevant documents and Auditors Report thereon form part of this Annual Report.

In accordance with the provisions of Section 136(1) of the Act, the Annual Report of the Company containing therein the audited standalone and consolidated financial statements and the audited financial statement of the subsidiary has been placed on the website of the Company at [www.lkpsec.com](http://www.lkpsec.com). The aforesaid documents are also available to Member interested in obtaining the same upon a request made to the Company.

#### **DIRECTORS**

To comply with the requirement of minimum number of Directors on the Board of the Company pursuant to the regulation 17 (1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors on 4<sup>th</sup> December 2020 appointed Mr. Dinesh K. Waghela (DIN:00230087) as an Additional Director on the Board. He holds his Office as Director till ensuing Annual General Meeting and being eligible offer himself for re-appointment.

In terms of Section 152 of the Act, Mr. Pratik Doshi is liable to retire by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, offers himself for re-appointment.

Pursuant to section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking re-appointment of Mr. Sajid Mohamed (DIN: 06878433) as Independent Director for five consecutive years for a second term with effect from June 10, 2021. The detail of the proposal for re-appointment of Mr. Sajid Mohamed is mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 37<sup>th</sup> Annual General Meeting.

The Company has received necessary disclosure and confirmation from concerned Director(s) in connection with their appointment / re-appointment. Additional information on appointment / re-appointment of Directors as required under Regulation 36 of SEBI Listing Regulations, is given in the Notice convening the ensuing AGM.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Act that they meet the criteria of independence laid down in Section 149(6) of the Act and Regulation 25 of SEBI Listing Regulations.

#### **PERFORMANCE EVALUATION OF BOARD**

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the Directors individually.

At the meeting of the Board all the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed in detail.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were *inter-alia* evaluated on parameters such as level of engagement, contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board except the Director being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

Company's policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2021, the Board had six members, one of whom is an Executive Chairman-Managing Director, two Non-executive Non-independent Director and three Independent Directors. One of whom is a Woman Independent Director.

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act, has been disclosed in the Corporate Governance Report, which forms part of this Annual Report.

#### **MEETINGS**

During the year six Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on March 31, 2021 and state that :

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. the Directors 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 at the end of the financial year and of the profit of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance

with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. the Directors have prepared the annual accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **STATUTORY AUDITORS**

M/s. MGB & Co. LLP, Chartered Accountants Firm Reg. No. 101169W/W100035, Mumbai, retire at the conclusion of the forthcoming Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the provision prescribed under Section 139 of the Companies Act, 2013. Your Directors recommend their re-appointment.

Auditors' Report to the members does not contain any qualification, reservation and adverse remarks and the same is annexed to this Annual Report.

#### **SECRETARIAL AUDIT**

Pursuant to provisions of section 204 of the Companies Act 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s V. R. Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "**Annexure II**".

The Secretarial Audit Report has a qualification regarding the composition of the board not in compliance as per Regulation 17(1) of SEBI Listing Regulations until December 3, 2020, to which the management states that due to continuous lockdown announced initially by Central Government & then by State Government in order to control spread of COVID-19 pandemic in the country, it was challenging for the company to find a suitable candidate to fit in the position of Director of a listed entity.

The non-compliance was made good by appointment of Mr. Dinesh Waghela, as Additional (Non-Independent & Non-Executive) Director on December 04, 2020. Further in response to the Company's appeal, BSE Limited waived the fines levied for June 2020 and December, 2020 quarter. However, the Company was requested to pay Rs. 3,77,600/- as fines for December, 2020 quarter. The fine was paid.

The Board of Directors affirm that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board, its Committees and the General Meetings.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure III**".

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The company has contributed funds for the promotion of education and environmental sustainability etc. The contribution has been made to a registered trust which mainly undertakes activities specified under Schedule VII of the Companies Act, 2013.

The report on CSR activities is annexed herewith as “**Annexure IV**”.

**RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm’s length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

**PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the Notes to the Financial Statement.

**CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Code has been placed on the Company’s website [www.lkpsec.com](http://www.lkpsec.com)

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has established a vigil mechanism to be known as the 'Whistle Blower Policy' for its Directors and employees, to report instances of unethical behavior, actual or suspected, fraud or violation of the Company’s Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Accordingly, ‘Whistle Blower Policy’ has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Chairman of the Audit Committee of the Company.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

**PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading as amended from time to time with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

**INFORMATION PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2013**

The Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Annexed as “**Annexure V**”.

A statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rules 5(2) and 5(3) of the aforesaid Rules, forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days and through electronic means, up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, at [lkpfininvestor.relations@lkpsec.com](mailto:lkpfininvestor.relations@lkpsec.com).

The prescribed particulars of Conservation of Energy, Technology Absorption do not apply to your Company. There are no foreign exchange earnings & outgo during the year under report.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments, affecting the financial position of the Company from end of the financial year upto the date of this Board’s Report.

**CORPORATE GOVERNANCE**

The Report on Corporate Governance along with a Certificate of compliance from the Practising Company Secretaries and Management Discussion and Analysis Report forms part of this Report.

**DISCLOSURES**

- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company’s operations in future.
- During the year under review, the Company has not issued any Debentures.



- There is no change in the nature of business of the Company.
- Executive Chairman-Managing Director, as per the terms of his appointment, does not draw any commission or remuneration from subsidiary company. Thereby, no disclosure is required under Section 197(14) of the Act.
- Maintenance of cost records and requirement of cost Audit as prescribed under the provisions of Section 148(1) of the Act are not applicable to the business activities carried out by the Company.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent,

contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed-off during the year 2019-20.

- Number of complaints received: Nil
- Number of complaints disposed off: Nil
- Number of complaints pending: Nil

**ACKNOWLEDGEMENT**

Your Directors would like to place on record their sincere appreciation to Shareholders, Bankers, Institutions and Employees for their co-operation and support.

For and on behalf of Board of Directors

Place: Mumbai

Date: June 24, 2021

**(M. V. Doshi)**

Executive Chairman & Managing Director

**Annexure I**  
**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

Rs. In Lacs.

Sl. No.	Particulars	Details
1	Name of the subsidiary	Bond Street Capital Private Limited (f/k/a Gayatri Cement & Chemical Industries Private Limited)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2020 To 31/03/2021
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share Capital	995.00
5	Reserves & Surplus	1746.12
6	Total Assets	2835.84
7	Total Liabilities	2835.84
8	Investments	650.52
9	Turnover	26.24
10	Profit before taxation	(-7.50)
11	Provision for taxation	0.31
12	Profit after taxation	(-7.81)
13	Proposed Dividend	Nil
14	% of shareholding	Nil

- Names of subsidiaries which are yet to commence operations – Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year – Not Applicable

**Part "B": Associates and Joint Ventures: Not Applicable**

For MGB & Co. LLP  
Chartered Accountants  
Firm Registration No. 101169W/W-100035

For and on behalf of the board  
LKP Finance Limited

**Sanjay Kothari**  
Partner  
Membership No. 048215

**M.V Doshi**  
Executive Chairman

**Pratik M Doshi**  
Director

Place : Mumbai  
Date : June 24, 2021

**G.B Innani**  
G.M ( Legal ) & Company Secretary

**S.S Gulati**  
Head - Corporate Affairs

**Annexure II**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
LKP Finance Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by LKP Finance Limited (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 my 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 my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as applicable to the company:-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(not applicable to the company during the audit period)**
    - (d) The Securities and Exchange Board of India Share Based Employee Benefits) Regulations, 2014;
    - (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; and
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(not applicable to the company during the audit period)**
  - (vi) Other Applicable Acts;
    - (a) Prevention of Money Laundering Act, 2002
    - (b) RBI Regulations on Non-Banking Financial (Non Deposits Accepting or Holding) Companies
    - (c) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
    - (d) Employees State Insurance Act, 1948;
    - (e) Payment of Gratuity Act, 1972;
    - (f) The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;
- I/we have also examined compliance with the applicable clauses of the following:
- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

- *The Board of Directors of the Company was comprising of less than six directors until December 4, 2020 which was not as per Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

I 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 and guidelines.

We further report that during the audit period the company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. except for:

- Re-appointment of Mr. Mahendra V. Doshi as the Executive Chairman and Managing Director of the Company and payment of remuneration thereof.
- Re-appointment of Ms. Anjali Suresh as an Independent Director of the Company.
- Appointment of Mr. Dinesh Waghela as an Additional Director of the Company.
- Approval by the shareholders and in-principle approval from BSE Limited for Voluntary delisting of Company's shares from BSE Ltd was received by the Company and the letter of offer to all public shareholders in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 were dispatched. Further the Promoters/Acquirers had decided not to accept the discovered price or make any counter offer. Accordingly, the Delisting Offer was deemed to have failed in terms of Regulation 19(1) of the Delisting Regulations.

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

#### **'Annexure I' to Secretarial Audit Report'**

To,

The Members,

LKP Finance Limited.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process 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, I followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. \* Due to ongoing pandemic of Covid-19 and state of lockdown, all the books, papers, minute books, forms and returns filed and other records maintained by the Company, wherever possible, have been check virtually.

For V.R. Associates  
Company Secretaries

Place: Mumbai

Date: June 23, 2021

UDIN: A007731C000503369

Sd/-

**V. Ramachandran**

ACS: 7731:CP 4731

**Annexure III**
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2021

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L65990MH1984PLC032831
Registration Date	5 <sup>th</sup> May 1984
Name of the Company	LKP Finance Limited
Category / Sub-Category of the Company	Company Limited by shares
Address of the Registered office and contact details	203 Embassy Centre, Nariman Point, Mumbai 400 021 Tel No.: 022 4002 4712 / 85 / 86
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Adroit Corporate Services Private Limited 19, Jafarbhoj Industrial Estate, 1 <sup>st</sup> Floor, Makawana Road, Marol Naka, Andheri (East), Mumbai 400 059. Tel. No.: 022- 28590942

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Gain on fair value of Financial Instrument changes of Interest & Dividend Income	65990	61.66
2	Profit on sale of Shares and Securities	65990	33.81

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	Bond Street Capital Private Limited (Formerly Gayatri Cement & Chemical Industries Private Limited) 112-A, Embassy Centre Nariman Point, Mumbai 400021	U67100MH1983PTC115063	Subsidiary Company	100%	2(87)(ii)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2020				No. Of Shares held at the end of the year 31/03/2021				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
a) Individual/HUF	--	--	--	--	--	--	--	--	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt. (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	3957020	0	3957020	31.48	3957020	0	3957020	31.48	0.00
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other...									
i. Directors	3609489	0	3609489	28.72	3622567	0	3622567	28.82	0.10
ii. Directors relatives	416725	0	416725	3.32	416725	0	416725	3.32	0.00
<b>Sub-total (A) (1):-</b>	<b>7983234</b>	<b>0</b>	<b>7983234</b>	<b>63.52</b>	<b>7996312</b>	<b>0</b>	<b>7996312</b>	<b>63.62</b>	<b>0.10</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2020				No. Of Shares held at the end of the year 31/03/2021				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other...	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2):-</b>	--	--	--	--	--	--	--	--	--
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>7983234</b>	<b>0</b>	<b>7983234</b>	<b>63.52</b>	<b>7996312</b>	<b>0</b>	<b>7996312</b>	<b>63.62</b>	<b>0.10</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	50	200	250	0.00	50	200	250	0.00	0.00
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FII's	374778	0	374778	2.98	260915	0	260915	2.08	-0.90
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B) (1)</b>	<b>374828</b>	<b>200</b>	<b>375028</b>	<b>2.98</b>	<b>260965</b>	<b>200</b>	<b>261165</b>	<b>2.08</b>	<b>-0.90</b>
<b>(2) Non - Institutions</b>									
a) Bodies Corp.									
i) Indian	2314180	6026	2320206	18.46	1884628	6026	1890654	15.04	-03.42
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	751259	192921	944180	7.51	741967	191621	933588	7.43	-0.08
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	771499	0	771499	6.14	964674	0	964674	7.68	1.54
c) Others (Specify)									
c-1) Non Resident Indians (Individuals)	57520	21025	78545	0.62	41239	21025	62264	0.50	-0.12
c-2) Foreign Individuals	0	200	200	0.00	0	200	200	0.00	0.00
c-3) Trusts	0	0	0	0.00	0	0	0	0.00	0.00
c-4) Clearing Member	1711	0	1711	0.01	364561	0	364561	2.90	2.89
c-5) Directors	0	0	0	0	1185	0	1185	0.01	0.01
c-5) Investor Education And Protection Fund	94020	0	94020	0.75	94020	0	94020	0.75	0.75
<b>Sub-total (B)(2)</b>	<b>3990189</b>	<b>220172</b>	<b>4210361</b>	<b>33.50</b>	<b>4092274</b>	<b>218872</b>	<b>4311146</b>	<b>34.30</b>	<b>0.80</b>
<b>Total Public Shareholding(B)=(B)(1)+(B)(2)</b>	<b>4365017</b>	<b>220372</b>	<b>4585389</b>	<b>36.48</b>	<b>4353239</b>	<b>219072</b>	<b>4572311</b>	<b>36.38</b>	<b>-0.10</b>
C. Shares held by Custodian for GDRs & ADRs.									
Promoter and Promoter Group	--	--	--	--	--	--	--	--	--
Public -	--	--	--	--	--	--	--	--	--
Sub-total (C)	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>12348251</b>	<b>220372</b>	<b>12568623</b>	<b>100.00</b>	<b>12349551</b>	<b>219072</b>	<b>12568623</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2020			Shareholding at the end of the year 31/03/2021			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mahendra Vasantraai Doshi	1449363	11.53	0.00	1449363	11.53	0.00	0.00
2	Sea Glimpse Investments Pvt Ltd	2547515	20.27	0.00	2547515	20.27	0.00	0.00
3	Pratik M Doshi	100722	0.80	0.00	100722	0.80	0.00	0.00
4	Shital A Sonpal	16725	0.13	0.00	16725	0.13	0.00	0.00
5	Bhavana Holdings Private Limited	1409505	11.21	0.00	1409505	11.21	0.00	0.00
6	Mahendra Vasantraai Doshi (On Behalf Of LKP Panday)	2059404	16.39	0.00	2072482	16.49	0.00	0.10
7	Ira Pratik Doshi	200000	1.59	0.00	200000	1.59	0.00	0.00
8	Samaya Pratik Doshi	200000	1.59	0.00	200000	1.59	0.00	0.00
	<b>Total</b>	<b>7983234</b>	<b>63.52</b>	<b>0.00</b>	<b>7996312</b>	<b>63.62</b>	<b>0.00</b>	<b>0.10</b>

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

SI No.		As On Date	No. of Shares held at the beginning 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
<b>1</b>	<b>BHAVANA HOLDINGS PRIVATE LIMITED</b>					
	<b>At the beginning of the year</b>	01-04-2020	1409505	11.21	1409505	11.21
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	1409505	11.21
<b>2</b>	<b>SEA GLIMPSE INVESTMENTS PVT LTD</b>					
	<b>At the beginning of the year</b>	01-04-2020	2547515	20.27	2547515	20.27
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	2547515	20.27
<b>3</b>	<b>MAHENDRA VASANTRAI DOSHI (on behalf of LK Panday)</b>					
	<b>At the beginning of the year</b>	01-04-2020	2059404	16.39	2059404	16.39
	Date wise Increase / Decrease in Promoters Share holding during the year	09-11-2020	13078	0.10	2072482	16.49
	<b>At the End of the year</b>	31/03/2021	0	0.00	2072482	16.49
<b>4</b>	<b>MAHENDRA VASANTRAI DOSHI</b>					
	<b>At the beginning of the year</b>	01-04-2020	1449363	11.53	1449363	11.53
	Date wise Increase / Decrease in Promoters Share holding during the year		Nil	Nil		
	<b>At the End of the year</b>	31/03/2021	0	0.00	1449363	11.53
<b>5</b>	<b>SHITAL A SONPAL</b>					
	<b>At the beginning of the year</b>	01-04-2020	16725	0.13	16725	0.13
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	16725	0.13
<b>6</b>	<b>PRATIK M DOSHI</b>					
	<b>At the beginning of the year</b>	01-04-2020	100722	0.80	100722	0.80
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	<b>At the End of the year</b>	31/03/2021	0	0.00	100722	0.80

Sl No.		As On Date	No. of Shares held at the beginning 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
<b>7</b>	<b>IRA PRATIK DOSHI</b>					
	<b>At the beginning of the year</b>	01-04-2020	200000	1.59	200000	1.59
	Date wise Increase / Decrease in Promoters Share holding during the year		Nil	Nil		
	<b>At the End of the year</b>	31/03/2021	0	0.00	200000	1.59
<b>8</b>	<b>SAMAYA PRATIK DOSHI</b>					
	<b>At the beginning of the year</b>	01-04-2020	200000	1.59	200000	1.59
	Date wise Increase / Decrease in Promoters Share holding during the year		Nil	Nil		
	<b>At the End of the year</b>	31/03/2021	0	0.00	200000	1.59

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

S No.	For Each of the Top 10 Shareholders	As On Date	No. of Shares held at the beginning 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
<b>1</b>	<b>AUTHUM INVESTMENT AND INFRASTRUCTURE LIMITED</b>					
	<b>At the beginning of the year</b>	01/04/2020	1798256	14.31	1798256	14.31
	Date wise Increase / Decrease in Share holding during the year	22/05/2020	6861	0.05	1805117	14.36
		29/05/2020	198	0.00	1805315	14.36
		05/06/2020	5989	0.05	1811304	14.41
		17/07/2020	19234	0.15	1830538	14.56
		24/07/2020	6662	0.05	1837200	14.62
		31/07/2020	6518	0.05	1843718	14.67
		11/09/2020	719	0.01	1844437	14.67
		09/10/2020	-1000000	7.96	844437	6.72
		30/10/2020	4080	0.03	848517	6.75
		13/11/2020	401	0.00	848918	6.75
		11/12/2020	18547	0.15	867465	6.90
		18/12/2020	8230	0.07	875695	6.97
		25/12/2020	12134	0.10	887829	7.06
		08/01/2021	2422	0.02	890251	7.08
		12/02/2021	3336	0.03	893587	7.11
		05/03/2021	6000	0.05	899587	7.16
		12/03/2021	5433	0.04	905020	7.20
	<b>At the End of the year</b>	31/03/2021	0	0.00	905020	7.20
<b>2</b>	<b>MARFATIA STOCK BROKING PVT LTD</b>					
	<b>At the beginning of the year</b>	4/1/2020	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	18/12/2020	179	0.00	179	0.00
		25/12/2020	-179	0.00	0	0.00
		22/01/2021	198	0.00	198	0.00
		29/01/2021	-198	0.00	0	0.00
		05/03/2021	1000000	7.96	1000000	7.96
		19/03/2021	-484443	3.85	515557	4.10
		26/03/2021	-515557	4.10	0	0.00
	<b>At the End of the year</b>	31/03/2021	284443	2.26	284443	2.26
<b>3</b>	<b>MULRAJ PITAMBER MODY</b>					
	<b>At the beginning of the year</b>	01/04/2020	555500	4.42	555500	4.42
	Date wise Increase / Decrease in Share holding during the year	14/08/2020	-555500	4.42	0	0.00
		21/08/2020	285500	2.27	285500	2.27
		11/12/2020	-40000	0.32	245500	1.95
		18/12/2020	25000	0.20	270500	2.15
	<b>At the End of the year</b>	31/03/2021	0	0.00	270500	2.15



S No.	For Each of the Top 10 Shareholders	As On Date	No. of Shares held at the beginning 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
<b>4</b>	<b>SAFFRON GLOBAL MARKETS PRIVATE LIMITED</b>					
	<b>At the beginning of the year</b>	01/04/2020	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	13/11/2020	60000	0.48	60000	0.48
		20/11/2020	-60000	0.48	0	0.00
		11/12/2020	180000	1.43	180000	1.43
		05/03/2021	148364	1.18	328364	2.61
		12/03/2021	193643	1.54	522007	4.15
		19/03/2021	-342007	2.72	180000	1.43
	<b>At the End of the year</b>	31/03/2021	-60000	0.48	120000	0.95
<b>5</b>	<b>OLGA TRADING PRIVATE LIMITED</b>					
	<b>At the beginning of the year</b>	4/01/2020	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	26/03/2021	501427	3.99	501427	3.99
		<b>At the End of the year</b>	31/03/2021	0	0.00	501427
<b>6</b>	<b>INDIA MAX INVESTMENT FUND LIMITED</b>					
	<b>At the beginning of the year</b>	01/04/2020	199995	1.59	199995	1.59
	Date wise Increase / Decrease in Share holding during the year	25/09/2020	920	0.01	200915	1.60
		<b>At the End of the year</b>	31/03/2021	0	0.00	200915
<b>7</b>	<b>NEW BERRY ADVISORS LIMITED</b>					
	<b>At the beginning of the year</b>	01/04/2020	199900	1.59	199900	1.59
	Date wise Increase / Decrease in Share holding during the year	13/11/2020	-180000	1.43	19900	0.16
		12/03/2021	-19900	0.16	0	0.00
		19/03/2021	19900	0.16	19900	0.16
	<b>At the End of the year</b>	31/03/2021	0	0.00	19900	0.16
<b>8</b>	<b>TEAM INDIA MANAGERS LTD</b>					
	<b>At the beginning of the year</b>	01/04/2020	179000	1.42	179000	1.42
	Date wise Increase / Decrease in Share holding during the year	12/03/2021	-179000	1.42	0	0.00
		19/03/2021	179000	1.42	179000	1.42
	<b>At the End of the year</b>	31/03/2021	0	0.00	179000	1.42
<b>9</b>	<b>LTS INVESTMENT FUND LTD</b>					
	<b>At the beginning of the year</b>	01/04/2020	174783	1.39	174783	1.39
	Date wise Increase / Decrease in Share holding during the year	09/10/2020	-174783	1.39	0	0.00
		<b>At the End of the year</b>	31/03/2021	0	0.00	0
<b>10</b>	<b>RACHNA BASANT AGARWAL</b>					
	<b>At the beginning of the year</b>	01/04/2020	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	09/10/2020	100000	0.80	100000	0.80
		<b>At the End of the year</b>	31/03/2021	0	0.00	100000
<b>11</b>	<b>MAYURKUMAR DINESHKUMAR SHAH</b>					
	<b>At the beginning of the year</b>	01/04/2020	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	26/03/2021	95086	0.76	95086	0.76
		<b>At the End of the year</b>	31/03/2021	0	0.00	95086
<b>12</b>	<b>INVESTOR EDUCATION AND PROTECTION FUND</b>					
	<b>At the beginning of the year</b>	01/04/2020	94020	0.75	94020	0.75
	Date wise Increase / Decrease in Share holding during the year		<b>NIL</b>	<b>NIL</b>		
		<b>At the End of the year</b>	31/03/2021	0	0.00	94020

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning 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	Mr. Mahendra V. Doshi, Executive Chairman & MD				
	01/04/2020	3508767*	27.92	3508767	27.92
	09/11/2020 + 13078 31/03/2021			3521845 3521845*	28.02 28.02
2	Mr. Pratik M Doshi, Director				
	01/04/2020	100722	0.80	100722	0.80
	31/03/2021	--	--	100722	0.80
3	Mr. Vineet Suchanti, Director				
	01/04/2020	--	--	--	--
	31/03/2021	--	--	--	--
4	Mrs. Anjali Suresh, Director				
	01/04/2020	--	--	--	--
	31/03/2021	--	--	--	--
5	Mr. Sajid Mohamed, Director				
	01/04/2020	--	--	--	--
	31/03/2021	---	--	--	--
6	Mr. Dinesh K. Waghela				
	04/12/2020	1185	0.01	1185	0.01
	05/03/2020 -1185			0	0.00
	19/03/2020 +1185			1185	0.01
	31/03/2021			1185	0.01
7	Mr. S. S. Gulati, CFO				
	01/04/2020	--	--	10	0.00
	31/03/2021	--	--	10	0.00
8	Mr. Girish Innani, G M (Legal) & Company Secretary				
	01/04/2020	--	--	--	--
	31/03/2021	--	--	--	--

\* Including 2072482 shares held on behalf of partnership firm LK Panday

**V. INDEBTEDNESS**

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

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
Principal amount	--	35,96,65,031	--	35,96,65,031
Interest due but not paid	--	--	--	--
Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	<b>35,96,65,031</b>	--	<b>35,96,65,031</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	10,75,89,897	--	--	10,75,89,897
Reduction	1,00,00,000	--	--	1,00,00,000
<b>Net Change</b>	<b>9,75,89,897</b>	--	--	<b>9,75,89,897</b>
<b>Indebtedness at the end of the financial year</b>				
Principal Amount	9,75,89,897	35,96,65,031	--	45,72,54,928
Interest due but not paid	--	--	--	--
Interest accrued but not due	5,08,689	--	--	5,08,689
<b>Total (i+ii+iii)</b>	<b>9,80,98,586</b>	<b>35,96,65,031</b>	--	<b>45,77,63,617</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:\* Executive Chairman-MD**

S. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount Rs.
		<b>Mr. Mahendra V. Doshi,</b> Executive Chairman & Managing Director	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	63,00,000/-	63,00,000/-
	(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	--	--
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission - as % of profit - others, specify...	2,40,00,000/-	2,40,00,000/-
5.	Others, please specify – Bonus	5,25,000/-	5,25,000/-
	Medical	15,000/-	15,000/-
	<b>Total (A)</b>	<b>3,08,40,000/-</b>	<b>3,08,40,000/-</b>
	Ceiling as per the Act	5% of Net Profit Under the Companies Act , 2013.	

**B. Remuneration to other directors:**

S. No.	Particulars of Remuneration	Name of Director(s)			Total Amount
<b>a.</b>	<u>Independent Directors</u>	<b>Mr. Vineet Suchanti</b>	<b>Mr. Sajid Mohamed</b>	<b>Mrs. Anjali Suresh</b>	
	· Fee for attending board meetings	Rs.3,00,000/-	Rs. 3,00,000/-	Rs. 3,00,000/-	Rs. 9,00,000/-
	· Commission	-	-	-	-
	· Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>Rs.3,00,000/-</b>	<b>Rs.3,00,000/-</b>	<b>Rs.3,00,000/-</b>	<b>Rs.9,00,000/--</b>
<b>b.</b>	<u>Other Non-Executive Directors</u>	<b>Mr. Pratik Doshi</b>	<b>Mr. Dinesh K. Waghela</b>		
	· Fee for attending board meetings	3,00,000/-	1,50,000/-		Rs. 4,50,000/-
	· Commission	--	--		
	· Others, please specify	--	--		
	<b>Total (2)</b>	<b>3,00,000/-</b>	<b>1,50,000/-</b>		<b>Rs. 4,50,000/-</b>
	<b>Total (B)=(1+2)</b>				<b>Rs. 13,50,000/-</b>

(\*Overall Ceiling as per the Act is Rs. 1,00,000/- sitting fees per Meeting per Director . However company has paid Rs. 50,000/- sitting fees per board meeting per Director. )

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

Sl. No.	Particulars of Remuneration	Company Secretary	Head Corporate Affairs /CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,34,100/-	34,65,000/-	<b>53,99,100/-</b>
	(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	--	--	--

Sl. No.	Particulars of Remuneration	Company Secretary	Head Corporate Affairs /CFO	Total
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--
5.	Others, please specify-			
	1) Bonus	1,56,175/-	2,88,750/-	4,44,925/-
	2) Incentive	--	10,00,000/-	10,00,000/-
	3) Medical	10,000/-	15,000/-	25,000/-
	4) Transportation	12,000/-	12,000/-	24,000/-
	Total (C)	21,12,275/-	47,80,750/-	68,93,025/-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : Nil #**

Type	Section of the Companies Act	Brief Description	Detail of Penalty/Punishment/ Compounding fees imposed	Authority RD / NCLT / Court	Appeal Made if any
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty					
Punishment					
Compounding					

# Company's, Directors' and Officers' applications are pending with RD for compounding delay in filing Form No. 5 INV under rule 3 & 4 of the Investors Education and Protection Fund [IEPF] Rules 2012, for the FY 2012-13.

**Annexure IV**  
**REPORT ON CSR ACTIVITIES**

**1. Brief outline on CSR Policy of the Company.**

LKP Finance Limited, as a good corporate citizen, has adopted CSR as strategic tool for sustainable growth and has decided to contribute to the development of the communities as a whole. In doing so the Company aims at building a better, sustainable way of life for the weaker sections of society.

LKP's CSR activities will be implemented through a registered trust or a registered society or a Company established by the Company or its holding or subsidiary or associate company under Section 8 of the Companies Act, 2013 or through Collaborative partnerships formed with the Government / District authorities, or NGOs, or otherwise, provide that:

- If such trust, society or company is not established by the Company or its holding or associate company, it shall have an established track record of 3 (three) years in undertaking similar programs or projects;
- The Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

Programs to be undertaken via CSR will be identified by the Company's CSR Committee in a participatory manner after proactively consulting the communities for gauging their basic needs and any of the programs so selected will meet the regulatory requirements. Such programs shall be mapped with the activities as suggested in the Schedule VII of the Companies Act, 2013.

The focus areas in which LKP plans to work shall include Education, Health care and Environmental Sustainability. The objectives of the Company for the above activities shall be as follows:-

- I. **Education:** Our endeavour is to spark the desire for learning and enlighten minds. We may undertake to fulfil this objective by way of providing quality education initiatives or by financial assistance to the poor and needy students, undertaking to impart vocational training, adult education programs, girl education, other related infrastructure etc.
- II. **Health care:** Our goal is to render quality health care facilities which we may provide by way of undertaking preventive healthcare programs by way of including but not limited to setting various camps and related infrastructure services, providing of sanitation and making available safe drinking water, etc.
- III. **Environmental Sustainability:** We aim at providing livelihood in an environmentally sustainable manner. For addressing this objective we may undertake afforestation, planting of trees, maintain public garden, playground cleanliness and such other like programs, activities towards maintaining ecological balance, quality of soil, air and water, conservation of natural resources, etc.
- IV. **Water Conservation Programs:** Water Conservation Programs are to be usually carried out by water utilities, and they require careful planning, water conservation education, rain water harvesting etc, and subsequent evaluation to ensure that the programs continue to save water and are cost-effective investments for the water supplier.

Further, the Company on the recommendations of the CSR Committee may also undertake any other activities as mentioned in the Schedule VII of the Companies Act, 2013, apart from those mentioned above in pursuance of achieving its CSR objectives.

**Implementation Process**

Prior to the commencement of any programme(s)/activity (ies), the Company shall consider various parameters and based on the same it shall choose the appropriate project. All projects would be assessed under the agreed strategy and monitored on a regular basis – the set targets vis-à-vis the budgets. Midcourse corrections, if necessary, would also be carried out. Presently LKP's CSR activities are implemented through a registered trust i.e. Smt. Jayalaxmi Vasantrai Doshi Charitable Trust.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Mahendra V. Doshi	Executive Chairman & Managing Director	One	One
2	Mr. Pratik M. Doshi	Non-executive Director	One	One
3	Mr. Vineet N. Suchanti	Independent Director	One	One

**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board..**

[http://www.lkpsec.com/Admin/InvestorInreport/635665217977345000\\_FINAL%20CSR%20POLICY.pdf](http://www.lkpsec.com/Admin/InvestorInreport/635665217977345000_FINAL%20CSR%20POLICY.pdf)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2020-21	Nil	Nil
2	2019-20	Nil	Nil
3	2018-19	Nil	Nil
	<b>TOTAL</b>		

6. Average net profit of the company as per section 135(5).

The average net profit of LKP Finance Ltd. of the last three financial years was calculated to be: Rs. 8,14,62,398 /-

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 16,29,248/-  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: Nil  
 (d) Total CSR obligation for the financial year (7a+7b- 7c): Rs. 16,29,248/-.
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
20,00,000/-	Nil	Nil	Nil	Nil	Nil

- (b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Devghar Village	Promotion of Education, Literacy, Health Care and Environmental Sustainability	No	Maharashtra	Pune	Ongoing	20,00,000/-	20,00,000/-	Nil	No	Smt. Jayalaxmi Vasantraai Doshi Charitable Trust	CSR00010265
	<b>TOTAL</b>											

- (c) Details of CSR amount spent against **other than ongoing projects** for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation on - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
2.									
3.									
	<b>TOTAL</b>								

- (d) Amount spent in Administrative Overheads: With in limit of 5%.  
 (e) Amount spent on Impact Assessment, if applicable; Not Applicable  
 (f) Total amount spent for the Financial Year Rs. 20,00,000/-  
 (g) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	16,29,248/-
	Total amount spent for the Financial Year	20,00,000/-
(ii)	Excess amount spent for the financial year [(ii)-(i)]	3,70,752/-
(iii)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(iv)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3,70,752/-

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.							
2.							
3.							
	TOTAL						

- (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
1.	NA	Devghar Village	2013-2014	Ongoing	5,00,00,000/-	20,00,000/-	2,21,50,000/-	Ongoing
	TOTAL							

**Brief Description of Projects:**

It is a matter of great concern and shame that villagers in large number continue to be out of school and remain illiterate. This problem is particularly severe in many states including Maharashtra. Smt. Jayalaxmi Vasantraai Doshi Charitable Trust ,has vowed to change this in the next few years through starting community schools, which are multi grade multi-level schools started in the Devghar Village, Ambawane Panchayat in Pune district of Maharashtra .

During the COVID-19 pandemic, owing to the subsequent lockdowns, the teaching and learning continued over online platform.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**).
- (a) Date of creation or acquisition of the capital asset(s). Not applicable  
 (b) Amount of CSR spent for creation or acquisition of capital asset. Not applicable  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Not applicable  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Not applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not applicable

Pratik M. Doshi (Director)	M. V. Doshi (Executive Chairman and Managing Director and Chairman CSR Committee).
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**Annexure V****Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- i. The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year:

Name of Director	Designation	Ratio to median remuneration of the employees
Mr. M. V. Doshi	Executive Chairman	54.63 : 1

- ii. The % increase in remuneration of each Executive Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Designation	Name of Employee	% Increase in remuneration
Executive Chairman	Mr. M. V. Doshi	352.53
Head Corporate Affairs / CFO	Mr. S. S. Gulati	26.91
General Manger (Legal) & Company secretary	Mr. G. B. Innani	0.36

- iii. The % increase in the median remuneration of employees in the financial year : 11.75
- iv. The number of permanent employees on the rolls of the Company : 11
- v. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year: 12.11  
Average percentage increase in the managerial remuneration in the last financial year. 197.42  
There are no exceptional circumstances for increase in the managerial remuneration except, on account of payment of commission to MD-Executive Chairman, in terms of Special Resolution approved by the shareholders pursuant to the provisions of the Companies Act, 2013.
- vi. It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of Board of Directors

Place: Mumbai  
Date: June 24 , 2021

**(M. V. Doshi)**  
Executive Chairman & Managing Director



## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Corporate Governance

The Company provides detailed information on various issues concerning the Company's business / performance, to its shareholders. The fundamental philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for meeting its obligations to the shareholders. The Company believes that good Corporate Governance is a continuous process and strive to improve the same to meet shareholder's expectations.

### Board of Directors

#### Composition

The composition and category of Directors in the Company and other listed entities as on March 31, 2021 are as follows:

Name of Directors	LKP Finance Limited		Other Listed Entities	
	Category	Designation	Name of the other listed entity	Category
Mr. M. V. Doshi	Promoter	Executive Chairman	Graviss Hospitality Limited	Independent Director
			Nilkamal Limited	Independent Director Promoter-
			LKP Securities Limited	Non-executive Director
Mr. Vineet N. Suchanti	Independent & Non-executive	Director	Keynote Financial Services Ltd.	Promoter-Non-executive Director
Mrs. Anjali Suresh	Independent & Non-executive	Director	LKP Securities Limited	Independent Director
Mr. Sajid Mohamed	Independent & Non-executive	Director	LKP Securities Limited	Independent Director
Mr. Pratik M. Doshi	Promoter Non-independent & Non-executive	Director	LKP Securities Limited	Managing Director
Mr. Dinesh K Wahghela	Non-independent & Non-executive	Director ( w.e.f. December 04, 2020 )	None	Not Applicable

The composition of the Board of Directors is in accordance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Non-Executive Independent Directors of your Company have no pecuniary relationship or any transaction with your Company.

### Board Meetings

In view of Covid-19, the Ministry of Corporate Affairs ('MCA') had vide Notification dated March 19, 2020 had permitted convening of Board Meeting through Video Conferencing or Other Audio Visual Means. The Meeting of the Board of Directors are scheduled well in advance and generally held at the Company's office at Nariman Point, Mumbai through Audio Visual means. The notice confirming the meeting and the detailed agenda is sent well in advance to all the Directors.

There were six Board Meetings held during the financial year ended March 31, 2021, namely on June 27, 2020, August 11, 2020, October 16, 2020, December 04, 2020, December 17, 2020 and February 05, 2021.

#### Attendance, Other Directorship & Membership

Membership and Attendance of each Director at the Board of Directors' Meetings held during the year and the last Annual General Meeting and the number of other Directorship/Membership of Board Committees as on March 31, 2021:

S. No.	Name of the Director	Board Meeting Attended	Attendance at Last AGM	No. of Directorship in Boards (Including LKP Finance Ltd.)		No. of Chairmanship / Membership in other Board Committees (Including LKP Finance Ltd.)	
				Public	Private	Membership	Chairmanship*
1	Mr. Mahendra V. Doshi	6	Yes	8	4	3	1
2	Mr. Vineet Suchanti	6	Yes	4	1	2	1
3	Mr. Pratik M. Doshi	6	Yes	4	6	3	0
4	Mr. Sajid Mohamed	6	Yes	2	1	2	0
5	Mrs. Anjali Suresh	6	No	2	1	5	2
6	Mr. Dinesh K. Wahghela (w.e.f. December 04, 2020)	3	--	2	2	--	--

None of the present Directors are relative of each other except Mr. Pratik M. Doshi who is son of Mr. Mahendra V. Doshi.

**Remuneration of Directors**

During the year under review the Company has paid Rs. 308.40 lacs towards remuneration (details of which are provided in the extract of the annual return form MGT 9 ‘Annexure III’ to the Directors’ Report) to Mr. Mahendra V. Doshi, Executive Chairman of the Company pursuant to the special resolution passed by members on August 31, 2020 . At present, Independent Directors are not paid any remuneration except sitting fess for attending Board Meetings.

Sitting Fees (gross) paid to Directors for attending Board Meetings

Mr. Sajid Mohamed	Rs. 3,00,000/-
Mr. Vineet N. Suchanti	Rs. 3,00,000/--
Mr. Pratik M. Doshi	Rs. 3,00,000/--
Mr. M. V. Doshi	Nil
Mrs. Anjali Suresh	Rs. 3,00,000/-
Mr. Dinesh K. Waghela	Rs. 1,50,000/-

No stock options were granted to any of the Independent Directors and Promoter Directors.

During the year under review, the Company has not granted any advance or loans to any directors.

**Audit Committee**

The Board has set up the Audit Committee with two Independent Directors Mr. Vineet N. Suchanti, Mrs. Anjali Suresh and one Promoter Director Mr. M. V. Doshi. Mr. Vineet N. Suchanti is the Chairman of the Audit Committee and was present at the last Annual General Meeting.

Audit Committee meetings were held on June 27, 2020, August 11, 2020, October 16, 2020 and February 05, 2021 All the members have attended the aforesaid meetings. The Statutory Auditors were the invitees to the above meetings. The scope of activities and powers of Audit Committee includes the areas prescribed under the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, and section 177 of the Companies Act, 2013.

**Stakeholders Relationship Committee**

Stakeholders Relationship Committee has been constituted pursuant to the section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The said Committee is having two Independent Directors Mrs. Anjal Suresh, Mr. Vineet Suchanti and a non-executive Director Mr. Pratik Doshi. Mrs. Anjali Suresh is appointed as the Chairperson of the Committee. Mr. Girish Innani, General Manager (Legal) & Company Secretary of the Company is Compliance Officer. The company has not received any complaint from shareholder s of the Company during the year under review. The Committee meetings were held on 27<sup>th</sup> June 2020, 11<sup>th</sup> August 2020, 16<sup>th</sup> October 2020 and 5<sup>th</sup> February 2021. There is no complaint which has remained un-addressed.

M/s. V. R. Associates, Practicing Company Secretaries is conducting Reconciliation of Share Capital Audit, for the Company.

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has been constituted by the Company and has two Independent Directors Mrs. Anjal Suresh, Mr. Vineet Suchanti and a non-executive Director Mr. Pratik

Doshi. Mr. Vineet N. Suchanti is the Chairman of the Committee.

The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under Part D Schedule II read with regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and section 178 of the Companies Act, 2013. The broad terms of reference of the Nomination and Remuneration Committee therefore include recommending a policy relating to remuneration and employment terms of Executive Chairman/Managing Director, directors and senior management personnel, adherence to the remuneration/employment policy, also to prepare, administrate and monitor Company’s Employees Stock Options Plans /Scheme from time to time, as finally approved by the Board of Directors. Preparing the criteria and identify persons who may be appointed as directors or senior management of the Company, preliminary evaluation of every Director's performance, Board diversity, compliance of the Code for Independent Directors referred to in Schedule IV of the Companies Act, 2013, compliance with the Company's Code of Conduct by Directors and employees of the Company, reporting non-compliances, in case if any, to the Board of Directors , monitor loans to employees and any other matters which the Board of Directors may direct from time to time.

During the financial year ended March 31, 2021, one meeting of the Nomination and Remuneration Committee were held on 4<sup>th</sup> December 2020. All the members have attended the aforesaid meeting. At present, Directors are not paid any fees for attending any Committee Meetings.

**Criteria of selection of Non-executive Directors**

The Non-executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- Qualification, expertise and experience of the Directors in their respective fields;
- Personal, Professional or business standing;
- Diversity of the Board.

In case of re-appointment of Non-executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

**Remuneration**

A Non-executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 and reimbursement of expenses for participation in the Board meetings.

Executive Chairman- Managing Director / Director – Criteria for selection / appointment

For the purpose of selection of the Executive Chairman- Managing Director / Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the Executive Chairman-Managing Director / Director

At the time of appointment or re-appointment, the Executive Chairman- Managing Director / Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board of Directors) and the Executive Chairman –Managing Director / Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the Executive Chairman- Managing Director / Director comprises of fixed and variable component as per the provisions of Companies Act, 2013. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits.

Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees the Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Executive Chairman will carry out the individual performance review based on the respective defined objectives, qualification, expertise, experience and other factors whilst recommending the annual increment and performance incentive to the Committee for its review and approval.

**Corporate Social Responsibility (CSR) Committee:**

As required under section 135 of the Companies Act, 2013 the company has formed a CSR committee consisting of the following members.

Name of the Member	Designation
Mr. Mahendra V. Doshi	Chairman
Mr. Vineet N. Suchanti	Member
Mr. Pratik M. Doshi	Member

The committee met once during the financial year ended March 31, 2021. All the members have attended the said CSR Committee meeting.

**Performance Evaluation of the Board**

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and

contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**Independent Directors Meeting**

During the year under review, the Independent Directors met on February 5, 2021, inter alia, to discuss:

Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;

Evaluation of the performance of the Chairman of the Company, taking into account the views of the Non-executive Directors.

Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

**Skills, Expertise and Competencies**

The Board has a right blend of dynamism with each of the Directors having several years of vast experience and knowledge in various diversified functions, viz., investment banking and institutional and retail stock broking, corporate banking and treasury, planning, project finance, business strategies, banking and finance, competition law, corporate affairs, industry, economic regulation and corporate law etc.

The Board is suitably equipped to understand the ever changing business dynamics of NBFCs in which the Company operates and ensures that appropriate strategies are articulated benefitting the Company in the long run. The Independent Directors provide their treasured inputs and guidance at the Meetings of the Board which have been of immense help to the Company in pursuing strategic goals.

The skills, expertise and competence of the Directors are given below:

Skills/Expertise/ Competence <sup>s</sup>	Mr. Mahendra V. Doshi	Mr. Vineet Suchanti	Mr. Pratik M. Doshi	Mr. Sajid Mohamed	Mrs. Anjali Suresh	Mr. Dinesh K. Waghela
Knowledge of the Sector	✓	✓	✓	✓	✓	✓
Accounting and Finance	✓	✓	✓	✓	✓	✓
Investment & Corporate banking and Treasury	✓	✓	✓		✓	
Strategy development and Implementation	✓	✓	✓	✓	✓	✓
Corporate Governance, Compliances and Economic regulation	✓	✓	✓	✓	✓	✓

**Notes:**

\$ These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters.

**General Body Meetings**

The particulars of last three years Annual General Meetings are as under:

Year	Day, Date & Time of AGM	Venue	Special Resolutions Passed
2019-20	Monday, August 31, 2020 at 11:00 AM	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM). Deemed venue- 203, Embassy Centre, Nariman Point, Mumbai 400 021.	Re-appointment of Mr. Mahendra V. Doshi as Executive Chairman and Managing Director and payment of remuneration to him. Re-appointment of Mrs. Anjali Suresh as Independent Director for 2 <sup>nd</sup> term of 5 years
2018-19	Friday, July 05, 2019 at 10:00 AM	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, LMumbai, 400 001.	Reappointment of Mr. Vineet Suchanti as Independent Director for 2 <sup>nd</sup> term of 5 years.
2017-18	Friday, May 15, 2018 at 10:00 AM		Nil

**Extraordinary General Meeting**

No extraordinary general meeting of the members was held during financial year ended March 31, 2021.

**Postal Ballot**

During the year under review, the Company had conducted postal ballot process once in order to obtain the approval of its Members through Postal Ballot notice dated December 17, 2020 for obtaining approval for Voluntary Delisting of the Equity Shares of the Company from BSE Limited (Special Resolution) results of which were announced on January 25, 2021.

Mr. V. Ramachandran (Membership No. A-7731 / CP No. 4731), Proprietor M/s. V. R. Associates, Practicing Company Secretary was appointed as the Scrutinizer to scrutinize the postal ballot process only by voting through electronic means (remote e-voting) in a fair and transparent manner;

Description of the Resolution	Number of valid votes received (e-voting) (Shares)	% of Votes cast	Assent Votes (Shares)	% of Assent Votes	Dissent Votes (Shares)	% of Dissent Votes	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
Approval for Voluntary Delisting of the Equity Shares of the Company from BSE Limited	16,32,532	37.3479	16,20,241	99.2471	12,291	0.7529	0	0

Procedure for postal ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 33/2020 dated September 28, 2020, issued by the Ministry of Corporate Affairs.

Further, none of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

**Disclosure**

The related party details are disclosed in the notes to financial statements. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval.

The Company has complied with the requirements of regulatory authorities. During the financial year under review, there were no instances of non-compliance by the Company and no penalty or restrictions were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets except that the Company was not in compliance as per Regulation 17(1) of the SEBI Listing Regulations for which a fine of Rupees Ten Lakh Seventy Nine Thousand Seven Hundred was levied by BSE Limited, the company has filed an appeal for dropping of the said fine. Further in response to the Company's appeal, BSE Limited waived the fines levied for June 2020 and December, 2020 quarter. However, the Company was requested to pay Rs. 3,77,600/- as fines for December, 2020 quarter. The fine was paid.

No personnel have been denied access to the Chairman or members of the Audit Committee. The mechanism of Whistle Blower Policy is in place.

To the extent possible, the Company has complied with the mandatory requirement of this clause.

The Company has complied with all applicable Accounting Standards in preparation of its financial statements pursuant to the amended Schedule III of Companies Act, 2013.

Weblink: Policy on dealing with related party transactions

[https://www.lkpsec.com/Admin/InvestorInreport/636952606669180134\\_LKPF\\_Policy\\_on\\_Related\\_Party\\_Transactions.pdf](https://www.lkpsec.com/Admin/InvestorInreport/636952606669180134_LKPF_Policy_on_Related_Party_Transactions.pdf)

Policy for determining 'material' subsidiaries

[https://www.lkpsec.com/Admin/InvestorInreport/636952607317991013\\_LKPF\\_Policy\\_on\\_determining\\_material\\_subsiary.pdf](https://www.lkpsec.com/Admin/InvestorInreport/636952607317991013_LKPF_Policy_on_determining_material_subsiary.pdf)

**Means of Communication**

All financial results were published in Business Standard and Mumbai Lakshdeep, widely circulating national and local dailies. These were not sent individually to the shareholders.

The Company's results or official news are displayed on the web site [www.lkpsec.com](http://www.lkpsec.com)

There were no presentations made to the institutional investors or to the analysts.

The Management, Discussion and Analysis Report forms a part of this Annual Report.

**General Shareholder Information**

AGM Date, Time and Venue: Tuesday, August 10, 2021 at 11.30 a.m. through Video Conference / Other Audio Visual Means (OVAM). The deemed venue of the meeting shall be considered at the Registered Office of the Company.

Financial Calendar: April to March

Announcement of Audited / Un-audited Results (tentative)

1<sup>st</sup> Quarter - First week of August

2<sup>nd</sup> Quarter - First week of November

3<sup>rd</sup> Quarter - First week of February

4<sup>th</sup> Quarter - First week of May

Book Closure: Wednesday, August 04, 2021 to Tuesday, August 10, 2021 (both days inclusive).

Dividend: Dividend which remains unpaid or unclaimed, declared by the Company for the year ended on March 31, 2014 at the Annual General Meeting held on June 10, 2014 was due on July 15, 2021 to transfer to the Investor Education and Protection Fund of the Central Government pursuant to the provisions of section 124 of the Companies Act, 2013. Thereafter no claim shall lie against the Company on these dividend from the shareholders.

**Transfer to Investor Education and Protection Fund:**

As required under Section 124 of the Act, the unclaimed dividend amount aggregating to Rs. 3,76,754/- lying with the Company for a period of seven years pertaining to the financial year ended on March 31, 2013 was transferred during the year 2020-21, to the Investor Education and Protection Fund established by the Central Government.

Pursuant to the provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (The Rules), the Company had sent individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their

dividends for past seven consecutive years i.e for final dividend of the financial year ended 2010-2011, and thereafter, had transferred such corresponding 94,020 equity shares to the IEPF Authority. .

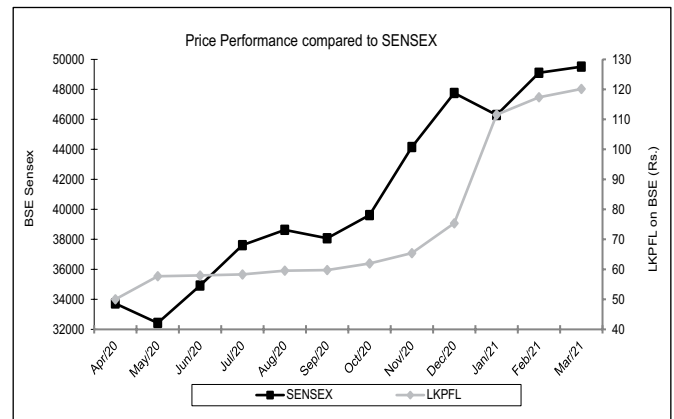
Listing on Stock Exchange: BSE Limited, Mumbai (Code-507912). The Company has paid the listing fees for FY 2020-21 & 2021-22.

Demat ISIN No. for Depositories : INE 724A01017

**Market Price Data and Performance in comparison to BSE Sensex**

	LKP Finance Ltd				BSE Sensex	
	LKP High Price	LKP Low Price	Volume	No of trades	Sensex High	Sensex Low
Apr-20	78.6	48.3	12102	436	33887.25	27500.79
May-20	71.9	54	63520	371	32845.48	29968.45
Jun-20	72.65	54	72950	589	35706.55	32348.1
Jul-20	64.95	46.4	83898	769	38617.03	34927.2
Aug-20	69.5	47.75	469046	1231	40010.17	36911.23
Sep-20	65	49	27028	385	39359.51	36495.98
Oct-20	74.8	55	1448577	1121	41048.05	38410.2
Nov-20	65	56	562051	501	44825.37	39334.92
Dec-20	124.85	62	704410	2005	47896.97	44118.1
Jan-21	124	103.05	594661	840	50184.01	46160.46
Feb-21	135	100.75	85448	1068	52516.76	46433.65
Mar-21	139	68.2	2921024	4548	51821.84	48236.35

**Price Performance compared to SENSEX**



The performance comparison is based on the closing price / Sensex on the last trading day of the month.

**Credit Rating**

The Company's financial discipline and prudence is reflected in the credit ratings ascribed by rating agency. The following Credit rating are assigned to the Company as on March 31, 2021.

Rating Agency	Product	Rating As on March 31, 2021	Rating As on March 31, 2020
Brick Work Ratings India Pvt. Ltd.	Fund based facility- Long term	BWR BBB- (Stable)	BWR BBB- (Stable)

**Registrar & share Transfer Agent**

M/s. Adroit Corporate Services Private Limited  
19, Jafarbhoy Industrial Estate, 1<sup>st</sup> Floor, Makawana Road, Marol Naka, Andheri ( East), Mumbai 400 059.  
Tel: +91 (0)22 42270400, 022-42270422 ; Fax: +91 (0)22 28503748

email: info@adroitcorporate.com / sandeeps@adroitcorporate.com ;  
Website: www.adroitcorporate.com

**Share Transfer System**

The Company's Shares are traded on BSE Limited compulsorily in the dematerialized form. In terms of the Regulation 40 of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019, except in case of transmission or transposition of securities.

**Distribution of shareholding as on March 31, 2021**

No. of Shares	No. of Shareholders	%	No. of Shares	Amount in Rs.	%
UPTO – 100	2888	68.03	2000044	20000440	1.59
101 – 500	923	21.74	247155	2471550	1.97
501 – 1000	214	5.04	162061	1620610	1.29
1001 - 2000	96	2.26	143383	1433830	1.14
2001 - 3000	32	0.75	82158	821580	0.65
3001 - 4000	13	0.31	45741	457410	0.36
4001 - 5000	11	0.26	50832	508320	0.41
5001 – 10000	23	0.54	164144	1641440	1.31
10001 – 20000	10	0.24	151405	1514050	1.21
20001 – 50000	11	0.26	361267	3612670	2.87
50001 & Above	24	0.57	10960433	109604330	87.20
Total	4245	100.00	12568623	125686230	100.00

**Dematerialization of equity Shares and liquidity**

As on March 31, 2021, 98.26 % of the Company's total shares represented by 1,23,49,551 shares were held in dematerialized form.

**Out-standing GDR/Warrants/Convertible Instruments**

The Company has no out-standing GDR/Warrants/Convertible Instruments.

**Address for correspondence**

LKP Finance Limited  
203, Embassy Centre,  
Nariman Point,  
Mumbai 400 021

E.mail : lkpfinvestor.relations@lkpsec.com

For and on behalf of Board of Directors

Place: Mumbai  
Date: June 24, 2021

**(M. V. Doshi)**  
Executive Chairman

**COMPLIANCE CERTIFICATE**

**[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]**

The Board of Directors LKP Finance Limited

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (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, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative 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 we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee that there is no :
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein; if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For LKP Finance Limited

Place: Mumbai  
Date: June 24, 2021

S. S. Gulati  
Head Corporate Affairs

**COMPLIANCE WITH CODE OF CONDUCT**

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2021.

For and on behalf of Board of Directors

Place: Mumbai  
Date: June 24, 2021

**(M. V. Doshi)**  
Executive Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The financial year 2020-21 had been quite a challenging year for the Indian economy and particularly for the financial services sector. The continued liquidity crunch, uncertain and volatile credit environment and slow economic growth created headwinds. The COVID-19 pandemic and subsequent lockdowns have impacted the businesses and aggravated the prevailing sectoral challenges. Non-Banking Financial Companies (NBFCs), today, are confronted with multiple challenges. The unprecedented business environment has put to test the resilience, prudence and adaptability of any business model. Having said that, the fiscal year has been full of learnings. The Company continues to closely observe the situation.

Over the course of last year, vaccination drives raised hopes, whereas renewed waves and new virus variants continue to pose concerns for the outlook. The continued spread of the COVID-19 pandemic and the subsequent synchronized lockdown across major cities in India resulted in shrinking of the capital market lending business.

### OPPORTUNITIES AND THREATS

Despite the optimism surrounding the ongoing vaccination drive, the recent resurgence in the country's COVID-19 infections has raised the threat of fresh pandemic restrictions. As of April 2021, many states had enforced complete lockdown thus, posing a risk to a smooth economic recovery. The RBI expects that gross Non Performing Asset (NPAs) of Scheduled Commercial Banks (SCBs) might rise to 13.5% under the baseline stress scenario. It is also estimated to further escalate under a severe stress scenario by the end of 2021. The banks would, thus, need to make higher provisions to cover the stressed assets. This in turn could impair the credit available for investment spending. Similarly, the RBI expects asset quality of NBFCs to deteriorate further due to disruption of business operations caused by the pandemic.

Your Company is committed to addressing these changes bolstered by its strengths in market position, agile execution capabilities, robust early warning systems and extensive use of analytics for risk mitigation and resource allocation. It will ensure to take advantage of the tailwinds that may emerge during the course of the year. However, strong and stable government at center, the capital market prospect would significantly improve.

### SEGMENT WISE / PRODUCT WISE PERFORMANCE

The Company is engaged in investment activities and other financial services during the year under review, hence the requirement of segment-wise reporting is considered irrelevant.

### OUTLOOK

World over, the support from the governments and the central banks, has brightened the global growth outlook for 2021. As per the International Monetary Fund's projection, the global economy is anticipated to expand by approximately 6%, on a lower base of estimated 3.3% degrowth. With massive vaccination drives underway, risks to recovery are likely to abate, thus leading to a gain in the momentum of economic activities.

But with the second wave of COVID-19 and the emergence of newer virus variants have made India the new hotspot of infections – adding uncertainty to the anticipation of a smooth recovery. Various multilateral organisations and rating agencies have projected the Indian economy to grow at around 8%. The economic growth is likely to be aided by a very low statistical base, mass vaccination drive and a supportive fiscal stance.

The Pandemic had a severe impact on the Capital market. The Company carries shares and securities in its books. The effect of mark to market profit / losses thereon have been taken into account in the Statement of Profit and Loss for the year. The Company believes that it has taken into account the impact of known events arising out of COVID-19 pandemic in the preparation of financial results resulting out of fair valuation of these investments. However the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions

During the lockdown LKP Finance migrated to 100% work from home scenario and all the business operations continue to run smoothly.

### RISKS AND CONCERNS

The very nature of the Company's business makes it subject to various kinds of risks. The Company encounters credit risk and operational risks in its daily business operations. Further the performance of the Company is dependent on the capital markets for its returns. Even though it is envisaged that Indian stock market will continue to do well, global concerns can result in sharp corrections.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. An extensive internal audit is carried out by independent firm. An internal team of inspection also regularly visits branches for ensuring regulatory compliance. Post audit reviews are also carried out to ensure follow up on the observations made.

### HUMAN RESOURCES

During the year under review there has been no material development on the Human Resource/Industrial Relations front during the year. The Company places significant importance to its human capital. As on March 31, 2021 there are 11 employees employed by the Company. The Company has been paying special attention to improve the skill set of the employees.

### FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW

#### Share Capital

The paid up equity share capital of the Company as on March 31, 2021 stands at Rs. 12,56,86,230/- divided into 1,25,68,623 fully paid up equity shares of Rs. 10/- each.

**Net Worth**

The Net Worth of the Company stands at Rs. 25525.75 lakhs.

**Secured Loans**

The Company has secured borrowings of Rs. 980.99 lakhs in the current year.

**Total Income**

During the year total income was reported at Rs. 9713 lakhs.

**Finance Cost**

The finance cost of the Company stands at Rs. 251.81 lakhs.

**Tax Expense**

The Company has incurred a tax expense of Rs. 889.96 lakhs in the current year.

**HUMAN RESOURCES**

During the year under review there has been no material development on the Human Resource/Industrial Relations front during the year. The Company places significant importance to its human capital. As on March 31, 2021 there are 11 employees employed by the Company. The Company's focus is on recruitment of good talent and retention of the talent pool.

**KEY FINANCIAL RATIOS**

The key financial ratios and details of significant changes in these ratios, to the extent applicable, as required by SEBI Listing Regulations for the financial year under review are given below:

Key Financial Ratios	Financial Year 2020-21
(i) Interest Coverage Ratio (times)	44.77
(ii) Current Ratio (times)	4.08
(iii) Debt Equity Ratio (times)	0.18
(iv) Net Profit Margin (%)	62.53

*Cautionary statement*

*Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Investors are advised to exercise due care and caution while interpreting these statements.*



## Independent Auditor's Report

To  
The Members of  
**LKP Finance Limited**

### Report on the Audit of the Standalone Ind AS Financial Statements

#### 1. Opinion

We have audited the accompanying standalone Ind AS financial statements of **LKP Finance Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after 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 Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit of the standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 standalone Ind AS financial statements.

#### 3. Emphasis of Matter

As described in Note 29 (ii)(c) to the Standalone Ind AS financial statements, State Bank of India obtained an order from Debt Recovery Tribunal (DRT), Bangalore against Kingfisher Airlines, United Breweries (Holdings) Ltd and Others for recovery of dues from them. The Company received

a garnishee order from the Recovery Officer, DRT, Bangalore for an amount of Rs 2,500 lakhs (plus interest) as the financial statements of Kingfisher Finvest Limited showed an amount of Rs 2,500 Lakhs due from the Company. The Company has contested the same. The Company has deposited an amount of Rs 1,126.22 Lakhs with the DRT which is on account of deposit for preferring the Appeal before DRAT, Chennai. The matter is presently pending before the Debt Recovery Appellate Tribunal, Chennai for hearing.

Our opinion is not modified in respect of this matter.

#### 4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the year ended 31 March 2021. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How our audit addressed the key audit matter
1.	<p><b>Non recognition of Deferred tax assets on carried forward tax losses</b></p> <p>The Company's ability to recover deferred tax assets are assessed by management at the close of each financial year taking into account availability of sufficient future taxable income.</p>	<p>We have considered the recoverability of such deferred tax assets on tax losses carried forward as a key audit matters due to the importance of management's estimation and judgment and the materiality of amounts at stake.</p> <p>We reviewed the evaluation process of deferred tax assets on tax losses carried forward implemented by the Management.</p> <p>We assessed the permanence of methods used, the relevance and consistency of underlying assumptions (like earnings growth and applicable tax rates) and tested the arithmetic accuracy.</p> <p>We assessed the probability that the company may not use in the future its deferred tax assets, particularly with regard to the ability of the Company to generate sufficient future taxable profits in a foreseeable future allowing the use of existing tax losses carried forward.</p>

#### 5. Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the information

included in the Directors Report along with annexures, but does not include the Ind AS financial statements and our auditor's report thereon.

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

#### **6. Management responsibility for the standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

#### **7. Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether

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

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 Ind AS 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.

#### **8. 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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified

as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 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/payable by the Company to its directors during the year is in accordance with the provisions 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
  - ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long term contracts including derivative contracts; and
  - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

#### **For MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

#### **Sanjay Kothari**

Partner

Membership Number 048215

Mumbai, 24 June 2021

UDIN: 21048215AAAAGJ8849

**Annexure - A to the Independent Auditor's Report****Annexure referred to in paragraph 8 (1) under "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of the LKP Finance Limited on the standalone Ind AS financial statements for the year ended 31 March 2021.**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, and on the basis of examination of records, the title deeds of immovable property are held in the name of the Company.
- ii. The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans to four companies covered in the register maintained under Section 189 of the Act.
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loans have been granted to the Companies listed in the register maintained under Section 189 of the Act are, prima facie, not prejudicial to the interests of the Company.
  - b) In case of the loans granted to the Companies listed in the register maintained under section 189 of the Act, we have been informed that repayment of principal and payment of interest are on demand. In our opinion and based on the information and explanation provided to us, we did not notice any delay in repayment of principal and payment of interest considering the terms of the loan.
  - c) There are no amounts overdue for more than ninety days in respect of the loan granted to Companies listed in the register maintained under section 189 of the Act considering the terms of loan.
- iv. As the company is a Non-Banking finance Company being engaged in the business of investment and financing activities, provisions of Sec 185 and 186 of the Act is not applicable to the Company. However the Company has complied with the provisions of Section 186 of the Act with respect to investments made.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- vi. According to Information and explanation given to us the Central Government of India has not prescribed the maintenance of cost records under Section 148 (1) of the Act for any of the services rendered by the Company.
- vii. According to the records of the Company, examined by us and information and explanations given to us:
  - a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities except delay in few cases. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2021 for a period of more than six months from the date they became payable..
  - b) There are no dues of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company has not taken any loans from Government and has not issued any debentures.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
- xi. According to the records of the Company examined by us, and information and explanations given to us, 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 and the Nidhi Rules, 2014 are not applicable to it.
- 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 Sections 177 and 188 of the Act and details of such transactions

have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

- xiv. According to the records of the Company examined by us, and information and explanations given to us, 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 records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him
- xvi. The Company is registered as Non-Banking Financial Institution (NBFI) and is holding a certificate of registration (CoR) from Reserve Bank of India to carry on business of NBFI in terms of Sec 45-IA of the RBI Act, 1934.

**For MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Sanjay Kothari**

Partner

Membership Number 048215

Mumbai, 24 June 2021

UDIN: 21048215AAAAGJ8849

**Annexure - B to the Independent Auditor's Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 8(II) (f) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2021**

We have audited the internal financial controls over financial reporting of **LKP Finance Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's 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 Institute of Chartered Accountants of India 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 standalone Ind AS financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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

**For MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Sanjay Kothari**

Partner

Membership Number 048215

Mumbai, 24 June 2021

UDIN: 21048215AAAAGJ8849

**STANDALONE BALANCE SHEET AS AT 31 MARCH 2021**

	Notes	31 March 2021	31 March 2020
<b>(Rs Lakhs)</b>			
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	3(a)	769.47	417.83
(b) Bank Balance other than (a) above	3(b)	240.67	1,819.40
(c) Trade receivables	4	719.67	1,165.76
(d) Loans	5	5,580.99	3,826.63
(e) Investments	6	22,926.23	8,316.99
(f) Other financial assets	7	74.11	954.46
<b>Total Financial Assets</b>		<b>30,311.14</b>	<b>16,501.07</b>
<b>(2) Non-Financial Assets</b>			
(a) Current tax assets (net)	8	305.76	453.99
(b) Deferred tax assets (net)	9	-	663.20
(c) Property, Plant and Equipment	10	8.26	13.45
(d) Other non-financial assets	11	1,176.85	1,173.63
<b>Total Non-Financial Assets</b>		<b>1,490.87</b>	<b>2,304.27</b>
<b>TOTAL ASSETS</b>		<b>31,802.01</b>	<b>18,805.34</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(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		-	133.49
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		11.76	100.62
(b) Borrowings	13	4,577.64	3,596.65
(c) Other financial liabilities	14	722.73	203.45
<b>Total Financial Liabilities</b>		<b>5,312.13</b>	<b>4,034.21</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Provisions	15	19.74	12.46
(b) Deferred tax Liabilities (net)	9	770.42	-
(c) Other non-financial liabilities	16	173.97	128.74
<b>Total Non-financial liabilities</b>		<b>964.13</b>	<b>141.20</b>
<b>(3) Equity</b>			
(a) Equity Share capital	17	1,256.86	1,256.86
(b) Other Equity	18	24,268.89	13,373.06
<b>Total Equity</b>		<b>25,525.75</b>	<b>14,629.92</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>31,802.01</b>	<b>18,805.34</b>
<b>Notes forming part of the standalone financial statements</b>	<b>1-45</b>		

In terms of our Report attached

**For and on behalf of the board**
**For MGB & Co. LLP**

Chartered Accountants

Firm Registration No. 101169W/W-100035

**Sanjay Kothari**

Partner

Membership No. 048215

**LKP Finance Limited**
**M.V. Doshi**

Executive Chairman &amp; Managing Director

**Pratik M. Doshi**

Director

**Place : Mumbai**
**Date : 24 June 2021**
**G.B. Innani**

G.M ( Legal ) &amp; Company Secretary

**S.S. Gulati**

Head-Corporate Affairs

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

(Rs Lakhs)

	Note	31 March 2021	31 March 2020
<b>Revenue from operations</b>	<b>19</b>		
Interest Income		402.59	539.77
Dividend Income		29.54	11.29
Net gain on fair value changes		5,896.70	-
Others		3,234.86	1,385.07
<b>Total Revenue from operations</b>		<b>9,563.69</b>	<b>1,936.13</b>
<b>Other Income</b>	<b>20</b>	149.31	8.01
<b>Total Income</b>		<b>9,713.00</b>	<b>1,944.14</b>
<b>Expenses</b>			
Finance Costs	<b>21</b>	251.81	219.78
Fees and commission expense	<b>22</b>	67.27	53.90
Net loss on fair value changes	<b>23</b>	-	3,009.75
Impairment on financial instruments	<b>24</b>	986.28	188.24
Employee benefits expense	<b>25</b>	1,175.98	501.55
Depreciation and amortisation expenses	<b>26</b>	1.00	0.86
Other expenses	<b>27</b>	267.10	238.55
<b>Total Expenses</b>		<b>2,749.44</b>	<b>4,212.64</b>
<b>Profit/ (Loss) before tax</b>		<b>6,963.56</b>	<b>(2,268.50)</b>
<b>Tax expenses</b>	<b>28</b>		
Current tax-Current Year		63.39	-
-Earlier Year		(24.65)	-
Deferred tax (Credit ) / Charge including Minimum Alternate Tax		851.22	-
<b>Total tax expenses</b>		<b>889.96</b>	<b>-</b>
<b>Profit for the year</b>		<b>6,073.60</b>	<b>(2,268.50)</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurement gains/(losses) on defined benefit plan		2.12	(3.43)
- Fair value change on equity instruments through other comprehensive income (net of tax )		4,820.14	44.96
<b>Other Comprehensive Income for the year</b>		<b>4,822.25</b>	<b>41.52</b>
<b>Total comprehensive Income/ ( loss ) for the year</b>		<b>10,895.85</b>	<b>(2,226.98)</b>
<b>Earning per equity share (face value of Rs. 10 each)</b>	<b>37</b>		
Basic (in Rs.)		48.32	(18.05)
Diluted (in Rs.)		48.32	(18.05)
<b>Notes forming part of the standalone financial statements</b>	<b>1-45</b>		

In terms of our Report attached

For and on behalf of the board

**For MGB & Co. LLP**

Chartered Accountants

Firm Registration No. 101169W/W-100035

**Sanjay Kothari**

Partner

Membership No. 048215

**LKP Finance Limited**
**M.V. Doshi**

Executive Chairman &amp; Managing Director

**Pratik M. Doshi**

Director

**Place :** Mumbai

**Date :** 24 June 2021

**G.B. Innani**

G.M ( Legal ) &amp; Company Secretary

**S.S. Gulati**

Head-Corporate Affairs



**Statement of Changes in Equity for the year ended 31 March 2021**

	Note	Rs in Lakhs
<b>A. Equity Share Capital</b>		
<b>Balance as at 1 April 2019</b>	17	1,256.86
Changes in equity share capital during the year		-
<b>Balance as at 31 March 2020</b>	17	1,256.86
Changes in equity share capital during the year		-
<b>Balance as at 31 March 2021</b>		1,256.86

B. Other Equity	Reserves and Surplus				Other Comprehensive Income (OCI)	Total other Equity
	Special Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instruments	
<b>Balance as at 1 April 2019</b>	4,608.26	370.03	6,146.06	4,415.52	363.22	15,903.09
Profit/ (Loss) for the year	-	-	-	(2,268.50)	-	(2,268.50)
Remeasurement gains/(losses) on defined benefit plan (net of deferred tax)	-	-	-	(3.43)	-	(3.43)
Dividend paid (including tax)	-	-	-	(303.05)	-	(303.05)
<b>Other comprehensive income</b>						
Gain /(Loss ) on fair value of financial asset measured through other comprehensive income	-	-	-	-	44.96	44.96
<b>Total comprehensive income</b>	-	-	-	1,840.53	408.18	2,248.70
<b>Balance as at 31 March 2020</b>	4,608.26	370.03	6,146.06	1,840.53	408.18	13,373.06
Profit/ (Loss) for the year	-	-	-	6,073.60	-	6,073.60
Remeasurement gains/(losses) on defined benefit plan (net of deferred tax)	-	-	-	2.12	-	2.12
<b>Other comprehensive income</b>						
Transfer from Retained Earnings to Special Reserve	1,214.72	-	-	(1,214.72)	-	-
Gain /(Loss ) on fair value of financial asset measured through other comprehensive income ( net of tax )	-	-	-	-	4,820.14	4,820.14
Transfer on account of decognition of financial instrument measured through other comprehensive income ( net of tax )	-	-	-	3,337.34	(3,337.34)	-
<b>Total comprehensive income</b>	-	-	-	10,038.87	1,890.96	11,929.83
<b>Balance as at 31 March 2021</b>	5,822.98	370.03	6,146.06	10,038.87	1,890.96	24,268.89

- Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve
- Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act .
- General Reserve is a distributable reserve maintained by the company out of transfers made from profits
- Retained earnings represent the accumulated earnings net of losses if any made by the company over the years.
- Other comprehensive income (OCI ) includes fair value gain on equity instruments measured at fair value through OCI and remeasurement of defined benefit plan.

**Notes forming part of the standalone financial statements**
**1-45**

In terms of our Report attached

**For and on behalf of the board**
**For MGB & Co. LLP**

Chartered Accountants

Firm Registration No. 101169W/W-100035

**Sanjay Kothari**

Partner

Membership No. 048215

**LKP Finance Limited**
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Executive Chairman &amp; Managing Director

**Pratik M. Doshi**

Director

**Place : Mumbai**
**Date : 24 June 2021**
**G.B. Innani**

G.M ( Legal ) &amp; Company Secretary

**S.S. Gulati**

Head-Corporate Affairs

**STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2021**

	(Rs Lakhs)	
	31 March 2021	31 March 2020
<b>A. Cash flow from operating activities</b>		
<b>Profit/( loss ) before tax</b>	6,963.56	(2,268.50)
Adjustments for:		
Depreciation and amortization expense	1.00	0.86
Loss/ (profit) on disposal of property, plant and equipment/ intangibles	(125.66)	(2.96)
Interest expenses	110.43	101.57
Interest Income	(402.59)	(539.77)
Dividend Income	(29.54)	(11.29)
Net loss/ (gain) on fair value changes	(5,896.70)	3,009.75
Net loss/ (gain) on sale of investments	(3,233.44)	(1,382.94)
Impairment allowance on financial instruments	986.28	188.24
<b>Operating profit before working capital changes</b>	<b>(1,626.66)</b>	<b>(905.04)</b>
Adjustments for:		
Decrease / (increase) in Trade Receivables	446.09	398.40
(Decrease) /increase in Trade payables and other payables	(222.35)	160.38
(Decrease) /increase in Financial assets	880.35	(2.00)
(Decrease) /increase in Non financial assets	(1.10)	(1,119.98)
Other Non-Financial Liabilities	45.23	97.16
Other Financial Liabilities	519.29	138.25
<b>Cash generated from / (used in ) operations</b>	<b>40.84</b>	<b>(1,232.83)</b>
Direct tax paid (net of refunds)	(1,024.55)	(165.25)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>(983.71)</b>	<b>(1,398.07)</b>
<b>B. Cash flow from investing activities</b>		
Sale of Property, plant and equipment and intangible assets	134.00	5.00
Purchase of Property, plant and equipment and intangible assets	(4.15)	-
(Increase)/Decrease in investments	3,979.44	1,583.61
Investment in Subsidiary	(2,922.00)	-
Loans given (net )	(2,671.94)	(161.87)
(Increase)/ decrease in bank deposits	1,578.73	(0.25)
Interest received	341.17	383.23
Dividend received	29.54	11.29
<b>Net cash from/ (used in) investing activities (B)</b>	<b>464.79</b>	<b>1,821.02</b>
<b>C. Cash flow from financing activities</b>		
Dividend Paid	-	(303.05)
Increase / ( decrease ) in borrowings	980.99	-
Interest paid	(110.43)	(101.57)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>870.56</b>	<b>(404.63)</b>
Net changes in cash and cash equivalents (A+B+C)	351.64	18.32
Cash and cash equivalents at the beginning of the year	417.83	399.50
<b>Cash and cash equivalents at the end of the year</b>	<b>769.47</b>	<b>417.83</b>
<b>Notes:</b>		
1 The above cash flow statements have been prepared under the indirect method set out in Ind-As 7 on 'Statement of cash flows'		
2 As required by Ind AS 7 "Statement of Cash Flows", a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 38		
3 Previous year figures have been regrouped or recast wherever, considered necessary		
4 <b>Cash and cash equivalents consists of :</b>		
Cash on Hand	0.08	0.06
<b>Balances with banks:</b>		
in current accounts	653.10	402.91
in deposit accounts	100.93	
Cheques on hand	15.36	14.86
<b>Total</b>	<b>769.47</b>	<b>417.83</b>

In terms of our Report attached

**For and on behalf of the board**
**For MGB & Co. LLP**

Chartered Accountants

Firm Registration No. 101169W/W-100035

**Sanjay Kothari**

Partner

Membership No. 048215

**LKP Finance Limited**
**M.V. Doshi**

Executive Chairman &amp; Managing Director

**Pratik M. Doshi**

Director

**Place : Mumbai**
**Date : 24 June 2021**
**G.B. Innani**

G.M ( Legal ) &amp; Company Secretary

**S.S. Gulati**

Head-Corporate Affairs

## Notes forming part of standalone financial statements

### Notes forming part of standalone financial statements

#### 1 Company information

LKP Finance Limited (“the Company”) is domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange(BSE) in India. The Company’s registered office is located at 203, Embassy centre, Nariman point, Mumbai 400021, Maharashtra, India. The Company is engaged in the business of finance and trading in shares and securities, derivatives etc. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 21 May 2009 vide Regn No. B.13.01282.

The separate financial statement (hereinafter referred to as “Financial Statements”) of the Company for the year ended 31 March 2021 were authorised for issue by the Board of Directors at the meeting held on 24 June 2021.

#### 2 Significant accounting policies

##### (a) Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company (Reserve Bank) Directions, 2016 (“the NBFC Master Directions”) issued by RBI. These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

The Financial statements have been prepared on a going concern basis. The Company presents its balance sheet in order of Liquidity.

##### Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of schedule III (except per share data), unless otherwise stated.

##### (b) Presentation of financial statements

The Company presents its Balance Sheet in order of liquidity. The Company prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 ‘Statement of Cash Flows’. The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature. The preparation of the Company’s financial statements requires Management to make use of estimates and

judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those based on Management’s estimates.

##### (c) Property, plant and equipment

Property, Plant and Equipments are stated at cost less accumulated depreciation, and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

##### (d) Depreciation on property, plant & equipment

i) Depreciable amount for property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

##### (e) Derecognition of property, plant and equipment / intangible assets

The carrying amount of an item of property, plant and equipment / intangibles is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / intangibles is measured as the difference between the net disposal in proceeds and the carrying amount of the item and is recognised in the statement of profit and loss when the item is derecognised.

##### (f) Leases

i) The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

## Notes forming part of standalone financial statements

### (ii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of rented premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### (g) Cash and cash equivalents

- (i) Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with original maturity upto three months, which are subject to insignificant risk of changes in value.
- (ii) For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined as they are considered as integral part of company's cash management.

### (h) Fair value measurement

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

All financial assets and financial 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, or
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### (l) Financial instruments

Financial instruments 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

#### i Initial recognition

Financial assets are recognized when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction

costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

#### ii Subsequent measurement

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

#### Debt Instrument

##### Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.
- b. The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

##### Equity investments

The Company measures its equity investments other than in subsidiary at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and

## Notes forming part of standalone financial statements

losses on specific equity investments in other comprehensive income, there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to statement of profit and loss.

### Investment in subsidiary

Investment in subsidiary are carried at cost and are not adjusted to fair value at the end of each reporting date. The Company assess at the end of each reporting period, if there are any indications, that the said investment may be impaired. If so the company estimates the recoverable value/ amount of the investment and provides for impairment, if any, i.e deficit in the recoverable value over cost.

### Derivative financial instruments

Derivative financial instruments are classified and measured at fair value through profit and loss.

### iii Derecognition of financial assets

A financial asset is derecognised only when

- i) The Company has transferred the rights to receive cash flows from the asset or the rights have expired or
- ii) The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

### Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### Financial liabilities and equity instruments

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### Financial liabilities

#### i Classification

Financial liabilities are recognized when company becomes party to contractual provisions of the instrument. The Company

determines the classification of its financial liability at initial recognition. All financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability except for financial liabilities classified as fair value through profit or loss. The Company classifies all financial liabilities at amortised cost or fair value through profit or loss.

#### ii Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- i) Financial liabilities measured at amortised cost
- ii) Financial liabilities measured at FVTPL (fair value through profit or loss)

#### i) Financial liabilities measured at amortised cost

After initial recognition, financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

#### ii) Financial liabilities at fair value through profit or loss

After initial recognition, loans, borrowings and deposits are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. The EIR amortisation is included in finance costs in the statement of profit and loss.

### 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. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

#### iii De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### (i) Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. 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 and is measured with reference to the effective interest rate applicable to the respective borrowings.

## Notes forming part of standalone financial statements

### (j) Provisions, contingent liabilities and contingent assets

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of 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 disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

### (k) Revenue recognition

The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "Revenue from Contracts with Customers" related to revenue recognition which replaces all existing revenue recognition standards and provide a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and timing of when it is recognized. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments as well as assets recognized from costs incurred to fulfill these contracts.

A. Revenue - Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that future economic benefits will flow to the Company.

- a) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.
- b) Dividend income is recognised when the Company's right to receive dividend is established.

Transaction price is accounted net of GST. Since GST is not received by the company on its own account, rather, it is collected by the Company on behalf of the government. Accordingly, it is excluded from revenue.

#### B. Contract Costs

In accordance with Ind AS - 115, incremental costs to obtain a contract are capitalized and amortized over the contract term if the cost are expected to be recoverable. The Company does not capitalize incremental costs to obtain a contract where the contract duration is expected to be one year or less.

### C. Arrangements with Multiple Performance Obligations

The Company's contracts with customers may include multiple performance obligations. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price, which is generally determined based on the price charged to customers.

### D. Contract assets and liabilities

Contract assets relate primarily to the Company's rights to consideration for work completed but not billed at each reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to a customer.

Contract liabilities primarily relate to consideration received in advance from customers, for which the performance obligation is yet to be satisfied.

### (l) Retirement and other employee benefits

(i) The Company operates both defined benefit and defined contribution schemes for its employees.

For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.

For defined benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method. All such plans are funded.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses (excluding interest on the net defined benefit liability/ (asset)) are recognised in Other Comprehensive Income (OCI). Such remeasurements are not reclassified to the statement of profit and loss, in the subsequent periods.

(ii) Short term employee benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability.

### (m) Transactions in foreign currencies

(i) The functional currency of the Company is Indian Rupees ("Rs."). Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

(ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

(iii) Non-monetary foreign currency items are carried at historical cost and translated at the exchange rate prevalent at the date of the transaction.

## Notes forming part of standalone financial statements

### (n) Accounting for taxes on income

Tax expense comprises of current and deferred tax.

#### Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognized in the statement of profit and loss except to the extent that the tax relates to items recognized directly in other comprehensive income or directly in equity.

#### Deferred tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

#### Presentation of current and deferred tax

Current and deferred tax are recognized as income or an expense in the statement of profit and loss, except to the extent they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax income / expense are recognised in other comprehensive income.

### (o) Impairment of non-financial assets

The carrying amounts of non financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of an asset's or cash generating unit's, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of

the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting the statement of profit and loss if there has been a change in the estimate of recoverable amount.

### (p) Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

### (q) Share based payments

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share- Based Payment. The estimated fair value of awards is charged to statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share based payment reserves.

### (r) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (s) Exceptional items

Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses are classified as an exceptional item and accordingly, disclosed in the financial statements.

### (t) Critical accounting judgment and estimates

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

#### a Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

#### b Useful lives and residual values

The Company reviews the useful lives and residual values of property, plant and equipment and intangible assets at each financial year end.

## Notes forming part of standalone financial statements

### c Impairment testing

Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

### d Tax

The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

Accruals for tax contingencies require management to make judgments and estimates in relation to tax related issues and exposures.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax Company in which the deferred tax asset has been recognized.

### e Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 35, 'Employee benefits'.

### f Recent accounting pronouncements Standards issued but not yet effective

In exercise of the powers conferred by section 133 read with section 469 of the Companies Act, 2013, the Central Government, in consultation with the National Financial Reporting Authority, notified rules further to amend the Companies (Indian Accounting Standards) Rules, 2015. These rules, being called as the Companies (Indian Accounting Standards)

Amendment Rules, 2021, were notified on 18 June 2021 and are applicable for annual reporting periods beginning on or after the 1 April 2021.

The amendments were made to Ind AS 101 to Ind AS 107, Ind AS 109, Ind AS 111, Ind AS 114 to Ind AS 116, Ind AS 1, Ind AS 8, Ind AS 12, Ind AS 27, Ind AS 28, Ind AS 34, Ind AS 37, Ind AS 38 and Ind AS 40.

The amendments majorly related to: (i) Interest Rate Benchmarking Reforms (IRBR); (ii) Covid 19 related concessions beyond 30 June 2021 *vis-à-vis* Ind AS 116; and (iii) Changes due to issuance of Conceptual Framework for Financial Reporting under Ind AS which made the earlier Framework for preparation and presentation of Financial statements obsolete.

The Company is evaluating the impact of these amendments on its financial statements.

Further, on 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from annual reporting periods beginning on or after 1 April 2021. Amendments relating to Division II relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Balance Sheet:

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

The amendments are extensive and the Company will evaluate the same to give effect to them (as may be applicable) as required by law



**Notes forming part of standalone financial statements**

(Rs.Lakhs)

	31 March 2021	31 March 2020
<b>3(a) Cash and cash equivalents</b>		
Cash on hand	0.08	0.06
Balances with bank -		
- In Current accounts	653.10	402.91
- Deposit with original maturity less than 3 months	100.93	-
Cheques on hand	15.36	14.86
<b>Total</b>	<b>769.47</b>	<b>417.83</b>
<b>3(b) Bank Balances other than cash and cash equivalents</b>		
Balances with bank - In Unclaimed dividend	58.48	63.99
Bank deposit having original maturity period of more than three months but less than twelve months*	1.00	-
Bank deposit having original maturity period of more than twelve months*	181.19	1,755.42
<b>Total</b>	<b>240.67</b>	<b>1,819.40</b>

\* (2021: 1 Lakhs) (2020: Rs 1,570 Lakhs); lien marked against Cash Credit and Bank Overdraft taken from bank and (2021: Rs 180 Lakhs) (2020: Rs 180 Lakhs) lien marked against bank guarantee given to Government Authority . ( Refer note 29 (i) )

**4 Receivables**

Particulars	31 March 2021	31 March 2020
<b>Receivables</b>		
<b>Trade receivables</b>		
Considered good - Unsecured	719.67	1,165.76
<b>Total</b>	<b>719.67</b>	<b>1,165.76</b>

\*For related party transactions refer note 36

**5 Loans ( Unsecured)**

	31 March 2021	31 March 2020
<b>At amortised cost</b>		
<b>Loan Repayable on Demand</b>		
Considered Good-Unsecured *	5,100.64	3,060.86
Significant increase in credit risk	1,650.00	955.78
Less: Impairment Loss Allowance	1,170.00	191.00
	5,580.64	3,825.64
<b>Loans to employees</b>		
- Considered Good	0.35	1.00
<b>Total</b>	<b>5,580.99</b>	<b>3,826.64</b>
<b>Loans in India</b>		
- Others	6,750.99	4,017.64
Total (Gross)	6,750.99	4,017.64
Less: Impairment loss allowance	1,170.00	191.00
Total (Net)	<b>5,580.99</b>	<b>3,826.64</b>

\*Includes Rs. Nil ( 2020 : 40.80 Lakhs due from a private Limited Company in which director is interested

\*For related party transactions refer note 36

**Notes forming part of standalone financial statements**
**6 Investments**

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>(A) Investment carried at Fair value through other comprehensive income</b>		
<b>(i) Investment in Equity Shares -Unquoted</b>		
350,000 ( 2020 : Nil) shares of Rs. 10 each of SAMCO Ventures Private Limited	2,100.00	-
19,96,211 ( 2020 : 58,29,404) shares of Rs. 10 each of Care Health Insurance Company Limited ( formerly known as Religare Health Insurance Co Limited)	2,854.58	2,044.95
5,600 ( 2020 : 5,600) shares of Rs. 10 each of The Hindustan Times Limited	304.67	375.79
	<b>5,259.25</b>	<b>2,420.74</b>
<b>(B) Investment carried at Fair value through profit and loss</b>		
<b>(i) Investment in Mutual Funds</b>		
Face value of Rs 1000 each**	1,431.75	1,372.95
Face value of Rs 100 each	2,503.23	-
	<b>3,934.98</b>	<b>1,372.95</b>
<b>(ii) Investment in Bonds^</b>		
Investment in Bonds of face value of Rs 10 lakhs each	-	81.03
Investment in Bonds of face value of Rs 1,000 each	475.00	-
	<b>475.00</b>	<b>81.03</b>
<b>(iii) Investment in Equity Shares -quoted</b>		
<b>Equity shares of face value of Rs 10 each</b>		
79,837 (2020 : 86,737 )Yuken India Limited	367.13	281.90
15,00,000 ( 2020: Nil ) Subex Limited	533.25	-
4,241 (2020 : 4,241 ) John Cockeril India Limited (Formerly known as CMI FPE Limited )	35.33	17.70
2,502 (2020 : 2,502 ) Greycells Education Limited	0.50	0.93
Nil (2020 : 100,000 ) Jai Prakash Power Ventrures Limited	-	0.65
7,339,942 (2020: 7,873,550) Religare Enterprises Limited	6,429.79	1,495.97
Nil (2020: 235,350) Has Lifestyles Limited	-	23.54
Nil (2020: 25,400) Raymond Limited	-	56.64
Nil (2020: 201,400) L & T Finance Holdings Limited	-	103.31
Nil (2020: 100,000) RBL Bank Limited	-	135.65
50,16,000 (2020: 2,016,000) Vodafone Idea Limited	463.98	124.90
15,000 (2020: 15,000) Solara Activa Pharma Limited	209.14	36.35
5,400 (2020 : 5,400 ) Cremica Agro Foods Limited#	-	0.00
332 (2020 : 332 ) Linde India Limited	5.98	1.62
250 (2020 : 250 ) Sandur Manganese & Iron Ores Limited	2.53	0.93
Nil (2020: 2918) Pearl Polymers Limited	-	16.66
17018 (2020: 17,018) Solid Stone Company Limited	8.24	3.22
Nil (2020: 18,000) Manorama Industries Limited	-	31.11
10,00,000 (2020: Nil) Allied Digital Services Limited	43.45	-
10,00,000 (2020: Nil) Steel Authority of India Limited	788.50	-

**Notes forming part of standalone financial statements**

	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Equity shares of face value of Rs 5 each</b>		
528,898 (2020: 411,898) Prime Securities Limited	219.49	156.38
200,000 (2020 : 200,000) Jump Networks Limited	18.72	97.70
<b>Equity shares of face value of Rs 2 each</b>		
Nil (2020 : 75,000) Setco Automotive Limited	-	4.24
<b>Equity shares of face value of Re 1 each</b>		
Nil (2020: 2,00,000) Sintex Plastics Technology Limited	-	1.24
2,00,000 (2020: 2,00,000) Transformers and Rectifiers (India) Limited	32.70	10.90
Nil (2020: 225,000) Ganesh Benzoplast Limited	-	52.54
361,046 (2020: 3,348,691) International Conveyors Limited	157.06	678.11
326,633 (2020: 2,261,619) Elpro International Limited	135.23	753.62
	<b>9,451.01</b>	<b>4,085.78</b>
<b>(iv) Investments In Alternate Investment Funds</b>		
2775 (2020 : 1,875 )Edelweiss Infra Yield plus of Rs. 10,000/- each	298.00	192.48
34,913.149 (2020:Nil) Edelweiss credit opportunity fund of Rs 1,000/- each	367.98	-
2000 ( 2020 : Nil ) Edelweiss stressed & Troubled Assets revival fund of Rs 10,000/- each	54.00	-
	<b>719.98</b>	<b>192.48</b>
<b>D Investments carried at cost</b>		
<b>In Wholly owned subsidiary-</b> equity shares of Rs 100 each		
9,95,000 ( 2020 : 21,000 ) of Bond Street Capital Private Limited (formely known as Gayatri Cement & Chemical Industries Private Limited)	<b>3,086.00</b>	<b>164.00</b>
<b>Total Investments ( A+B+C+D)</b>	<b>22,926.23</b>	<b>8,316.99</b>
# "0" (Zero) denotes amounts less than thousand		
^ are marked as lien against secured loan from banks viz. Bank of India and Federal Bank		
** HDFC Mutual fund amounting to Rs 958.81 lakhs are marked as lien against secured loan from NBFC viz. Tata Capital Financial Services Limited.		
For related party transactions refer note 36		
<b>Total Investments</b>	<b>22,926.23</b>	<b>8,316.99</b>
		<b>As at</b>
<b>Out of Above</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
In India	22,926.23	8,316.99
Outside India	-	-
Aggregate book value of quoted investments	13,385.99	5,732.25
Aggregate book value of unquoted investments (including subsidiary)	9,540.23	2,584.74
Aggregate market value of quoted investments	13,385.99	5,732.25
Investment in subsidiary is stated at cost	3,086.00	164.00

**Notes forming part of standalone financial statements**
**7 Other financial assets**

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Security Deposits- ( unsecured and considered good )</b>		
- Related parties	50.00	150.23
- others	13.90	15.73
Other Advances - unsecured		
- Related parties	10.21	2.00
- others	-	786.50
<b>Total</b>	<b>74.11</b>	<b>954.46</b>

\*For related party transactions refer note 36

**8 Current tax assets ( net)**

	31 March 2021	31 March 2020
<b>Balance with Government Authorities</b>		
Advance Direct Tax ( net of provisions)	305.76	453.99
<b>Total</b>	<b>305.76</b>	<b>453.99</b>

**9 Deferred tax assets/ (liabilities) (net)**

	31 March 2021	31 March 2020
MAT Credit Entitlement	-	663.20
Allowances for credit losses	299.43	-
Fair valuation of Financial Instruments	(1,069.85)	-
<b>Total</b>	<b>(770.42)</b>	<b>663.20</b>

**10 Property, Plant and Equipments**

	(Rs. Lakhs)		
Description of Assets	Buildings	Vehicles	Total
<b>I. Gross Block</b>			
<b>Balance as at 1 April 2019</b>	<b>17.28</b>	-	<b>17.28</b>
Additions during the year	-	-	-
Disposals/Adjustment/Deductions	2.19	-	2.19
<b>Balance as at 31 March 2020</b>	<b>15.10</b>	-	<b>15.10</b>
Additions during the year	-	4.15	4.15
Disposals/Adjustment/Deductions	9.93	-	9.93
<b>Balance as at 31 March 2021</b>	<b>5.17</b>	<b>4.15</b>	<b>9.33</b>
<b>II. Accumulated Depreciation</b>			
<b>Balance as at 1 April 2019</b>	<b>0.94</b>	-	<b>0.94</b>
Depreciation charged for the year	0.86	-	0.86
Disposals/Adjustment/Deductions	0.15	-	0.15
<b>Balance as at 31 March 2020</b>	<b>1.65</b>	-	<b>1.65</b>
Depreciation charged for the year	0.79	0.21	1.00
Disposals/Adjustment/Deductions	1.58	-	1.58
<b>Balance as at 31 March 2021</b>	<b>0.86</b>	<b>0.21</b>	<b>1.06</b>
<b>Net block</b>			
<b>As at 31 March 2021</b>	<b>4.32</b>	<b>3.95</b>	<b>8.26</b>
<b>As at 31 March 2020</b>	<b>13.45</b>	-	<b>13.45</b>

**Notes forming part of standalone financial statements**
**11 Other non-financial assets**

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Others Assets</b>		
Prepaid expenses	0.01	-
Defined Benefit Asset -'Gratuity	50.62	47.41
	<b>50.63</b>	<b>47.41</b>
Deposit with Debt Recovery Tribunal (DRT) ( Refer note 29 )	1,126.22	1,126.22
<b>Total</b>	<b>1,176.85</b>	<b>1,173.63</b>

**12 Financial liabilities**

	31 March 2021	31 March 2020
<b>Payables</b>		
<b>I) Trade Payables (refer note 33)</b>		
i) total outstanding dues of micro enterprises and small enterprises	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	133.49
<b>Total</b>	<b>-</b>	<b>133.49</b>
<b>II) Other Payables (refer note 33)</b>		
i) total outstanding dues of micro enterprises and small enterprises	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11.76	100.62
<b>Total</b>	<b>11.76</b>	<b>100.62</b>

Trade payables and other payables are non-interest bearing and are normally settled as per contractual terms.  
 For related party transactions refer note 36

**13 Borrowings**

	31 March 2021	31 March 2020
At amortised cost		
<b>Loans repayable on demand</b>		
From Banks*	275.90	-
From Financials Institution#	705.09	
From Other Parties**	3,596.65	3,596.65
	<b>4,577.64</b>	<b>3,596.65</b>
<b>Total</b>	<b>4,577.64</b>	<b>3,596.65</b>

\*Working capital overdraft facility from Bank of India of (2021 : Rs. 275.90 Lakhs) (2020: Rs. Nil ) are secured against pledge of approved debt securities rated 'AA' and above with 15% margin and personal guarantee of the Promoter Director . The loan is repayable on demand and carries interest of 10.95% p.a. (one year MCLR 7.45% + BSS .30% + CRP 3.20% )

Cash Credit and Intraday Overdraft Facility from Federal Bank Limited of (2021: Rs Nil) (2020 : Rs.NII) are secured against pledge of central government and state government Securities in CSGL account and personal guarantee of Promoter Director . The Cash Credit Facility is repayable on demand and carries interest rate of 8.90% p.a. % (one year MCLR 7.90% p.a + 1% p.a). Overdraft Facility on the same day on which drawn and carries interest rate of 4% p.a.

# Working capital outstanding loan of Rs 705.09 lakhs is borrowed from Tata Capital Financial Services Limited are secured against Mutual Fund (HDFC) amounting to Rs. 958.81 lakhs . Loan is repayable on demand and carries interest of 9.25% floating.

\*\*Intercorporate borrowings of (2021 : Rs 3,596.65 Lakhs) ( 2020 : 3,596.65 lakhs) is considered interest free and repayable on demand in the absence of term sheet and confirmation.

**Notes forming part of standalone financial statements**
**14 Other financial liabilities**

	31 March 2021	31 March 2020
Interest accrued but not due on borrowings	-	0.20
Unclaimed dividends ( Refer note 40 (c) )	58.48	63.99
Employee Benefit Payable *	664.25	139.26
<b>Total</b>	<b>722.73</b>	<b>203.45</b>

\*For related party transactions refer note 36

**15 Provisions**

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Provision for Standard Assets	19.74	12.46
<b>Total</b>	<b>19.74</b>	<b>12.46</b>

**16 Other non-financial liabilities**

	31 March 2021	31 March 2020
Statutory dues payable	173.97	128.74
<b>Total</b>	<b>173.97</b>	<b>128.74</b>

**17 Equity Share capital**

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Equity Share capital</b>		
<b>Authorised*</b>		
20,000,000 (2020:20,000,000) Equity Shares of Rs 10/- each	2,000.00	2,000.00
	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
12,568,623 (2020:12,568,623) Equity Shares of Rs 10/- each	1,256.86	1,256.86

\*Authorised share capital of (2021: Rs 1,000 Lakhs) (2020: Rs 1,000 Lakhs); consisting of Redeemable Cumulative Preference shares of Rs. 10 each is not considered above in accordance with the requirement of Ind AS.

**a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year**

	31 March 2021		31 March 2020	
	Number of Equity shares	(Rs. in Lakhs)	Number of Equity shares	(Rs. in Lakhs)
At the beginning of the year	12,568,623	1,256.86	12,568,623	1,256.86
Outstanding at the end of the year	<b>12,568,623</b>	<b>1,256.86</b>	<b>12,568,623</b>	<b>1,256.86</b>

**b) Terms/rights attached to equity shares**

- The Company has issued only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- 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
- Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL shareholders.

**Notes forming part of standalone financial statements**
**d) Details of shareholders holding more than 5% shares in the company:**

Name of shareholders	31 March 2021		31 March 2020	
	No. of shares	% Holding	No. of shares	% Holding
Mr Mahendra V Doshi	1,449,363	11.53%	1,449,363	11.53%
Mr Mahendra V Doshi-Partner M/s L K Panday	2,072,482	16.49%	2,059,404	16.39%
Sea Glimpse Investments Private Limited	2,547,515	20.27%	2,547,515	20.27%
Bhavana Holdings Private Limited	1,409,505	11.21%	1,409,505	11.21%
Authum Investment and Infrastructure Ltd	905,020	7.20%	1,798,256	14.31%
	<b>8,383,885</b>	<b>66.70%</b>	<b>9,264,043</b>	<b>73.71%</b>

**e) Employees Stock Option Scheme (ESOP) 2010 and Employees Stock Option Scheme (ESOP) 2014**

During the year ended 31 March 2021 and 31 March 2020, the Company did not grant any stock option. There are no option outstanding as at 31 March 2021 and 31 March 2020.\

**18 Other Equity**

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Other Equity</b>		
<b>Special Reserve</b>		
As per Last Balance Sheet	4,608.26	4,608.26
Add: Transfer from Retained Earnings	1,214.72	-
	<b>5,822.98</b>	<b>4,608.26</b>
<b>Securities Premium</b>		
As per Last Balance Sheet	370.03	370.03
	<b>370.03</b>	<b>370.03</b>
<b>General Reserve</b>		
As per Last Balance Sheet	6,146.06	6,146.06
	<b>6,146.06</b>	<b>6,146.06</b>
<b>Retained Earnings</b>		
Balance as per the last financial statements	1,840.53	4,415.52
Profit / ( Loss) for the year	6,073.60	(2,268.50)
Gain /(Loss ) on fair value of defined benefit plan	2.12	(3.43)
Transfer to Special Reserve Fund	(1,214.72)	-
Dividend Paid (Including Tax)	-	(303.05)
Transfer on account of decognition of financial instrument measured through other comprehensive income from Other Comprehensive Income (net of tax)	3,337.34	-
	<b>10,038.85</b>	<b>1,840.53</b>
<b>Other Comprehensive income - fair value on equity instruments</b>		
As per last balance sheet	408.18	363.22
Gain /(Loss ) on fair value of financial asset measured through other comprehensive income	4,820.14	44.96
Trasnfer on account of decognition of financial instrument measured through other comprehensive income to Retained Earning (net of tax)	(3,337.34)	-
	<b>1,890.97</b>	<b>408.18</b>
<b>Total Other Equity</b>	<b>24,268.89</b>	<b>13,373.06</b>

- 1) Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve
- 2) Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act .

**Notes forming part of standalone financial statements**

- 3) General Reserve is a distributable reserve maintained by the company out of transfers made from profits
- 4) Retained earnings represent the accumulated earnings net of losses if any made by the company over the years.
- 5) Other comprehensive income (OCI ) includes fair value gain on equity instruments measured at fair value through OCI and remeasurement of defined benefit plan.

**19 Revenue from operations**

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Interest Income*</b>		
Interest -Loans	303.12	371.12
-Investments	8.81	2.85
-Deposit with Banks	80.27	128.36
-Bonds/Debt Securities	7.33	33.84
-Retirement benefits	3.07	3.60
<b>Total</b>	<b>402.59</b>	<b>539.77</b>
*For related party transactions refer note 36		
<b>Dividend Income on Investments</b>	29.54	11.29
<b>Total</b>	<b>29.54</b>	<b>11.29</b>
<b>Net gain on fair value changes</b>		
Net gain on financial instruments measured at fair value through profit or loss	5,896.70	-
<b>Total</b>	<b>5,896.70</b>	<b>-</b>
<b>Others</b>		
Net gain on sale of securities	3,233.44	1,382.94
Income from AIF Investments	1.42	2.13
<b>Total</b>	<b>3,234.86</b>	<b>1,385.07</b>

**20 Other income**

	31 March 2021	31 March 2020
Profit on derecognition of Property, plant and equipment	125.66	2.96
Interest on Income Tax Refund	23.31	-
Miscellaneous Income	0.35	5.05
<b>Total</b>	<b>149.31</b>	<b>8.01</b>

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Expenses</b>		
<b>21 Finance Costs</b>		
Interest on borrowings	110.43	101.57
Other financial charges	141.38	118.21
<b>Total</b>	<b>251.81</b>	<b>219.78</b>
<b>22 Fees and commission expense</b>		
Commission and sub-brokerage	67.27	53.90
<b>Total</b>	<b>67.27</b>	<b>53.90</b>



**Notes forming part of standalone financial statements**

		(Rs. Lakhs)	
		31 March 2021	31 March 2020
<b>23</b>	<b>Net loss on fair value changes</b>		
	Net loss on financial instruments measured at fair value through profit or loss	-	3,009.75
	<b>Total</b>	<b>-</b>	<b>3,009.75</b>
<b>24</b>	<b>Impairment on financial instruments</b>		
	<b>At amortised cost</b>		
	On Loans	986.28	188.24
	<b>Total</b>	<b>986.28</b>	<b>188.24</b>
<b>25</b>	<b>Employee benefits expense</b>		
	Salaries and wages*	1,170.41	478.37
	Contribution to provident and other funds	3.40	2.96
	Staff welfare expenses	0.19	20.39
	Gratuity expense	1.98	(0.16)
	<b>Total</b>	<b>1,175.98</b>	<b>501.55</b>
	*For related party transactions refer note 36		
<b>26</b>	<b>Depreciation and amortisation</b>		
	Depreciation on property, plant and equipment	1.00	0.86
	<b>Total</b>	<b>1.00</b>	<b>0.86</b>
<b>27</b>	<b>Other expenses*</b>		
	Rent	27.07	31.08
	Rates and Taxes	8.36	5.78
	Repairs and maintenance	0.39	0.44
	Communication expenses	4.27	5.53
	Printing and stationery	2.79	1.50
	Directors sitting fees	13.50	3.70
	Payment to Auditor ( Refer Note : 31 )	11.49	10.00
	Legal and professional charges	149.62	90.82
	Travelling and Conveyance expenses	4.51	21.60
	Advertisement expenses	0.49	0.70
	Corporate Social responsibility expenses (refer note 32)	20.00	45.00
	Miscellaneous expenses	24.61	22.40
	<b>Total</b>	<b>267.10</b>	<b>238.55</b>

\*For related party transactions refer note 36

**Notes forming part of standalone financial statements**
**28 Tax Expense**
**(a) The major components of income tax for the year are as under:**

Income tax related to items recognised directly in the statement of profit and loss	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Current tax</b>		
Current tax on profits for the year -current year	63.39	-
- earlier year	(24.65)	-
<b>Deferred tax ( Credit) / Charge</b>		
Fair valuation of Financial Instruments	487.46	-
Minimum Alternate Tax ( MAT ) Credit Entitlement Written off	663.20	-
Allowances for credit losses	(299.43)	-
<b>Total</b>	<b>889.96</b>	<b>-</b>
<b>Effective tax rate #</b>	<b>12.78%</b>	<b>0.00%</b>

# A reconciliation of income tax expense applicable to profit before income tax at statutory rate to the income tax expense at Company's effective income tax rate for the year ended 31 March 2021

## ii) Deferred tax related to items recognised in the other comprehensive income (OCI) during the year

	31 March 2021	31 March 2020
Fair value change on equity instruments through other comprehensive income	(582.40)	-
Deferred tax on remeasurement (gains)/losses on defined benefit plan	-	-
<b>Deferred tax charged to OCI</b>	<b>(582.40)</b>	<b>-</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:**

	31 March 2021	31 March 2020
<b>Accounting Profit/(Loss) before tax</b>	6,963.56	(2,268.50)
Income tax expense calculated at corporate tax rate	1,752.59	(631.10)
Tax effect on non-deductible expenses and unabsorbed losses	(354.39)	634.24
Effect of exempt income and income tax at Lower rates	(508.24)	(3.14)
<b>Tax expense recognized in the statement of profit and loss</b>	<b>889.96</b>	<b>0.00</b>

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 25.168 % for the year ended 31 March 2021 and 27.82 % for the year ended 31 March 2020 .

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes refer note 9.

**(c) Deferred tax relates to the following:**

<b>Reconciliation of deferred tax assets / (liabilities) net:</b>	31 March 2021	31 March 2020
Opening balance	663.20	663.20
Minimum Alternate Tax ( MAT ) Credit Entitlement Written off	(663.20)	-
Fair valuation of Financial Instruments	(1,069.85)	-
Allowances for credit losses	299.43	-
<b>Total</b>	<b>(770.42)</b>	<b>663.20</b>

## Notes forming part of standalone financial statements

### Deferred tax recognized in statement of profit or loss

For the year ended	31 March 2021	31 March 2020
Minimum Alternate Tax ( MAT ) Credit Entitlement Written off	663.20	-
Fair valuation of Financial Instruments	487.46	-
Allowances for credit losses	(299.43)	-
<b>Total</b>	<b>851.22</b>	-

### Deferred tax recognized in statement of Other Comprehensive Income

For the year ended	31 March 2021	31 March 2020
Fair valuation of Financial Instruments	582.40	-
<b>Total</b>	<b>582.40</b>	-

Pursuant to the Taxation Laws (Amendment) Act, 2019, with effect from 1 April 2019, domestic companies have an option to pay corporate income tax at a rate of 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions. During the year the Company has elected to exercise the option of reduced corporate income tax rate as permitted under section 115BAA of the Income Tax Act, 1961 as per the amendment notified in the official Gazette dated 12 December 2019. The Company has during the year ended 31 March 2021 written off MAT Credit entitlement of Rs 663.20 lakhs and necessary adjustments has been made in current tax .

### Unused tax losses

The Company has unused tax business losses of (2021: Rs. 863.79 Lakhs); (2020: Rs. 2,423.04 Lakhs) and long term Capital loss of Rs. Nil lakhs ); (2020 : Rs. 237.80 Lakhs ). The losses are available for offsetting for eight years against future taxable income of the Company. Deferred tax assets has been not recognised in respect of these unused tax losses in absence of convincing evidence to generate sufficient future taxable profits.

## 29 (i) Contingent Liabilities

Against a penalty order (for 2021 Rs 180 Lakhs) (for 2020: Rs 180 Lakhs) received from the Enforcement Directorate in respect of a matter which arose in 1996 pertaining to the erstwhile money changing division of the Company , the Company has preferred an appeal in the Honorable Madras High Court. The Company has provided a bank guarantee to cover the demand. The matter is pending. The Management is of the opinion that a cash outflow is unlikely and therefore no provision is considered necessary.

## (ii) Litigation

- A winding up petition filed by the Company against a borrower has been admitted by the Honourable High court of Mumbai. The recovery if any will be accounted for when the money is received from official Liquidator.
- The Company has filed an arbitration case ( 2021 : Rs. 25.11 Lakhs ) ( 2020 : Rs. 25.11 Lakhs ) against borrowers for which it has received a favourable award from the arbitrators. The opposing parties have filed an appeal in the Honourable High court of Mumbai for which the matter is pending.
- State Bank of India obtained an order from Debt Recovery Tribunal (DRT), Bangalore against Kingfisher Airlines, United Breweries (Holdings) Ltd and Others for recovery of dues from them. The Company received a garnishee order from the Recovery Officer, DRT, Bangalore for an amount of ( 2021 : Rs 2,500 lakhs (plus interest) (2020: 2,500 lakhs Plus Interest ) as the financial statements of Kingfisher Finvest Limited showed an amount of (2021 : Rs 2,500 Lakhs ) (2020 : 2,500 Lakhs ) due from the Company. The Company has contested the same .The matter is presently pending before the Debt Recovery Appellate Tribunal, Chennai for hearing. The Company has deposited an amount of (2021 : Rs 1,126.22 Lakhs) ( 2020 : Rs. 1,126.22 lakhs ) with the DRT which is on account of deposit for preferring the Appeal before DRAT, Chennai.
- The Department of Company Affairs has filed a complaint in the Small Causes Court, Mumbai against, the Company, its Directors and the KMPs for non filing of information in Form INV5 in respect of Unclaimed Dividend as on 31 March 2013 . The Company has already filed the Form , The Company and Others have made an application for compounding with the Regional Director, Mumbai which is pending for hearing.
- Assessment for AY 2010-11 has been reopened by the Tax Authorities. The Assessing Officer has passed an order adding Rs 103.26 Lakhs to the Income of the year contending that it has escaped assessment.The Company has appealed against the said order, which is pending at the CIT(Appeals) stage even if the contention of the company is not accepted by the tax authorities, there will be no cash outgo as the taxes paid by the company exceed the tax payable(even after considering the addition made by the Department) .

Subsequently the Company opted to go under the Vivad se Vishwas Scheme under the the Direct Tax Vivad Se Vishwas Act of 2020. The Company has received an Order for Full and Final Settlement of tax arrears from the department assessing the amount of Tax arrears as Nil. The Company has therefore withdrawn the Appeal filed before the CIT (Appeals).

## Notes forming part of standalone financial statements

### (iii) Capital Commitments

During the year ended 31 March 2020, the Company has entered into an memorandum of understanding to contribute in capital amounting to Rs. 500 Lakhs and Company has already paid amounting to Rs. 277.5 Lakhs and remaining uncalled amount on investments is Rs. 222.5 Lakhs.

### (iv) Other Commitments

During the year ended 31 March 2019, the Company had entered into an memorandum of understanding to purchase 2,900 Equity shares based on the valuation to be determined by the valuer after due diligence. The Company has given advance of Rs 786.50 Lakhs towards purchase of 786,500 preference shares of Rs 100 each which would also be transferred after the agreement for sale has been entered. During the financial year 2020-21 , the Company has received back the advance given. ( refer note 7 )

### 30 Segment Informations

Disclosure under Indian Accounting Standard 108 – ‘Operating Segments’ is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. ,Investment and financing activities . The Company conducts its business only in one Geographical Segment, viz., India.

### 31 Payment to Auditors

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Audit fees	10.00	10.00
Other matters	1.49	-
<b>Total</b>	<b>11.49</b>	<b>10.00</b>

### 32 Corporate Social Responsibility ( CSR )

The prescribed CSR Expenditure required to be spent in the current year as per the Companies Act, 2013 was Rs. 16.29 Lakhs . During the year The Company has Contributed Rs. 20 lakhs to an eligible trust . In case of previous year unspent amount of Rs. 40 Lakhs has been contributed during the year to an eligible trust

### 33 Micro, small and medium enterprises

The Company has no outstanding dues to party related to Micro, Small and Medium enterprises as at 31 March 2021: Nil 31 March 2020 on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to micro and small enterprises during the year.

Trade payables and other payables include amount payable to Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from 02 October , 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

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

The Company has compiled the relevent information from its suppliers about their coverage under the Mico, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

## Notes forming part of standalone financial statements

### 34 Financial Instruments

i) The Company's principal financial assets include investments, loans, trade receivables, other receivables, and cash and cash equivalents that derive directly from its operations. The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations.

#### a) 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, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, other financial instruments.

#### 1) Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term loan from banks.

#### Interest rate risk exposure

	(Rs. Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings*	980.99	-

\*The above figures doesnot include amount due from other parties in the absence of term sheet and confirmation. Refer note 29 (ii)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

	(Rs. Lakhs)	
	Increase / decrease in basis points	Effect on Profit before tax
As on 31 March 2021	+ 50 / - 50	4.90
As on 31 March 2020	+ 50 / - 50	-

#### 2) Foreign currency risk:

The Company does not have any foreign currency risk. Hence no sensitivity analysis is required

#### 3) Credit Risk:

Credit risk is the risk that the Company will incur a loss because its Loans and receivable fail to discharge their contractual obligations. The Company has a framework for monitoring credit quality of its Loans and receivables based on days past due monitoring at period end. Repayment by individual Loans and receivables are tracked regularly and required steps for recovery are taken through follow ups and legal recourse. Credit risk arises from loans and advances, receivables, cash and cash equivalents, and deposits with banks and financial institutions.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Loans and advances, receivables, cash and cash equivalents, deposits with banks and investments.

The Company measures the expected credit loss of Loans and receivables based on historical trend, industry practices and the business environment in which the entity operates. Expected Credit Loss is based on actual credit loss experienced and past trends based on the historical data.

#### (i) Credit risk management

Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

## Notes forming part of standalone financial statements

### Definition of Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which NBFC operates and other macro-economic factors.

For Trade receivables, definition of default has been considered at 360 days past due after looking at the historical trend of receiving the payments.

### Provision for expected credit losses

Company provides for expected credit loss based on following:

The Company classifies its financial assets in three stages having the following characteristics :

Stage 1 :- Unimpaired and without significant increase in credit risk since initial recognition on which a 12 months allowance for ECL is recognised ; Stage 2 :- a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised ; and Stage 3 :-Objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due ( DPD ) on the reporting date and are accordingly transferred from stage 1 to stage 2 .For Stage 1 an ECL allowance is calculated on a 12 months point in time probability weighted probability of default . For stage 2 and 3 assets a life time ECL is calculated on a lifetime probability of default

( Rs. Lakhs)

Trade Receivables	31 March 2021	31 March 2020
More than Six months	500.00	1,165.76
Others	219.67	-
<b>Total</b>	<b>719.67</b>	<b>1,165.76</b>

( Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Movement in allowance for credit loss during the year was as follows :		
Opening Balance	-	-
Add :- Provided during the year	-	-
Less :- Reversal during the year	-	-
Balance as at 31 March	-	-
<b>Net Trade receivable</b>	<b>719.67</b>	<b>1,165.76</b>

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in Securities.

### b) Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The Company consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at:

**Notes forming part of standalone financial statements**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at :

(Rs. Lakhs)

	Carrying Amount / Fair value	31 March 2021			Total
		Less than 1 year	2-5 years	More than 5 years	
<b>Financial Liabilities :</b>					
Other payables	11.76	11.76	-	-	11.76
Borrowings	4,577.64	4,577.64	-	-	4,577.64
Other financial liabilities	722.73	722.73	-	-	722.73
	<b>5,312.13</b>	<b>5,312.13</b>	-	-	<b>5,312.13</b>

(Rs. Lakhs)

	Carrying Amount / Fair value	31 March 2020			Total
		Less than 1 year	2-5 years	More than 5 years	
<b>Financial Liabilities :</b>					
Trade payables	133.49	133.49	-	-	133.49
Other payables	100.62	100.62	-	-	100.62
Borrowings	3,596.65	3,596.65	-	-	3,596.65
Other financial liabilities	203.45	203.45	-	-	203.45
	<b>4,034.21</b>	<b>4,034.21</b>	-	-	<b>4,034.21</b>

**ii) Capital Management**

For the purpose of Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is Net debt divided by total capital.

(Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Gross debt (inclusive of long term and short term borrowing)	4,577.64	3,596.65
Less: Cash and cash equivalents	769.47	417.83
<b>Net debt</b>	<b>3,808.16</b>	<b>3,178.82</b>
Total equity	25,525.75	14,629.92
<b>Total capital</b>	<b>29,333.91</b>	<b>17,808.74</b>
<b>Gearing ratio</b>	<b>12.98%</b>	<b>17.85%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

**Notes forming part of standalone financial statements**
**iii) Categories of financial instruments and fair value thereof**

(Rs. Lakhs)

	As at 31 March 2021			As at 31 March 2020		
	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost
<b>A) Financial assets (other than investment in subsidiaries)</b>						
Cash and cash equivalents	-	-	769.47	-	-	417.83
Bank Balance other than (a) above	-	-	240.67	-	-	1,819.40
Trade receivables	-	-	719.67	-	-	1,165.76
Loans	-	-	5,580.99	-	-	3,826.63
Investments	5,259.25	14,580.97	-	2,420.74	5,732.25	-
Other financial assets	-	-	74.11	-	-	954.46
<b>Total financial assets</b>	<b>5,259.25</b>	<b>14,580.97</b>	<b>7,384.92</b>	<b>2,420.74</b>	<b>5,732.25</b>	<b>8,184.08</b>
	As at 31 March 2021			As at 31 March 2020		
<b>B ) Financial liabilities</b>	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost
Trade payables	-	-	-	-	-	133.49
Other Payables	-	-	11.76	-	-	100.62
Borrowings	-	-	4,577.64	-	-	3,596.65
Other financial liabilities	-	-	722.73	-	-	203.45
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5,312.13</b>	<b>-</b>	<b>-</b>	<b>4,034.21</b>

The management assessed that cash and cash equivalents and bank balances, trade receivables, other financial assets, certain investments, trade payables and other current liabilities approximate their fair value largely due to the short-term maturities of these instruments. Difference between carrying amount and fair value of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the year presented.

**iv Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2021

(Rs. Lakhs)

Financial assets	As at 31 March 2021				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
<b>Financial assets measured at FVTOCI</b>					
Investments	5,259.25	5,259.25	-	-	5,259.25
<b>Financial assets measured at FVTPL</b>					
Investments	14,580.97	14,580.97	13,385.99	475.00	719.98
<b>Total</b>	<b>19,840.23</b>	<b>19,840.23</b>	<b>13,385.99</b>	<b>475.00</b>	<b>5,979.23</b>
Financial assets	As at 31 March 2020				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
<b>Financial assets measured at FVTOCI</b>					
Investments	2,420.74	2,420.74	-	-	2,420.74
<b>Financial assets measured at FVTPL</b>					
Investments	5,732.25	5,732.25	5,458.73	81.03	192.48
<b>Total</b>	<b>8,152.99</b>	<b>8,152.99</b>	<b>5,458.73</b>	<b>81.03</b>	<b>2,613.22</b>



## Notes forming part of standalone financial statements

### Fair Value Hierarchy :

- a) Investments included in Level 1 of fair value hierarchy are based on prices quoted in stock exchange and/ or NAV declared by the funds.
- b) Investments included in Level 2 of fair value hierarchy have been valued based on inputs from banks and other recognised institutions such as FIMMDA/ FEDAI
- c) Investments included in Level 3 of fair value hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/ or Discounted Cash Flow Method.

Note : All financial instruments for which fair value is recognised or disclosed are categorised within the Fair Value Hierarchy described as above, based on the lowest level input that is significant to the fair value measurement as a whole.

### Foreign currency risk:

The Company does not have any foreign currency risk. Hence No sensitivity analysis is required.

### 35 Gratuity and other post employment benefit plans

The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below:

- a Details of post retirement gratuity plan are as follows:
  - i. **Expenses recognised during the year in the statement of profit and loss**

	(Rs Lakhs)	
	31 March 2021	31 March 2020
Current service cost	1.54	1.48
Interest cost (net)	(3.07)	(3.60)
Past Service cost	-	-
<b>Net expenses</b>	<b>(1.53)</b>	<b>(2.12)</b>

### II Expenses recognised during the year in other comprehensive income (OCI)

	(Rs Lakhs)	
	31 March 2021	31 March 2020
Actuarial (Gain)/Loss recognized for the period	(1.68)	2.62
Return on Plan Assets excluding net interest	(0.44)	0.81
Unrecognized Actuarial (Gain)/Loss from previous period	-	-
<b>Recognised during the year</b>	<b>(2.12)</b>	<b>3.43</b>

### III Net liability recognised in the balance sheet

	(Rs Lakhs)	
	31 March 2021	31 March 2020
Fair value of plan assets	121.81	115.08
Present value of obligation	71.19	67.67
<b>Liability / ( Assets ) recognized in balance sheet</b>	<b>(50.62)</b>	<b>(47.41)</b>

**Notes forming part of standalone financial statements**
**IV Reconciliation of opening and closing balances of defined benefit obligation**

	(Rs Lakhs)	
	31 March 2021	31 March 2020
Defined benefit obligation as at the beginning of the year	67.67	63.99
Current Service Costs	1.53	1.48
Interest Costs	3.66	4.58
Benefit Paid	-	(5.00)
Actuarial (gain)/ loss on obligation	(1.68)	2.62
<b>Defined benefit obligation at the end of the year</b>	<b>71.18</b>	<b>67.67</b>

**V Reconciliation of opening and closing balance of fair value of plan assets**

	(Rs Lakhs)	
	31 March 2021	31 March 2020
Fair value of plan assets at the beginning of the year	115.08	111.08
Adjustment to opening balance	(1.18)	1.02
Interest income	6.73	8.17
Contributions paid by employer	0.74	0.62
Benefits paid	-	(5.00)
Return on plan asset	0.44	(0.81)
<b>Fair value of plan assets at year end</b>	<b>121.81</b>	<b>115.08</b>

**VI Actuarial Assumptions**

	(Rs Lakhs)	
	31 March 2021	31 March 2020
Discount rate (Per annum)	6.33%	6.53%
Rate of escalation in salary (per annum)	5.00%	5.00%
Attrition rate	PS: 0 to 10 :7%	PS: 0 to 10 :7%
	PS: 10 to 20 :0%	PS: 10 to 20 :0%
	PS: 20 to 52 :7%	PS: 20 to 52 :7%
Mortality Table	IALM(2012-14) ult	IALM(2012-14) ult

**VII Quantitative Sensitivity Analysis**

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points

	31 March 2021	31 March 2020
<b>Projected benefit obligation on current assumptions</b>		
Increase by 1% in Discount rate	68.18	64.70
Decrease by 1% in Discount rate	74.52	70.97
Increase by 1% in Rate of salary increase	73.17	69.52
Decrease by 1% in Rate of salary increase	69.36	65.94

**VIII Maturity analysis of projected benefit obligation : from the fund**

	(Rs Lakhs)	
<b>Projected benefits payable in future years from the date of reporting</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
1st Following Year	23.47	23.32
2nd Following Year	3.35	3.20
3rd Following Year	3.24	3.09
4th Following Year	4.37	2.99
5th Following Year	4.03	4.11
Sum of years 6 to 10	35.39	35.92

## Notes forming part of standalone financial statements

### Notes:

- (a) The current service cost recognized as an expense is included in the Note 25 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.
- (b) The estimate of future salary increases considered in the actuarial valuation takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (c) Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

### 36 Related party transactions

#### Subsidiary Company

Bond Street Capital Private Limited (formerly known as Gayatri Cements & Chemicals Industries Private Limited).

#### Key Management Personnel

Mr M.V Doshi  
 Sajid Mohamed  
 Pratik M. Doshi  
 Dinesh Waghela (w.e.f. 04 December , 2020 )  
 Vineet N. Suchanti  
 Smt. Anjali Suresh  
 Amitabh Chaturvedi (upto 22nd October 2019)  
 Mr G B Innani  
 Mr S S Gulati

#### Nature of relationship

Executive Chairman & Managing Director  
 Independent Director  
 Non-Executive Director  
 Non-Executive additional Director  
 Independent Director  
 Independent Director  
 Nominee Director  
 G.M Legal & Company Secretary  
 Head - Corporate Affairs

#### Other related parties with whom transactions have taken place during the year.

LKP Securities Limited  
 MKM Share & Stock Brokers Limited  
 Bhavana Holding Private Limited  
 Alpha Commodity Private Limited  
 Sea Glimpse Investments Private Limited  
 Keynote Fincorp Limited  
 Keynote Financial Services Limited

#### Transactions with Related parties:

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Remuneration to Key Management Personnel</b>		
Key Management Personnel	377.33	126.23
Mahendra V Doshi	308.40	68.00
S.S. Gulati	47.81	37.40
Girish Inani	21.12	20.83
<b>Interest Income</b>	<b>27.16</b>	<b>70.59</b>
LKP Securities Limited	17.58	67.04
Alpha Commodities Private Limited	9.57	0.40
Bond Street Capital Private Limited	0.01	-
MKM Shares & Stock Brokers Limited	-	3.15
Keynote Fincorp Limited	34.30	32.00

**Notes forming part of standalone financial statements**

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Brokerage and Depository Charges Paid</b>		
LKP Securities Limited	26.52	32.14
<b>Legal and Professional Charges Paid</b>		
Keynote Financial Services Limited	16.52	-
<b>Sale of Investments</b>		
LKP Securities Limited	3,563.89	-
<b>Purchase of Investments</b>	<b>4,520.23</b>	<b>187.50</b>
LKP Securities Limited	4,106.23	187.50
Sea Glimpse Investments Private Limited	54.00	-
MKM Share & Stock Brokers Limited	360.00	-
<b>Loans /Other advances given</b>	<b>56,505.00</b>	<b>68,166.80</b>
LKP Securities Limited	47,985.00	66,601.00
Alpha Commodities Private Limited	1,020.00	965.80
Bond Street Capital Private Limited	7,500.00	-
MKM Shares & Stock Brokers Limited	-	100.00
Keynote Fincorp Limited	-	500.00
<b>Repayment Received of Loans given</b>	<b>56,545.00</b>	<b>67,726.00</b>
LKP Securities Limited	47,985.00	66,601.00
Alpha Commodities Private Limited	1,060.80	925.00
Bond Street Capital Private Limited	7,500.00	-
MKM Shares & Stock Brokers Limited	-	100.00
Keynote Fincorp Limited	-	100.00
<b>Other advances given</b>		
Bond Street Capital Private Limited	16.08	2.00
<b>Receipt of Other advances given</b>		
Bond Street Capital Private Limited	8.00	-
<b>Deposit given received back</b>		
Bond Street Capital Private Limited	100.23	-
<b>Investment in Subsidiary</b>		
Bond Street Capital Private Limited	2,922.00	-

	(Rs Lakhs)	
	31 March 2021	31 March 2020
<b>Outstanding balance as on</b>		
<b>Director Remuneration / Commission Payable</b>	143.5	-
Mr M.V Doshi		
<b>Deposits</b>	<b>50.00</b>	<b>150.23</b>
Bond Street Capital Private Limited	50.00	150.23
<b>Loans given / Other Advances</b>		
Alpha Commodities Private Limited	-	40.80
Keynote Fincorp Limited	460.53	428.80
<b>Trade Receivables</b>		
MKM Share & Stock Brokers Limited	500.00	887.98
<b>Other advances</b>		
Bond Street Capital Private Limited	10.08	2.00
LKP Securities Limited	0.13	-

**Notes forming part of standalone financial statements**

	(Rs Lakhs)	
Outstanding balance as on	31 March 2021	31 March 2020
<b>Investments</b>		
Bond Street Capital Private Limited	3,086.00	164.00
<b>Trade and other Payables</b>		
LKP Securities Limited	-	133.49
Bhavana Holdings Private Limited	-	40.00

**37 Earnings per share**

	31 March 2021	31 March 2020
Profit/(Loss) after tax (Rs.)	6,073.60	(2,268.50)
<b>Weighted average number of equity shares</b>		
- for Basic Earnings per share	12,568,623	12,568,623
- for Diluted Earnings per share	12,568,623	12,568,623
Face value of equity share (Rs/ share)	10	10
<b>Basic earnings per share (Rs.)</b>	<b>48.32</b>	<b>(18.05)</b>
<b>Diluted Earnings per share (Rs/share)</b>	<b>48.32</b>	<b>(18.05)</b>

**38 Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:**

	As at 31 March 2020	Cash Inflows	Cash outflows	Non Cash Changes		As at 31 March 2021
				Interest Accrued	Other Charges	
Borrowings *	3,596.65	980.99	-	-	-	4,577.64

	As at 31 March 2019	Cash Inflows	Cash outflows	Non Cash Changes		As at 31 March 2020
				Interest Accrued	Other Charges	
Borrowings	3,596.65		-	-	-	3,596.65

**39 Disclosures as required by Ind AS 115**
**Revenue Consist of following**

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
Interest Income	402.59	539.77
Dividend Income	29.54	11.29
Net Gain/loss on sale of mutual fund & other investments	9,131.55	1,385.07
<b>Total</b>	<b>9,563.69</b>	<b>1,936.13</b>

**Revenue Disaggregation by Industrial Vertical & Geography is as follows**

	(Rs. Lakhs)	
Revenue by offerings	31 March 2021	31 March 2020
Financial Services/ India	9,563.69	1,936.13
<b>Total</b>	<b>9,563.69</b>	<b>1,936.13</b>

**Notes forming part of standalone financial statements**

<b>Timing of Revenue Recognition</b>	<b>(Rs. Lakhs)</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
Income accounted at point in time	9,161.10	1,396.37
Income accounted over period in time	402.59	539.77
<b>Total</b>	<b>9,563.69</b>	<b>1,936.13</b>

**40 (a) Dividend**

The board declared interim dividend as under :-

	<b>(Rs. Lakhs)</b>	
	<b>2021</b>	<b>2020</b>
Interim Dividend Paid	-	251.37
Dividend Distribution Tax on interim dividend	-	51.68

**(b) Dividend Recommendation:**

The Board of Directors at its meeting held on 24 June 2021 has recommended a dividend of Rs. 2 per equity share of Rs. 10 each fully paid up, subject to approval of the shareholders.

(c) There are no unclaimed dividend for a period of more than seven years. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as on 31 March 2021

**41 (a)** The year ended 31, March 2021 was unprecedented due to the spread of Coronavirus pandemic across the globe. The Company has been in operation with minimal permitted staff. The Company has not faced any material adversity of its financial position as at 31 March 2021 and considering other relevant facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact of the global health pandemic may differ from that estimated as at the date of approval of the financial results and the Company will continue to closely monitor any material changes to future economic conditions.

(b) The Board of Directors of the Company comprised of less than six directors until December 03, 2020 which was not as per Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The non-compliance was made good by appointment of Mr. Dinesh Waghela, as Additional (Non-Independent & Non-Executive) Director on December 04, 2020. Further in response to the Company's appeal, BSE Limited waived the fines levied for June 2020 and December, 2020 quarter. However, the Company was requested to pay Rs. 3,77,600/- as fines for December, 2020 quarter. The fine was paid.

**42 Balance Sheet of a non deposit taking non-banking Financial company(As required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms {Reserve Bank} Directions, 2007)**  
**Liabilities Side:**

<b>Liabilities :</b>		
	<b>Amount outstanding</b>	<b>Amount overdue</b>
<b>1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures : Secured	-	-
: Unsecured	-	-
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	3,596.65	-
(e) Commercial Paper	-	-
(f) Public Deposits	-	-
(g) Other Loans- Working Capital and Overdraft	980.99	-
<b>2. Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>		
(a) In the form of Unsecured debenture		
(b) In the form of partly secured debenture i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits		

**Notes forming part of standalone financial statements**

<u>Assets :</u>	<b>Amount outstanding</b>
<b>3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below]</b>	
(a) Secured	-
(b) Unsecured	7,857.38
<b>4. Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	-
(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
<b>5. Break-up of Investments :</b>	
<u><b>Current Investments :</b></u>	
<u><b>Quoted :</b></u>	
(i) Shares : (a) Equity *	9,451.01
(b) Preference	-
(ii) Debentures and Bonds*	475.00
(iii) Units of mutual funds	3,934.98
(iv) Government Securities	-
(v) Others	-
<u><b>Unquoted :</b></u>	
(i) Shares : (a) Equity	
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-
<u><b>Long Term Investments :</b></u>	
<u><b>Quoted :</b></u>	
(i) Shares : (a) Equity	
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	
<u><b>Unquoted :</b></u>	
(i) Shares : (a) Equity	8,345.25
(b) Preference	
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	719.98

**Notes forming part of standalone financial statements**
**6. Borrower group-wise classification of assets financed as in ( 3 ) and ( 4 ) above :**

Category	Amount net of provisions		
	Secured	Unsecured	Total
<b>Related Parties</b>			
(a) Subsidiaries	-	60.08	60.08
(b) Companies in the same group	Nil	0.13	0.13
(c) Other related parties	Nil	960.53	960.53
<b>Other than related parties</b>	Nil	6,836.64	6,836.64
<b>Total</b>	Nil	7,857.38	7,857.38

**7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Category	Market Value / Break up or fair value or NAV	Amount (Rs.)
		Book Value (Net of Provisions)
<b>1. Related Parties **</b>		
(a) Subsidiaries	3,086.00	3,086.00
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
<b>2. Other than related parties</b>	19,840.23	19,840.23
	<b>22,926.23</b>	<b>22,926.23</b>

\*\* As per Indian Accounting Standard issue by ICAI

**8. Other Information**

	Amount (Rs.)
<b>(i) Gross Non-Performing Assets</b>	
(a) Related parties	-
(b) Other than related parties	1,650.00
<b>(ii) Net Non-Performing Assets</b>	
(a) Related parties	-
(b) Other than related parties	480.00
<b>(iii) Assets acquired in satisfaction of debt</b>	-

**Analysis of change in the Gross carrying amount and corresponding ECL allowance in relation to Loans**

	Stage 1		Stage 2		Stage 3		Total	
	TermLoans	Impairment loss allowances	TermLoans	Impairment loss allowances	TermLoans	Impairment loss allowances	TermLoans	Impairment loss allowances
	Gross		Gross		Gross		Gross	
Balance as at 31 March 2020	3,061.86	-	955.78	191.00			4,017.64	191.00
Transfers during the year								
Transfer to Stage 3 from stage 1	-750.00	-	-	-	750.00	450.00	-	450.00
Transfer to Stage 3 from stage 2	-	-	-900.00	-180.00	900.00	180.00	-	-
Increase in impairment loss allowance during the year	-	-	-	-	-	540.00	-	540.00
Changes in Opening credit exposures			-55.78	-11.00	-	-	-55.78	-11.00
New Credit Exposures during the year, net of repayment	2789.13	-	-	-			2,789.13	-
<b>Balance as at 31 March 2021</b>	<b>5,100.99</b>	<b>-</b>	<b>-0.00</b>	<b>-</b>	<b>1,650.00</b>	<b>1,170.00</b>	<b>6,750.99</b>	<b>1,170.00</b>



**Notes forming part of standalone financial statements**

	Stage 1		Stage 2		Stage 3		Total	
	TermLoans	Impairment loss allowances	TermLoans	Impairment loss allowances	TermLoans	Impairment loss allowances	TermLoans	Impairment loss allowances
	Gross		Gross		Gross		Gross	
Balance as at 1 April 2019	3,699.24	-	-	-	-	-	3,699.24	-
Transfers during the year								
Transfer to Stage 2	-955.78		955.78	191.00	-	-	-	191.00
Increase in impairment loss allowance during the year	-	-	-	-	-	-	-	-
Changes in Opening credit exposures ( additional disbursement net of repayments )	-	-	-	-	-	-	-	-
New Credit Exposures during the year, net of repayment	318.40	-	-	-	-	-	318.40	-
<b>Balance as at 31 March 2020</b>	<b>3,061.86</b>	<b>-</b>	<b>955.78</b>	<b>191.00</b>	<b>-</b>	<b>-</b>	<b>4,017.64</b>	<b>191.00</b>

**44 Assets Liability Management - Maturity pattern of Assets and Liabilities**

	As at 31 Mar 2021			As at 31 Mar 2020		
	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total
<b>Financial Assets</b>						
(a) Cash and cash equivalents	769.47	-	769.47	417.83	-	417.83
(b) Bank Balance other than (a) above	240.67		240.67	1,819.40		1,819.40
(c) Receivables						
Trade receivables	719.67	-	719.67	1,165.76	-	1,165.76
(d) Loans	5,580.99		5,580.99	26.22		3,826.63
(e) Investments	13,860.99	9,065.23	22,926.23	5,539.77	2,777.22	8,316.99
(f) Other financial assets	74.11		74.11	954.46		954.46
<b>Total Financial Assets</b>	<b>21,245.91</b>	<b>9,065.23</b>	<b>30,311.15</b>	<b>9,923.44</b>	<b>2,777.22</b>	<b>16,501.07</b>
<b>Non-Financial Assets</b>						
(a) Current tax assets (net)	-	305.76	305.76	-	453.99	453.99
(b) Deferred Tax Asset	-	-	-	-	663.20	663.20
(c) Property, plant and Equipment	-	8.26	8.26	-	13.45	13.45
(d) Other non-financial assets	1,126.23	50.62	1,176.85	1,126.22	47.41	1,173.63
<b>Total Non-Financial Assets</b>	<b>1,126.23</b>	<b>364.64</b>	<b>1,490.87</b>	<b>1,126.22</b>	<b>1,178.04</b>	<b>2,304.26</b>
<b>Financial Liabilities</b>						
( a ) Trade payable						
(I)						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	133.49	-	133.49
(II) Other payable						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11.76	-	11.76	100.62	-	100.62

**Notes forming part of standalone financial statements**

	As at 31 Mar 2021			As at 31 Mar 2020		
	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total
(b) Borrowings	4,577.64	-	4,577.64	3,596.65	-	3,596.65
(c) Other financial liabilities	722.73	-	722.73	203.45	-	203.45
<b>Total Financial Liabilities</b>	<b>5,312.13</b>	<b>-</b>	<b>5,312.13</b>	<b>4,034.21</b>	<b>-</b>	<b>4,034.21</b>
<b>Non-Financial Liabilities</b>						
(a) Provisions	-	19.74	19.74	-	12.46	12.46
(b) Deferred tax Liabilities (net)	-	770.42	770.42	-	-	-
(c) Other non-financial liabilities	173.97	-	173.97	128.74	-	128.74
<b>Total Non-financial liabilities</b>	<b>173.97</b>	<b>790.16</b>	<b>964.13</b>	<b>128.74</b>	<b>12.46</b>	<b>141.20</b>

**45 Prior Year Comparatives**

Previous year's figures have been regrouped / reclassified/rearranged wherever necessary to correspond with the current year's classifications / disclosures. Figures in brackets pertain to previous year

In terms of our Report attached

**For and on behalf of the board**

**For MGB & Co. LLP**

Chartered Accountants

Firm Registration No. 101169W/W-100035

**LKP Finance Limited**

**Sanjay Kothari**

Partner

Membership No. 048215

**M.V. Doshi**

Executive Chairman & Managing Director

**Pratik M. Doshi**

Director

**Place : Mumbai**

**Date : 24 June 2021**

**G.B. Innani**

G.M ( Legal ) & Company Secretary

**S.S. Gulati**

Head-Corporate Affairs

**INDEPENDENT AUDITOR’S REPORT**

To  
The Members of  
**LKP Finance Limited**  
**Report on the Audit of the consolidated Ind AS financial Statements**

**1. Opinion**

We have audited the accompanying Consolidated Ind AS financial statements of **LKP Finance Limited** (“the Holding Company or the Company ”) and its subsidiary (Holding Company and its subsidiary together referred to as “the Group “), which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after 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 Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of the consolidated affairs of the group as at 31 March 2021, consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**2. 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 Companies Act, 2013. 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 ethical 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.

**3. Emphasis of Matter**

As described in Note 29 (ii (c) to the Consolidated Ind AS financial statements, State Bank of India obtained an order from Debt Recovery Tribunal (DRT), Bangalore against Kingfisher Airlines, United Breweries (Holdings) Ltd and Others for recovery of dues from them. The Group received a garnishee order from the Recovery Officer, DRT, Bangalore for an amount of Rs 2,500 lakhs (plus interest) as the financial statements of Kingfisher Finvest Limited showed an amount of Rs 2,500 Lakhs due from the Group. The Group has contested the same. The Group has deposited an amount of Rs 1,126.22 Lakhs with the DRT which is on account of deposit for preferring the Appeal before DRAT, Chennai. The matter is presently pending before the Debt Recovery Appellate Tribunal, Chennai for hearing.

Our opinion is not modified in respect of this matter.

**4. Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the year ended 31 March 2021. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How our audit addressed the key audit matter
1.	<p><b>Non recognition of Deferred tax assets on carried forward tax losses</b></p> <p>The Group’s ability to recover deferred tax assets are assessed by management at the close of each financial year taking into account availability of sufficient future taxable income.</p>	<p>We have considered the recoverability of such deferred tax assets on tax losses carried forward as a key audit matters due to the importance of management’s estimation and judgment and the materiality of amounts at stake. We reviewed the evaluation process of deferred tax assets on tax losses carried forward implemented by the Management. We assessed the permanence of methods used, the relevance and consistency of underlying assumptions (like earnings growth and applicable tax rates) and tested the arithmetic accuracy. We assessed the probability that the group may not use in the future its deferred tax assets, particularly with regard to the ability of the Group to generate sufficient future taxable profits in a foreseeable future allowing the use of existing tax losses carried forward.</p>

## 5. Other Information

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

## 6. Management Responsibilities for the Consolidated Ind AS 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 the 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 are responsible for assessing the ability of the Group and of to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either

intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## 7. Auditor's Responsibilities for the Audit of the Consolidated Ind AS 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 subsidiary Companies which are companies incorporated in India 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 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements 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.

#### **8. Other Matters**

We did not audit the financial statements of a subsidiary company whose financial statements reflect total assets of Rs. 2835.84 lakhs as at 31 March 2021, total revenues of Rs.26.24 lakhs, total net loss after tax of Rs. 7.81 lakhs and total comprehensive income of Rs. 7.30 lakhs (loss) for the year ended on that date, as considered in the consolidated financial statements. The financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary company is based solely on the reports of the other auditors.

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

#### **9. Report on Other Legal and Regulatory requirements**

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the 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 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts; and
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

#### **For MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

#### **Sanjay Kothari**

Partner

Membership Number 048215

Mumbai, 24 June 2021

UDIN: 21048215AAAAGK7807

**Annexure - A to the Independent Auditor's Report****Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 9 (f) under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of the LKP Finance Limited on the consolidated Ind AS financial statements for the year ended 31 March 2021**

We have audited the internal financial controls over financial reporting of **LKP Finance Limited** ("the Company" or "the Holding Company"), and its subsidiary, incorporated in India as of 31 March, 2021, in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, and its subsidiary incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's, its subsidiary company incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 auditor of the subsidiary, incorporated in India, in terms of their reports referred to in the other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary company incorporated in India.

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

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the

internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company, and its subsidiary incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary incorporated in India, is based on corresponding reports of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

**For MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Sanjay Kothari**

Partner

Membership Number 048215

Mumbai, 24 June 2021

UDIN: 21048215AAAAGK7807

**Consolidated Balance Sheet as at 31 March 2021**

	Notes	31 March 2021	31 March 2020
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	3(a)	777.45	418.09
(b) Bank Balance other than (a) above	3(b)	2,196.20	1,819.40
(c) Trade Receivables	4	719.67	1,165.76
(d) Loans	5	5,580.99	3,826.64
(e) Investments	6	20,490.53	8,157.78
(f) Other Financial assets	7	229.36	802.23
<b>Total Financial Assets</b>		<b>29,994.19</b>	<b>16,189.90</b>
<b>(2) Non-Financial Assets</b>			
(a) Current tax assets (net)	8	307.42	453.99
(b) Deferred tax Assets (net)	9	-	663.20
(c) Property, plant and Equipment	10	11.64	18.45
(d) Goodwill on Consolidation		143.00	143.00
(e) Other non-financial assets	11	1,176.85	1,173.63
<b>Total Non-Financial Assets</b>		<b>1,638.91</b>	<b>2,452.27</b>
<b>TOTAL ASSETS</b>		<b>31,633.10</b>	<b>18,642.17</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(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		-	133.49
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		11.76	115.52
(b) Borrowings	13	4,577.64	3,596.65
(c) Other financial liabilities	14	739.24	219.95
<b>Total Financial Liabilities</b>		<b>5,328.64</b>	<b>4,065.61</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Provisions	15	19.74	12.46
(b) Deferred tax Liabilities (net)	9	770.42	-
(c) Other non-financial liabilities	16	191.79	128.75
<b>Total Non-financial liabilities</b>		<b>981.95</b>	<b>141.21</b>
(a) Equity share Capital	17	1,256.86	1,256.86
(b) Other equity	18	24,065.65	13,178.49
<b>Total Equity</b>		<b>25,322.51</b>	<b>14,435.35</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>31,633.10</b>	<b>18,642.17</b>

Notes forming part of the consolidated financial statements 1-46

In terms of our Report attached For and on behalf of the board

<b>For MGB &amp; Co. LLP</b> Chartered Accountants Firm Registration No. 101169W/W-100035	<b>LKP Finance Limited</b>
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<b>Sanjay Kothari</b> Partner Membership No. 048215	<b>M.V Doshi</b> Executive Chairman & Managing Director	<b>Pratik M Doshi</b> Director
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<b>Place : Mumbai</b> <b>Date : 24 June 2021</b>	<b>G.B Inani</b> G.M (Legal) & Company Secretary	<b>S.S Gulati</b> Head - Corporate Affairs
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**Consolidated Statement of Profit and Loss for the year ended 31 March 2021**

	Note	31 March 2021	31 March 2020
<b>Revenue from operations</b>			
<b>19</b>			
Interest Income		428.83	539.77
Dividend Income		29.55	11.41
Net gain on fair value changes		5,881.94	-
Others		3,234.86	1,385.07
<b>Total Revenue from operations</b>		<b>9,575.18</b>	<b>1,936.25</b>
<b>Other Income</b>	<b>20</b>	<b>149.31</b>	<b>8.10</b>
<b>Total Income</b>		<b>9,724.49</b>	<b>1,944.35</b>
<b>Expenses</b>			
<b>21</b>			
Finance Costs	21	257.61	223.76
Fees and commission Expense	22	67.27	53.90
Net loss on fair value changes	23	-	3,009.75
Impairment on financial instruments	24	986.28	188.24
Employee benefits expense	25	1,175.98	501.55
Depreciation and amortisation	26	2.63	1.42
Other expenses	27	279.78	239.06
<b>Total Expenses</b>		<b>2,769.55</b>	<b>4,217.68</b>
<b>Profit/(Loss) before tax</b>		<b>6,954.94</b>	<b>-2,273.33</b>
<b>Tax expenses</b>			
<b>28</b>			
Current tax - Current Year		63.70	-
- Earlier Year		(24.65)	-
Deferred tax (Credit) / Charge including Minimum Alternate Tax		851.22	-
<b>Total tax expenses</b>		<b>890.27</b>	<b>-</b>
<b>Profit/ (loss) for the year</b>		<b>6,064.67</b>	<b>-2,273.33</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurement gains/losses on defined benefit plan		2.12	(3.43)
- Fair value change on equity instruments through other comprehensive income (net of tax)		4,820.42	34.51
<b>Other Comprehensive Income /(loss) for the year</b>		<b>4,822.54</b>	<b>31.08</b>
<b>Total comprehensive Income/(loss) for the year</b>		<b>10,887.21</b>	<b>-2,242.25</b>
<b>Earning per equity share (face value of Rs. 10 each)</b>			
<b>37</b>			
Basic (in Rs.)		<b>48.25</b>	<b>-18.09</b>
Diluted (in Rs.)		<b>48.25</b>	<b>-18.09</b>

Notes forming part of the consolidated financial statements 1-46

Notes forming part of the consolidated financial statements 1-46

In terms of our Report attached For and on behalf of the board

<b>For MGB &amp; Co. LLP</b> Chartered Accountants Firm Registration No. 101169W/W-100035	<b>LKP Finance Limited</b>
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<b>Sanjay Kothari</b> Partner Membership No. 048215	<b>M.V Doshi</b> Executive Chairman & Managing Director	<b>Pratik M Doshi</b> Director
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<b>Place : Mumbai</b> <b>Date : 24 June 2021</b>	<b>G.B Inani</b> G.M (Legal) & Company Secretary	<b>S.S Gulati</b> Head - Corporate Affairs
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**Consolidated Statement of Changes in Equity for the year ended 31 March 2021**

	Rs. in Lakhs
<b>A. Equity Share Capital</b>	
Balance as at 1 April 2019	<u>1,256.86</u>
Changes in equity share capital	<u>-</u>
Balance as at 31 March 2020	<u>1,256.86</u>
Changes in equity share capital	<u>-</u>
Balance as at 31 March 2021	<u>1,256.86</u>

**B. Other Equity**

	Reserves and Surplus				Other Comprehensive Income (OCI) Equity Instruments	Total other Equity
	Special Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1 April 2019	4,608.26	370.03	6,149.10	4,224.64	371.75	15,723.79
Profit/ (Loss) for the year	-	-	-	(2,273.33)	-	(2,273.33)
Remeasurement of defined benefit plan (net of deferred tax)	-	-	-	(3.43)	-	(3.43)
Dividend paid (including tax)	-	-	-	(303.05)	-	(303.05)
<b>Other comprehensive income</b>						
Gain / (Loss) on fair value of financial asset measured through other comprehensive income	-	-	-	-	34.51	34.51
<b>Total comprehensive income</b>	-	-	-	1,644.83	406.26	2,051.09
<b>Balance as at 31 March 2020</b>	<b>4,608.26</b>	<b>370.03</b>	<b>6,149.10</b>	<b>1,644.83</b>	<b>406.26</b>	<b>13,178.49</b>
Profit/ (Loss) for the year	-	-	-	6,064.67	-	6,064.67
Remeasurement gains/ (losses) on defined benefit plan (net of deferred tax)	-	-	-	2.12	-	2.12
<b>Other comprehensive income</b>						
Transfer from Retained Earnings to Special Reserve	1,214.72	-	-	(1,214.72)	-	-
Gain / (Loss) on fair value of financial asset measured through other comprehensive income (net of tax)	-	-	-	-	4,820.42	4,820.42
Transfer on account of decognition of financial instrument measured through other comprehensive income (net of tax)	-	-	-	3,337.34	(3,337.34)	-
<b>Total comprehensive income</b>	-	-	-	9,834.24	1,889.34	11,723.58
<b>Balance as at 31 March 2021</b>	<b>5,822.98</b>	<b>370.03</b>	<b>6,149.10</b>	<b>9,834.24</b>	<b>1,889.34</b>	<b>24,065.70</b>

- Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve
- Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.
- General Reserve is a distributable reserve maintained by the Group out of transfers made from profits
- Retained earnings represent the accumulated earnings net of losses if any made by the Group over the years.
- Other comprehensive income includes fair value gain on equity instruments measured at fair value through OCI and remeasurement of defined benefit plan.

Notes forming part of the consolidated financial statements

 In terms of our Report attached **For and on behalf of the board**
**For MGB & Co. LLP**  
 Chartered Accountants  
 Firm Registration No.  
 101169W/W-100035

**LKP Finance Limited**
**Sanjay Kothari**  
 Partner  
 Membership No. 048215

**M.V Doshi**  
 Executive Chairman &  
 Managing Director

**Pratik M Doshi**  
 Director

**Place : Mumbai**  
**Date : 24 June 2021**
**G.B Inani**  
 G.M (Legal) &  
 Company Secretary

**S.S Gulati**  
 Head - Corporate Affairs

**Consolidated Cash flow statement for the year ended 31 March 2021**

Particulars	(Rs Lakhs)	
	31 March 2021	31 March 2020
<b>A. Cash flow from operating activities</b>		
<b>Profit/( loss ) before tax</b>	6,954.94	(2,273.33)
Adjustments for:		
Depreciation and amortization expense	2.63	1.42
Loss/( profit) on disposal of property, plant and equipment/ intangibles	(125.66)	(2.96)
Interest expense	116.23	105.54
Interest Income	(428.83)	(539.77)
Dividend Income	(29.55)	(11.41)
Net loss/( gain) on fair value changes	(5,881.94)	3,009.75
Net loss/( gain) on sale of investments	(3,233.44)	(1,385.07)
Impairment on financial instruments	986.28	188.24
<b>Operating profit before working capital changes</b>	<b>(1,639.35)</b>	<b>-907.58</b>
Adjustments for:		
Decrease / (increase) in Trade Receivables	446.09	398.40
(Decrease) /increase in Trade payables and other payables	(236.79)	162.43
(Decrease) /increase in Financial assets	572.86	-
(Decrease) /increase in Non financial assets	(3.22)	(1,119.98)
Other Non-Financial Liabilities	63.04	97.14
Other Financial Liabilities	519.28	137.95
<b>Cash generated from / (used in ) operations</b>	<b>(278.08)</b>	<b>(1,231.65)</b>
Direct tax paid (net of refunds)	(1,024.86)	(165.25)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>(1,302.94)</b>	<b>(1,396.90)</b>
<b>B. Cash flow from investing activities</b>		
Sale of Property, plant and equipment and intangible assets	134.00	5.00
Purchase of Property, Plant and Equipment	(4.15)	-
(Increase)/ decrease in Investments	3,319.47	1,585.74
Loans given (net)	(2,671.94)	(161.87)
(Increase)/ decrease in bank deposits	(376.80)	(0.25)
Interest received	367.41	383.23
Dividend received	29.55	11.41
<b>Net cash from/ (used in) investing activities (B)</b>	<b>797.55</b>	<b>1,823.28</b>
<b>C. Cash flow from financing activities</b>		
Dividend Paid	-	(303.05)
Increase/(decrease) in borrowings	980.99	-
Interest paid	(116.23)	(105.54)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>864.76</b>	<b>(408.60)</b>
Net changes in cash and cash equivalents (A+B+C)	359.36	17.78
Cash and cash equivalents at the beginning of the year	418.09	400.31
<b>Cash and bank balances at the end of the year</b>	<b>777.45</b>	<b>418.09</b>
<b>Notes:</b>		
1 The above cash flow statements have been prepared under the indirect method set out in Ind-As 7 on 'Statement of cash flows'		
2 As required by Ind AS 7 "Statement of Cash Flows", a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 38		
3 Previous year figures have been regrouped or recast wherever, considered necessary		
<b>3. Cash and cash equivalents consists of :</b>		
Cash on Hand	0.08	0.06
<b>Balances with banks:</b>		
in current accounts	661.08	403.17
in deposit accounts	100.93	-
Cheques in hand	15.36	14.86
<b>Total</b>	<b>777.45</b>	<b>418.09</b>

 In terms of our Report attached **For and on behalf of the board**
**For MGB & Co. LLP**  
 Chartered Accountants  
 Firm Registration No.  
 101169W/W-100035

**LKP Finance Limited**
**Sanjay Kothari**  
 Partner  
 Membership No. 048215

**M.V Doshi**  
 Executive Chairman &  
 Managing Director

**Pratik M Doshi**  
 Director  
  
**S.S Gulati**  
 Head - Corporate Affairs

**Place : Mumbai**  
**Date : 24 June 2021**
**G.B Inani**  
 G.M (Legal) &  
 Company Secretary

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**
**1 Corporate information**

LKP Finance Limited ("the Parent Company") is domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange(BSE) in India. The Company's registered office is located at 203, Embassy centre, Nariman point, Mumbai 400021, Maharashtra, India. The Company along with its subsidiary (collectively referred to as "the Group") is engaged in the business of finance and trading and investment in shares and securities, derivatives etc.

The Holding Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 7 August 1999 vide Regn No. B.13.01282. The consolidated financial statement (hereinafter referred to as "Financial statements") of the Group for the year ended 31 March 2021 were authorised for issue by the Board of Directors at the meeting held on 24 June 2021.

**2 Significant accounting policies**
**(a) Basis of preparation**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company (Reserve Bank) Directions, 2016 ("the NBFC Master Directions") issued by RBI.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

The Financial statements have been prepared on a going concern basis. The Group presents its balance sheet in order of Liquidity.

**Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of schedule III (except per share data), unless otherwise stated.

**Principles of Consolidation**

The consolidated financial statements incorporate the financial statements of LKP Finance Limited and entity controlled by LKP Finance Limited.

Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiary are consolidated from the date control commences until the date control ceases.

The financial statements of the Group are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

The consolidated financial statements incorporate the financial statements of the company, its subsidiary (as listed in the table below).

Name of the Subsidiaries	Proportion of Interest (including beneficial interest) / Voting Power (either directly / indirectly or through Subsidiary)	Principal place of business
<b>Direct Subsidiary</b>		
Bond Street Capital Private Limited (formerly known as Gayatri Cements & Chemicals Industries Private Limited).	100% (100%)	India

Figures for preparation of consolidated financial statements have been derived from the audited financial statements of the respective companies in the Group

**(b) Property, plant and equipment**

Property, Plant and Equipments are stated at cost less accumulated depreciation, and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**(c) Depreciation on property, plant & equipment**

- i) Depreciable amount for property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

**(d) Derecognition of property, plant and equipment / intangible assets**

The carrying amount of an item of property, plant and equipment / intangibles is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / intangibles is measured as the difference between the net disposal in proceeds and the carrying amount of the item and is recognised in the statement of profit and loss when the item is derecognised.

**(E) Leases**

The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of rented premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**(h) Cash and cash equivalents**

- (i) Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with original maturity upto three months, which are subject to insignificant risk of changes in value.
- (ii) For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined as they are considered as integral part of group's cash management.

**(i) Fair value measurement**

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

All financial assets and financial 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, or
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(I) Financial instruments**

Financial instruments 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**

**i Initial recognition**

Financial assets are recognized when the group becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

**ii Subsequent measurement**

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the group's business model for managing the financial assets and the contractual terms of cash flows.

**Debt Instrument**

**Amortised Cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

**Fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.
- b. The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Fair value through Profit and Loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Equity investments**

All equity investments in scope of Ind AS 109 'Financial instruments' are measured at fair value. However the Group has strategic investments in equity for which it has elected to present subsequent changes in the fair value in OCI. The classification is made on initial recognition and is irrevocable.

All fair value changes of the equity instruments, excluding dividends, are recognised in OCI and not available for reclassification to profit or loss, even on sale of investments. Equity instruments at FVOCI are not subject to an impairment assessment.

**Derivative financial instruments**

Derivative financial instruments are classified and measured at fair value through profit and loss.

**iii Derecognition of financial assets**

A financial asset is derecognised only when

- i) The Group has transferred the rights to receive cash flows from the asset or the rights have expired or
- ii) The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

**Impairment of financial assets**

The group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**Financial liabilities and equity instruments**

Debt or equity instruments issued by the group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Group's own equity instruments.

**Financial liabilities**

**i Classification**

Financial liabilities are recognized when the group becomes party to contractual provisions of the instrument. The Group determines the classification of its financial liability at initial recognition. All financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability except for financial liabilities classified as fair value through profit or loss. The Group classifies all financial liabilities at amortised cost or fair value through profit or loss.

**ii Subsequent measurement**

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- i) Financial liabilities measured at amortised cost
- ii) Financial liabilities measured at FVTPL (fair value through profit or loss)

**i) Financial liabilities measured at amortised cost**

After initial recognition, financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

**ii) Financial liabilities at fair value through profit or loss**

After initial recognition, loans, borrowings and deposits are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. The EIR amortisation is included in finance costs in the statement of profit and loss.

**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. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

**iii) De-recognition of financial liabilities**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(j) Borrowing costs**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. 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 and is measured with reference to the effective interest rate applicable to the respective borrowings.

**(k) Provisions, contingent liabilities and contingent assets**

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of 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 disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

**(l) Revenue recognition**

The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "Revenue from Contracts with Customers" related to revenue recognition which replaces all existing revenue recognition standards and provide a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and

timing of when it is recognized. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments as well as assets recognized from costs incurred to fulfill these contracts.

A. Revenue - Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that future economic benefits will flow to the Group.

a) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

b) Dividend income is recognised when the Group's right to receive dividend is established.

Transaction price is accounted net of GST. Since GST is not received by the group on its own account, rather, it is collected by the Group on behalf of the government. Accordingly, it is excluded from revenue.

B. Contract Costs

In accordance with Ind AS - 115, incremental costs to obtain a contract are capitalized and amortized over the contract term if the cost are expected to be recoverable. The Group does not capitalize incremental costs to obtain a contract where the contract duration is expected to be one year or less.

C. Arrangements with Multiple Performance Obligations

The Group's contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price, which is generally determined based on the price charged to customers.

D. Contract assets and liabilities

Contract assets relate primarily to the Group's rights to consideration for work completed but not billed at each reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to a customer.

Contract liabilities primarily relate to consideration received in advance from customers, for which the performance obligation is yet to be satisfied.

**(m) Retirement and other employee benefits**

(i) The Group operates both defined benefit and defined contribution schemes for its employees.

For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.

For defined benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method. All such plans are funded.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses (excluding interest on the net defined benefit liability/ (asset)) are recognised in Other Comprehensive Income (OCI). Such remeasurements are not reclassified to the statement of profit and loss, in the subsequent periods.

(ii) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability.

**(n) Transactions in foreign currencies**

(i) The functional currency of the Group is Indian Rupees ("Rs."). Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

(ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or

reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

(iii) Non-monetary foreign currency items are carried at historical cost and translated at the exchange rate prevalent at the date of the transaction.

**(o) Accounting for taxes on income**

Tax expense comprises of current and deferred tax.

**Current tax**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognized in the statement of profit and loss except to the extent that the tax relates to items recognized directly in other comprehensive income or directly in equity.

**Deferred tax**

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

**Presentation of current and deferred tax**

Current and deferred tax are recognized as income or an expense in the statement of profit and loss, except to the extent they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax income / expense are recognised in other comprehensive income.

**(p) Impairment of non-financial assets**

The carrying amounts of non financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of an asset's or cash generating unit's, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting the statement of profit and loss if there has been a change in the estimate of recoverable amount.

**(q) Earnings per share**

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

**(r) Share based payments**

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share- Based Payment. The estimated fair value of awards is charged to statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share based payment reserves.

**(s) Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(t) Exceptional items**

Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expenses are classified as an exceptional item and accordingly, disclosed in the financial statements.

**Critical accounting judgment and estimates**

The preparation of financial statements requires management to exercise judgment in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

**a Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

**b Useful lives and residual values**

The Group reviews the useful lives and residual values of property, plant and equipment and intangible assets at each financial year end.

**c Impairment testing**

Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

**d Tax**

The Group's tax charge is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

Accruals for tax contingencies require management to make judgments and estimates in relation to tax related issues and exposures.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also

considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or Group in which the deferred tax asset has been recognized.

**e Defined benefit obligation**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 35, 'Employee benefits'.

**f Recent accounting pronouncements**

**Standards issued but not yet effective**

In exercise of the powers conferred by section 133 read with section 469 of the Companies Act, 2013, the Central Government, in consultation with the National Financial Reporting Authority, notified rules further to amend the Companies (Indian Accounting Standards) Rules, 2015. These rules, being called as the Companies (Indian Accounting Standards)

Amendment Rules, 2021, were notified on 18 June 2021 and are applicable for annual reporting periods beginning on or after the 1 April 2021.

The amendments were made to Ind AS 101 to Ind AS 107, Ind AS 109, Ind AS 111, Ind AS 114 to Ind AS 116, Ind AS 1, Ind AS 8, Ind AS 12, Ind AS 27, Ind AS 28, Ind AS 34, Ind AS 37, Ind AS 38 and Ind AS 40.

The amendments majorly related to: (i) Interest Rate Benchmarking Reforms (IRBR); (ii) Covid 19 related concessions beyond 30 June 2021 vis-à-vis Ind AS 116; and (iii) Changes due to issuance of Conceptual Framework for Financial Reporting under Ind AS which made the earlier Framework for preparation and presentation of Financial statements obsolete.

The Group is evaluating the impact of these amendments on its financial statements.

Further, on 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from annual reporting periods beginning on or after 1 April 2021. Amendments relating to Division II relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015. The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

**Balance Sheet:**

\* Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

\* Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

\* Specified format for disclosure of shareholding of promoters.

\* Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

\* If a Group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

\* Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

\* Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them (as may be applicable) as required by law

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**

	(Rs. Lakhs)			
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>3(a) Cash and cash equivalents</b>			<b>6 Investments</b>	
Cash on hand	0.08	0.06	<b>A Investment carried at Fair value through other comprehensive income</b>	
Balances with bank -			<b>Investment in Equity Shares - Quoted</b>	
- In Current accounts	661.08	403.17	<b>Equity shares of face value of Rs 10 each</b>	
- Deposit with original maturity less than 3 months	100.93	-	8153 (2020 : 8,153 ) Everlon Synthetics Limited	0.93      1.10
Cheques on hand	15.36	14.86	1500 (2020 : 1,500 ) IDBI Bank Limited	0.58      0.29
<b>Total</b>	<b>777.45</b>	<b>418.09</b>	5000 (2020 : 5,000) Mangalore Refinery & Petrochemicals Limited	1.96      1.16
<b>3(b) Bank Balances other than cash and cash equivalents</b>			8400 (2020 : 8400) IND Renewable Energy Limited	0.92      -
Balances with bank - In Unclaimed dividend	58.48	63.99	10,000 ( 2020 : 10,000) Credit Capital Venture Limited #	-      -
Bank deposit having original maturity period of more than three months but less than twelve months*	979.63	500.00	2300 (2020: 2,300)Indus Network Limited #	-      -
Bank deposit having original maturity period of more than twelve months*	1158.09	1,255.42	10,000 (2020 : 10,000) Sanghi Polyester Limited #	-      -
<b>Total</b>	<b>2,196.20</b>	<b>1,819.40</b>		
			<b>Equity shares of face value of Rs 5 each</b>	
			10,000 ( 2020 : 10,000) Asian Electronics Limited #	-      -
			<b>Equity shares of face value of Rs 2 each</b>	
			3,500 (2020 : 3,500 ) Yes Bank Limited	0.57      2.25
			1800 (2020 : 1800) LKP Securities Limited	0.12      -
<b>4 Receivables</b>			<b>Investment in Equity Shares -Unquoted</b>	
<b>Trade receivables</b>			350,000 ( Nil) shares of Rs. 10 each of SAMCO Ventures Private Limited	2,100.00      -
Considered good - Unsecured*	719.67	1,165.76	19,96,211 (2020: 58,29,404) shares of Rs. 10 each of Religare Health Insurance Company Limited	2,854.58      2,044.95
<b>Total</b>	<b>719.67</b>	<b>1,165.76</b>	5,600 (2020 : 5,600) shares of Rs. 10 each of The Hindustan Times Limited	304.67      375.79
			2000 (2020: 2000) MKM Shares and Stock Brokers Limited #	-      -
			<b>5,264.34</b>	<b>2,425.53</b>
			<b>C Investment carried at Fair value through profit and loss</b>	
<b>5 Loans (Unsecured)</b>			<b>i Investment in Mutual Funds</b>	
<b>At amortised cost</b>			face value of Rs 1000 each**	1,431.75      1,372.95
<b>Loan Repayable on Demand</b>			face value of Rs 100 each	2,503.23      -
Considered Good-Unsecured *	5,100.64	3,060.86	<b>3,934.98</b>	<b>1,372.95</b>
Significant increase in credit risk	1,650.00	955.78		
Less: Impairment Loss Allowance	1,170.00	191.00	<b>ii Investment in Bonds<sup>^</sup></b>	
<b>5,580.64</b>	<b>3,825.64</b>		Investment in Bonds of face value of Rs 10 lakhs each	-      81.03
<b>Loans to employees</b>			Investment in Bonds of face value of Rs 1,000 each	475.00      -
- Considered Good	0.35	1.00	<b>475.00</b>	<b>81.03</b>
<b>Total</b>	<b>5,580.99</b>	<b>3,826.64</b>		
<b>Loans in India</b>				
- Others	6,750.99	4,017.64		
Total (Gross)	6,750.99	4,017.64		
Less: Impairment loss allowance	1,170.00	191.00		
Total (Net)	<b>5,580.99</b>	<b>3,826.64</b>		

\*Includes Rs. Nil ( 2020 : 40.80 Lakhs due from a private Limited Company in which director is interested

\*For related party transactions refer note 36

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**

	31 March 2021	31 March 2020		31 March 2021	31 March 2020
<b>iii Investment in Equity shares - quoted</b>					
<b>Equity shares of face value of Rs 10 each</b>					
96,837 (2020 : 86,737 )Yuken India Limited	445.30	281.90	2,00,000 (2020: 2,00,000) Transformers and Rectifiers (India) Limited	32.70	10.90
4,241 (2020 : 4,241 ) John Cockeril India Limited (Formerly known as CMI FPE Limited )	35.33	17.70	Nil (2020: 225,000) Ganesh Benzoplast Limited	-	52.54
2,502 (2020 : 2,502 ) Greycells Education Limited	0.50	0.93	361,046 (2020: 3,348,691) International Conveyors Limited	157.06	678.11
100,000 (2020 : 1,00,000) Jai Prakash Power Ventrures Limited	3.28	0.65	326,633 (2020: 2,261,619) Elpro International Limited	135.23	753.62
7,339,942 (2020: 7,873,550) Religare Enterprises Limited	6,429.79	1,495.97		<b>10,096.24</b>	<b>4,085.78</b>
Nil (2020: 235,350) Has Lifestyles Limited	-	23.54	<b>iv Investments In Alternate Investment Funds</b>		
25,400 (2020: 25,400) Raymond Limited	91.87	56.64	2775 (2020 : 1,875 ) )Edelweiss Infra Yield plus of Rs. 10,000/- each	298.00	192.48
300,417 (2020: 201,400) L & T Finance Holdings Limited	287.65	103.31	34,913.149 (2020:Nil) Edelweiss credit opportunity fund of Rs 1,000/- each	367.98	-
20,00,000 ( 2020: Nil ) Subex Limited	711.00	-	2000 ( Nil ) Edelweish stressed & Troubled Assets revival fund of Rs 10,000/- each	54.00	-
Nil (2020: 100,000) RBL Bank Limited	-	135.65		<b>719.98</b>	<b>192.48</b>
50,16,000 (2020: 2,016,000) Vodafone Idea Limited	463.98	124.90	<b>Total Investments ( A+B+C+D)</b>	<b>20,490.54</b>	<b>8,157.78</b>
15,000 (2020: 15,000) Solara Activa Pharma Limited	209.14	36.35			
5,400 (2020 : 5,400 ) Cremica Agro Foods Limited		0.00	# "-" (-) denotes amounts less than thousand or Nil		
332 (2020 : 332 ) Linde India Limited	5.98	1.62	^ are marked as lien against secured loan from banks viz. bank of India and Federal bank		
250 (2020 : 250 ) Sandur Manganese & Iron Ores Limited	2.53	0.93	** HDFC Mutual fund amounting to Rs 958.81 lakhs are marked as lien against secured loan from NBFC viz. Tata Capital Financial Services Limited.		
Nil (2020: 2918) Pearl Polymers Limited	-	16.66	For related party transactions refer note 36		
17018 (2020: 17,018) Solid Stone Company Limited	8.24	3.22		<b>Total Investments</b>	<b>20,490.54</b>
Nil (2020: 18,000) Manorama Industries Limited	-	31.11			<b>8,157.78</b>
10,00,000 (2020: Nil) Allied Digital Services	43.45	-			<b>As at</b>
10,00,000 (2020: Nil) Steel Authority of India Limited	788.50	-	<b>Out of Above</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Equity shares of face value of Rs 5 each</b>			In India	<b>20,490.54</b>	<b>8,157.78</b>
528,898 (2020: 411,898) Prime Securities Limited	219.49	156.38	Outside India	-	-
200,000 (2020 : 200,000) Jump Networks Limited	18.72	97.70	Aggregate book value of quoted investments	<b>17,331.28</b>	<b>5,737.04</b>
<b>Equity shares of face value of Rs 2 each</b>			Aggregate book value of unquoted investments	<b>3,159.25</b>	<b>2,420.74</b>
Nil (2020 : 75,000) Setco Automotive Limited	-	4.24	Aggregate market value of quoted investments	<b>17,331.28</b>	<b>5,737.04</b>
<b>Equity shares of face value of Re 1 each</b>					
200,000 (2020: 2,00,000) Sintex Plastics Technology Limited	6.50	1.24			
			<b>7 Other Financial Assets</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
			<b>Security Deposits- ( unsecured and considered good )</b>		
			- Others	23.90	15.73
			<b>Other Advances - unsecured</b>		
			- Related parties	0.13	-
			- Others	205.33	786.50
			<b>Total</b>	<b>229.36</b>	<b>802.23</b>



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**

	31 March 2021	31 March 2020
<b>8 Current Tax assets ( net)</b>		
<b>Balance with Government Authorities</b>		
Advance Direct Tax ( net of provisions)	307.42	453.99
<b>Total</b>	<b>307.42</b>	<b>453.99</b>

<b>9 Deferred tax assets/ (liabilities) (net)</b>		
MAT Credit Entitlement	-	663.20
Allowances for credit losses	299.43	-
Fair valuation of Financial Instruments	(1,069.85)	-
<b>Total</b>	<b>(770.42)</b>	<b>663.20</b>

**10 PROPERTY, PLANT AND EQUIPMENTS**

(Rs. Lakhs)

Description of Assets	Buildings	Furniture and Fixtures	Vehicles	Total
<b>I. Gross Block</b>				
<b>Balance as at 1 April 2019</b>	23.43	0.04	-	23.47
Additions during the year	-	-	-	-
Disposals/Adjustment/ Deductions	2.04	-	-	2.04
<b>Balance as at 31 March 2020</b>	21.39	0.04	-	21.43
Additions during the year	-	-	4.15	4.15
Disposals/Adjustment/ Deductions	9.93	-	-	9.93
<b>Balance as at 31 March 2021</b>	11.47	0.04	4.15	15.65
<b>II. Accumulated Depreciation</b>				
<b>Balance as at 1 April 2019</b>	1.55	0.00	-	1.56
Depreciation charged for the year	1.41	0.00	-	1.42
Disposals/Adjustment/ Deductions	-	-	-	-
<b>Balance as at 31 March 2020</b>	2.97	0.01	-	2.97
Depreciation charged for the year	0.79	-	0.21	1.00
Disposals/Adjustment/ Deductions	(0.05)	-	-	-0.05
<b>Balance as at 31 March 2021</b>	3.80	0.01	0.21	4.02
<b>Net block</b>				
As at 31 March 2021	7.67	0.03	3.94	11.64
As at 31 March 2020	18.42	0.03	-	18.45

	31 March 2021	31 March 2020
<b>11 Other non-financial assets</b>		
<b>Others Assets</b>		
Prepaid expenses	0.01	-
Defined Benefit Asset -Gratuity	50.62	47.41
	<b>50.63</b>	<b>47.41</b>
Deposit with Debt Recovery Tribunal (DRT) ( Refer note 29 )	1126.22	1,126.22
<b>Total</b>	<b>1,176.85</b>	<b>1,173.63</b>

**12 Financial liabilities**
**Payables**
**I) Trade Payables (refer note 33)**

i) total outstanding dues of micro enterprises and small enterprises		
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	133.49
<b>Total</b>	<b>-</b>	<b>133.49</b>

**II) Other Payables (refer note 33)**

i) total outstanding dues of micro enterprises and small enterprises		
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11.76	115.52
<b>Total</b>	<b>11.76</b>	<b>115.52</b>

Trade payables and other payables are non-interest bearing and are normally settled as per contractual terms.

For related party transactions refer note 36

**13 Borrowings**

At amortised cost

**Loans repayable on demand**

From Banks*	275.90	-
From Financials Institution#	705.09	
From Other Parties**	3596.65	3,596.65
	<b>4,577.64</b>	<b>3,596.65</b>
<b>Total</b>	<b>4,577.64</b>	<b>3,596.65</b>

\*For related party transactions refer note 36

\*Working capital overdraft facility from Bank of India of (2021 : Rs. 275.90 Lakhs) (2020: Rs. Nil ) are secured against pledge of approved debt securities rated 'AA' and above with 15% margin and personal guarantee of the Promoter. The loan is repayable on demand and carries interest of 10.95% p.a. (one year MCLR 7.45% + BSS .30% + CRP 3.20% )

Cash Credit and Intraday Overdraft Facility from Federal Bank Limited of (2021: Rs Nil) (2020 : Rs.Nil) are secured against pledge of central government and state government Securities in CGSL account and personal guarantee of Promoter Director . The Cash Credit Facility is repayable on demand and carries interest rate of 8.90% p.a. % (one year MCLR 7.90% p.a + 1% p.a). Overdraft Facility on the same day on which drawn and carries interest rate of 4% p.a.

# Working capital outstanding loan of Rs 705.09 lakhs is borrowed from Tata Capital Financial Services Limited are secured against Mutual Fund (HDFC). Loan is repayable on demand and carries interest of 9.25% floating.

\*\*Intercompany borrowings of (2021 : Rs 3,596.65 Lakhs) ( 2020 : 3,596.65 lakhs) is considered interest free and repayable on demand in the absence of term sheet and confirmation.

**14 Other financial liabilities**

Interest accrued but not due on borrowings	-	0.20
Unclaimed Dividends (Refer note 40 (c))	58.48	63.99
Employee Benefit Payable	664.25	139.26
Others	16.50	16.50
<b>Total</b>	<b>739.24</b>	<b>219.95</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>15 Provisions</b>		
Provision for Standard Assets	19.74	12.46
<b>Total</b>	<b>19.74</b>	<b>12.46</b>
<b>16 Other non-financial liabilities</b>		
Statutory dues payable	174.09	128.75
Other current liabilities	17.70	-
<b>Total</b>	<b>191.79</b>	<b>128.75</b>
<b>17 Equity Share capital</b>		
<b>Authorised*</b>		
20,000,000 (2020:20,000,000) Equity Shares of Rs 10/- each	2,000.00	2,000.00
	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
12,568,623 (2020:12,568,623) Equity Shares of Rs 10/- each	1,256.86	1,256.86

\*Authorised share capital of (2021: Rs 1,000 Lakhs) (2020: Rs 1,000 Lakhs); consisting of Redeemable Cumulative Preference shares of Rs. 10 each is not considered above in accordance with the requirement of Ind AS.

**a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year**

	31 March 2021		31 March 2020	
	Number of Equity shares	(Rs. in Lakhs)	Number of Equity shares	(Rs. in Lakhs)
<b>At the beginning of the year</b>	12,568,623	1,256.86	12,568,623	1,256.86
Add: Shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>12,568,623</b>	<b>1,256.86</b>	<b>12,568,623</b>	<b>1,256.86</b>

**b) Terms/rights attached to equity shares**

- a) The Company has issued only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- b) 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.
- c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

**d) Details of shareholders holding more than 5% shares in the company:**

Name of shareholders	31 March 2021		31 March 2020	
	No. of shares	% Holding	No. of shares	% Holding
Mr Mahendra V Doshi	1,449,363	11.53%	1,449,363	11.53%
Mr Mahendra V Doshi - Partner M/s L K Panday	2,072,482	16.49%	2,059,404	16.39%
Sea Glimpse Investments Private Limited	2,547,515	20.27%	2,547,515	20.27%
Bhavana Holdings Private Limited	1,409,505	11.21%	1,409,505	11.21%
Authum Investment and Infrastructure Ltd	905,020	7.20%	1,798,256	14.31%
	<b>83,83,885</b>	<b>66.70%</b>	<b>9,264,043</b>	<b>73.71%</b>

**e) (i) Employees Stock Option Scheme (ESOP) 2010 and Employees Stock Option Scheme (ESOP) 2014**

During the year ended 31 March 2021 and 31 March 2020, the Group did not grant any stock option. There are no option outstanding as at 31 March 2021 and 31 March 2020.

	31 March 2021	31 March 2020
<b>18 Other Equity</b>		
<b>Special Reserve</b>		
As per Last Balance Sheet	4,608.26	4,608.26
Add: Transfer from Retained Earnings	1,214.72	-
	<b>5,822.98</b>	<b>4,608.26</b>
<b>Securities Premium</b>		
As per Last Balance Sheet	370.03	370.03
	<b>370.03</b>	<b>370.03</b>
<b>General Reserve</b>		
As per Last Balance Sheet	6,149.10	6,149.10
	<b>6,149.10</b>	<b>6,149.10</b>
<b>Retained Earnings</b>		
Balance as per the last financial statements	1,644.84	4,224.64
Profit / ( Loss) for the year	6,064.67	(2,273.33)
Gain / (Loss) on fair value of defined benefit plan	2.12	(3.43)
Transfer to Special Reserve Fund	(1,214.72)	-
Dividend Paid (Including Tax)	-	(303.05)
Transfer on account of decognition of financial instrument measured through other comprehensive income from Other Comprehensive Income (net of tax)	3,337.34	-
	<b>9,834.25</b>	<b>1,644.84</b>
<b>Other Comprehensive income - fair value on equity instruments</b>		
As per last balance sheet	406.26	371.75
Gain / (Loss) on fair value of financial asset measured through other comprehensive income (net of tax)	4,820.42	34.51
Transfer on account of decognition of financial instrument measured through other comprehensive income to Retained Earning (net of tax)	(3,337.34)	-
	<b>1,889.34</b>	<b>406.26</b>
<b>Total Other Equity</b>	<b>24,065.70</b>	<b>13,178.49</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**

- 1) Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.
- 2) Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.
- 3) General Reserve is a distributable reserve maintained by the Group out of transfers made from profits.
- 4) Retained earnings represent the accumulated earnings net of losses if any made by the Group over the years.
- 5) Other comprehensive income (OCI) includes fair value gain on equity instruments measured at fair value through OCI and remeasurement of defined benefit plan.

	31 March 2021	31 March 2020
<b>19 Revenue from operations</b>		
<b>Interest Income</b>		
Interest- -Loans*	305.50	371.12
- Investments	8.81	36.69
- Deposit with Banks	104.12	128.36
- Bonds/Debt Securities	7.33	-
- Retirement benefits	3.07	3.60
<b>Total</b>	<b>428.83</b>	<b>539.77</b>
*For related party transactions refer note 36		
<b>Dividend Income on Investments</b>	29.55	11.41
<b>Total</b>	<b>29.55</b>	<b>11.41</b>

**Net gain on fair value changes**

Net gain on financial instruments measured at fair value through profit or loss	5,881.94	-
<b>Total</b>	<b>5,881.94</b>	<b>-</b>

**Others**

Net gain on sale of securities	3233.44	1,382.94
Income from AIF Investments	1.42	2.13
<b>Total</b>	<b>3,234.86</b>	<b>1,385.07</b>

**20 OTHER INCOME**

Profit on derecognition of Property, plant and equipment	125.66	2.96
Interest on Income Tax Refund	23.31	-
Miscellaneous Income	0.35	5.14
<b>Total</b>	<b>149.31</b>	<b>8.10</b>

**EXPENSES**
**21 Finance Costs**

Interest on borrowings	116.23	105.54
Other financial charges	141.38	118.21
<b>Total</b>	<b>257.61</b>	<b>223.76</b>

**22 Fees and commission expense**

Commission and sub-brokerage	67.27	53.90
<b>Total</b>	<b>67.27</b>	<b>53.90</b>

**23 Net loss on fair value changes**

Fair valuation loss on fair value through profit and loss instruments	-	3,009.75
<b>Total</b>	<b>-</b>	<b>3,009.75</b>

	31 March 2021	31 March 2020
<b>24 Impairment on financial instruments</b>		
<b>At amortised cost</b>		
On Loans	986.28	188.24
<b>Total</b>	<b>986.28</b>	<b>188.24</b>

**25 Employee benefits expense**

Salaries and wages*	1170.41	478.37
Contribution to provident and other funds	3.40	2.96
Staff welfare expenses	0.19	20.39
Gratuity expense	1.98	(0.16)
<b>Total</b>	<b>1,175.98</b>	<b>501.55</b>

\*For related party transactions refer note 36

**26 Depreciation, amortisation and impairment**

Depreciation of tangible assets	2.63	1.42
<b>Total</b>	<b>2.63</b>	<b>1.42</b>

**27 Other expenses\***

Rent	27.07	31.08
Rates and taxes	18.48	5.78
Repairs and maintenance	0.39	0.44
Communication expenses	4.27	5.53
Printing and stationery	3.02	1.50
Payments to auditors ( Refer Note 31 )	11.97	10.48
Directors sitting fees	13.50	3.70
Legal and professional charges	149.83	87.28
Travelling and Conveyance Expenses	4.51	21.60
Advertisement Expenses	0.49	0.70
Corporate Social responsibility expenses (Refer note 32)	20.00	45.00
Miscellaneous expenses	26.25	25.98
<b>Total</b>	<b>279.78</b>	<b>239.06</b>

\*For related party transactions refer note 36

**28 Tax Expense**

(a) **The major components of income tax for the year are as under:**

	31 March 2021	31 March 2020
Income tax related to items recognised directly in the statement of profit and loss		
<b>Current tax</b>		
Current tax on profits for the year-current Year	63.70	-
- Last Year	(24.65)	-
<b>Deferred tax (Credit) / Charge</b>		
Fair valuation of Financial Instruments	487.46	-
Minimum Alternate Tax ( MAT ) Credit Entitlement Written off	663.20	-
Allowances for credit losses	(299.43)	-
<b>Total</b>	<b>890.27</b>	<b>-</b>
<b>Effective tax rate #</b>	<b>12.80%</b>	<b>0.00%</b>

# A reconciliation of income tax expense applicable to profit before income tax at statutory rate to the income tax expense at Group's effective income tax rate for the year ended 31 March 2021.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**

- ii) Deferred tax related to items recognised in the other comprehensive income (OCI) during the year

	31 March 2021	31 March 2020
Fair value change on equity instruments through other comprehensive income	(582.40)	-
Deferred tax on remeasurement (gains)/ losses on defined benefit plan	-	-
<b>Deferred tax charged to OCI</b>	<b>(582.40)</b>	<b>-</b>

- (b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:**

	31 March 2021	31 March 2020
<b>Accounting Profit/(Loss) before tax</b>	<b>6,954.94</b>	<b>(2,273.33)</b>
Income tax expense calculated at corporate tax rate	1,750.42	(632.44)
Tax effect on non-deductible expenses and unabsorbed losses	12.03	635.62
Effect of exempt income and income tax at Lower rates	(508.24)	(3.18)
Reversal of Other temporary differences	(363.94)	-
<b>Tax expense recognized in the statement of profit and loss</b>	<b>890.27</b>	<b>0.00</b>

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 25.168 % for the year ended 31 March 2021 and 27.82 % for the year ended 31 March 2020 .

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes refer note 9.

- (c) Deferred tax relates to the following:**

<b>Reconciliation of deferred tax assets / (liabilities) net:</b>	31 March 2021	31 March 2020
Opening balance	663.20	663.20
Minimum Alternate Tax ( MAT ) Credit Entitlement Written off	(663.20)	-
Fair valuation of Financial Instruments	(1,069.85)	-
Allowances for credit losses	299.43	-
<b>Total</b>	<b>(770.42)</b>	<b>663.20</b>

Deferred tax recognized in statement of profit or loss

<b>For the year ended</b>	31 March 2021	31 March 2020
Minimum Alternate Tax ( MAT ) Credit Entitlement Written off	663.20	-
Fair valuation of Financial Instruments	487.46	-
Allowances for credit losses	(299.43)	-
<b>Total</b>	<b>851.22</b>	<b>-</b>

Deferred tax recognized in statement of Other Comprehensive Income

<b>For the year ended</b>	31 March 2021	31 March 2020
Fair valuation of Financial Instruments	582.40	-
<b>Total</b>	<b>582.40</b>	<b>-</b>

Pursuant to the Taxation Laws (Amendment) Act, 2019, with effect from 1 April 2019, domestic companies have an option to pay corporate income tax at a rate of 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions. During the year the Parent Company has elected to exercise the option of reduced corporate income tax rate as permitted under section 115BAA of the Income Tax Act, 1961 as per the amendment notified in the official Gazette dated 12 December 2019. The Parent Company has during the year ended 31 March 2021 written off MAT Credit entitlement of Rs 663.20 lakhs and necessary adjustments has been made in current tax .

**Unused tax losses**

The Group has unused tax business losses of (2021: Rs. 916.71 Lakhs); (2020: Rs. 2,471.01 Lakhs) and long term Capital loss of Rs. Nil lakhs ); (2020 : Rs. 237.80 Lakhs ). The losses are available for offsetting for eight years against future taxable income of the Group . Deferred tax assets has been not recognised in respect of these unused tax losses in absence of convincing evidence to generate sufficient future taxable profits.

- 29 (i) Contingent Liabilities**

Against a penalty order (for 2021: Rs 180 Lakhs) (2020: Rs 180 Lakhs); received from the Enforcement Directorate in respect of a matter which arose in 1996 pertaining to the erstwhile money changing division of the parent Company , the Parent Company has preferred an appeal in the Honorable Madras High Court. The Parent Company has provided a bank guarantee to cover the demand. The matter is pending. The Management is of the opinion that a cash outflow is unlikely and therefore no provision is considered necessary.

- (ii) Litigation**

a) A winding up petition filed by the Parent Company against a borrower has been admitted by the Honourable High court of Mumbai. The recovery if any will be accounted for when the money is received from official Liquidator.

b) The Parent Company has filed an arbitration case (2021 :Rs. 25.11 Lakhs) (2020 : Rs. 25.11 lakhs ) against borrowers for which it has received a favourable award from the arbitrators. The opposing parties have filed an appeal in the Honourable High court of Mumbai for which the matter is pending.

c) State Bank of India obtained an order from Debt Recovery Tribunal (DRT), Bangalore against Kingfisher Airlines, United Breweries (Holdings) Ltd and Others for recovery of dues from them. The Parent Company received a garnishee order from the Recovery Officer, DRT, Bangalore for an amount of (2021 : Rs 2,500 lakhs (plus interest) (2020: 2,500 lakhs Plus Interest ) as the financial statements of Kingfisher Finvest Limited showed an amount of (2021 : Rs 2,500 Lakhs ) (2020 : 2,500 Lakhs ) due from the Parent Company. The Parent Company has contested the same .The matter is presently pending before the Debt Recovery Appellate Tribunal, Chennai for hearing. The Parent Company has deposited an amount of (2021 : Rs 1,126.22 Lakhs) ( 2020 : Rs. 1,126.22 lakhs ) with the DRT which is on account of deposit for preferring the Appeal before DRAT, Chennai.

d) The Department of Company Affairs has filed a suit in the Small Causes Court, Mumbai against, the Parent Company , its Directors and the KMPs for non filing of information in Form INV5 in respect of Unclaimed Dividend as on 31 March 2013. The Parent Company has already filed the Form, The Parent Company and Others have made an application for compounding with the Regional Director, Mumbai which is pending for hearing.

e) Assessment for AY 2010-11 has been reopened by the Tax Authorities. The Assessing Officer has passed an order adding Rs 103.26 Lakhs to the Income of the year contending that it has escaped assessment. The Parent Company has appealed against the said order, which is pending at the CIT (Appeals) stage even if the contention of the Parent Company is not accepted by the tax authorities, there will be no cash outgo as the taxes paid by the Parent Company exceed the tax payable (even after considering the addition made by the Department)

Subsequently the Parent Company opted to go under the Vivad se Vishwas Scheme under the the Direct Tax Vivad Se Vishwas Act of 2020. The Parent Company has received an Order for Full and Final Settlement of tax arrears from the department assessing the amount of Tax arrears as Nil. The Parent Company has therefore withdrawn the Appeal filed before the CIT (Appeals)

- (iii) Capital Commitments**

During the year ended 31 March 2020, the Parent Company has entered into an memorandum of understanding to contribute in capital amounting to Rs. 500 Lakhs and Parent Company has already paid amounting to Rs. 277.5 Lakhs and remaining uncalled amount on investments is Rs. 222.5 Lakhs.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**

(iv) **Other Commitments**

During the year ended 31 March 2019, the Parent Company had entered into an memorandum of understanding to purchase 2,900 Equity shares based on the valuation to be determined by the valuer after due diligence. The Parent Company has given advance of Rs 786.50 Lakhs towards purchase of 786,500 preference shares of Rs 100 each which would also be transferred after the agreement for sale has been entered. During the financial year 2020-21, the Parent Company has received back the advance given. (refer note 7)

**30 Segment Informations**

Disclosure under Indian Accounting Standard 108 – ‘Operating Segments’ is not given as, in the opinion of the management, the entire business activity falls under one segment, viz., primarily engaged as stock and securities broker and providing the financial services. The Group conducts its business only in one Geographical Segment, viz., India.

**31 Payment to Auditors**

	31 March 2021	31 March 2020
Parent Company		
Audit fees including Limited review fees	10.00	10.00
Other matters	1.49	-
Subsidiary Company		
Audit fees	0.30	0.30
Limited Review fees	0.18	0.18
<b>Total</b>	<b>11.97</b>	<b>10.48</b>

**32 Corporate Social Responsibility ( CSR )**

The prescribed CSR Expenditure required to be spent in the current year as per the Companies Act, 2013 was Rs. 16.29 Lakhs. During the year The Group has Contributed Rs. 20 lakhs to an eligible trust. In case of previous year unspent amount of Rs. 40 Lakhs has been contributed during the year to an eligible trust.

**33 Micro, small and medium enterprises**

The Group has no outstanding dues to party related to Micro, Small and Medium enterprises as at 31 March 2021 (31 March 2020: Nil) on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to micro and small enterprises during the year.

Trade payables and other payables include amount payable to Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from 02 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

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

The Group has compiled the relevant information from its suppliers about their coverage under the Mico, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

**34 Financial Instruments**

i) The Group’s principal financial assets include investments, loans, trade receivables, other receivables, and cash and cash equivalents that derive directly from its operations. The Group’s principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group’s operations.

a) **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, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, other financial instruments.

1) **Interest rate risk:**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates.

The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s short-term loan from banks.

**Interest rate risk exposure**

	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings *	980.99	-

\*The above figures doesnot include amount due from other parties in the absence of term sheet and confirmation. Refer note 29 (iic)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group’s profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

	(Rs. Lakhs)	
	Increase / decrease in basis points	Effect on Profit before tax
As on 31 March 2021	+ 50 / - 50	4.90
As on 31 March 2020	+ 50 / - 50	-

2) **Foreign currency risk:**

The Group does not have any foreign currency risk. Hence no sensitivity analysis is required

3) **Credit Risk:**

Credit risk is the risk that the Group will incur a loss because its Loans and receivable fail to discharge their contractual obligations. The Group has a framework for monitoring credit quality of its Loans and receivables based on days past due monitoring at period end. Repayment by individual Loans and receivables are tracked regularly and required steps for recovery are taken through follow ups and legal recourse. Credit risk arises from loans and advances, receivables, cash and cash equivalents, and deposits with banks and financial institutions.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s Loans and advances, receivables, cash and cash equivalents, deposits with banks and investments.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**

The Group measures the expected credit loss of Loans and receivables based on historical trend, industry practices and the business environment in which the entity operates. Expected Credit Loss is based on actual credit loss experienced and past trends based on the historical data.

**(i) Credit risk management**

Group considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

**Definition of Default**

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which NBFC operates and other macro-economic factors.

For Trade receivables, definition of default has been considered at 360 days past due after looking at the historical trend of receiving the payments.

**Provision for expected credit losses ( ECL )**

Group provides for expected credit loss based on following:

The Group classifies its financial assets in three stages having the following characteristics :

Stage 1 :- Unimpaired and without significant increase in credit risk since initial recognition on which a 12 months allowance for ECL is recognised ; Stage 2 :- a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised ; and

Stage 3 :-Objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) on the reporting date and are accordingly transferred from stage 1 to stage 2 .For Stage 1 an ECL allowance is calculated on a 12 months point in time probability weighted probability of default . For stage 2 and 3 assets a life time ECL is calculated on a lifetime probability of default

(Rs. Lakhs)

Trade Receivables	31 March 2021	31 March 2020
More than Six months	500.00	1,165.76
Others	219.67	-
<b>Total</b>	<b>719.67</b>	<b>1,165.76</b>

	As at 31 March 2021	As at 31 March 2020
--	------------------------	------------------------

Movement in allowance for credit loss during the year was as follows :

Opening Balance	-	-
Add :- Provided during the year	-	-
Less :- Reversal during the year	-	-
Balance as at 31 March	-	-
<b>Net Trade receivable</b>	<b>719.67</b>	<b>1,165.76</b>

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in Securities.

**b) Liquidity Risk:**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The Group consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at :

Carrying Amount	31 March 2021			Total
	Less than 1 year	2-5 years	More than 5 years	
<b>Financial Liabilities :</b>				
Trade payables	-	-	-	-
Other payables	11.76	11.76	-	11.76
Borrowings	4,577.64	4,577.64	-	4,577.64
Other financial liabilities	739.24	739.23	-	739.23
<b>5,328.65</b>	<b>5,328.63</b>	<b>-</b>	<b>-</b>	<b>5,328.64</b>

Carrying Amount	31 March 2020			Total
	Less than 1 year	2-5 years	More than 5 years	
<b>Financial Liabilities :</b>				
Trade payables	133.49	133.49	-	133.49
Other payables	115.52	115.52	-	115.52
Borrowings	3,596.65	3,596.65	-	3,596.65
Other financial liabilities	219.95	219.95	-	219.95
<b>4,065.61</b>	<b>4,065.60</b>	<b>-</b>	<b>-</b>	<b>4,065.61</b>

**ii) Capital Management**

For the purpose of Group's capital management, capital includes issued capital and other equity reserves. The primary objective of the Group's Capital Management is to maximize shareholder value. The group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The group monitors capital using gearing ratio, which is Net debt divided by total capital.

	As at 31 March 2021	As at 31 March 2020
Gross debt (inclusive of long term and short term borrowing)	4,577.64	3,596.65
Less: Cash and bank balances	777.45	418.09
<b>Net debt</b>	<b>3,800.18</b>	<b>3,178.56</b>
Total equity	25,322.51	14,435.35
<b>Total capital</b>	<b>29,122.69</b>	<b>17,613.92</b>
<b>Gearing ratio</b>	<b>13.05%</b>	<b>18.05%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

**iii) Categories of financial instruments and fair value thereof**

Particulars	As at 31 March 2021			As at 31 March 2020		
	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost
<b>A) Financial assets</b>						
Cash and cash equivalents	-	-	777.45	-	-	418.09
Bank Balance other than (a) above	-	-	2,196.20	-	-	1,819.40
Trade Receivables	-	-	719.67	-	-	1,165.76
Loans	-	-	5,580.99	-	-	3,826.64
Investments	5,264.34	15,226.20	-	2,425.53	5,732.25	-
Other Financial assets	-	-	229.36	-	-	802.23
<b>Total financial assets</b>	<b>5,264</b>	<b>15,226.20</b>	<b>9,503.69</b>	<b>2,426</b>	<b>5,732.25</b>	<b>8,032.12</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**
**B) Financial liabilities**

	As at 31 March 2021			As at 31 March 2020		
	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost
Trade payables	-	-	-	-	-	133.49
Other Payables	-	-	11.76	-	-	115.52
Borrowings	-	-	4,577.64	-	-	3,596.65
Other financial liabilities	-	-	739.24	-	-	219.95
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5,328.64</b>	<b>-</b>	<b>-</b>	<b>4,065.61</b>

The management assessed that cash and cash equivalents and bank balances, trade receivables, other financial assets, certain investments, trade payables and other current liabilities approximate their fair value largely due to the short-term maturities of these instruments. Difference between carrying amount and fair value of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the year presented.

**iv Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2021

Financial assets	As at 31 March 2021				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
<b>Financial assets measured at FVTOCI</b>					
Investments	5,264.34	5,264.34	5.08	-	5,259.25
<b>Financial assets measured at FVTPL</b>					
Investments	15,226.20	15,226.20	14,031.22	475.00	719.98
<b>Total</b>	<b>20,490.54</b>	<b>20,490.54</b>	<b>14,036.31</b>	<b>475.00</b>	<b>5,979.23</b>

Financial assets	As at 31 March 2020				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
<b>Financial assets measured at FVTOCI</b>					
Investments	2,425.53	2,425.53	4.79	-	2,420.74
<b>Financial assets measured at FVTPL</b>					
Investments	5,732.25	5,732.25	5,458.73	81.03	192.48
<b>Total</b>	<b>8,157.78</b>	<b>8,157.78</b>	<b>5,463.52</b>	<b>81.03</b>	<b>2,613.22</b>

**Fair Value Hierarchy :**

- Investments included in Level 1 of fair value hierarchy are based on prices quoted in stock exchange and/ or NAV declared by the funds.
- Investments included in Level 2 of fair value hierarchy have been valued based on inputs from banks and other recognised institutions such as FIMMDA/ FEDAI
- Investments included in Level 3 of fair value hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/ or Discounted Cash Flow Method.

Note : All financial instruments for which fair value is recognised or disclosed are categorised within the Fair Value Hierarchy described as above, based on the lowest level input that is significant to the fair value measurement as a whole.

**Foreign currency risk:**

The Group enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The group analyses currency risk as to which balances outstanding in currency other than the functional currency of that group. The management has taken a position not to hedge this currency risk.

The group undertakes transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the insignificant impact and period involved on such exposure.

The Group does not have any foreign currency risk. Hence No sensitivity analysis is required.

**35 Gratuity and other post employment benefit plans**

The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below:

- Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.
- Details of post retirement gratuity plan are as follows:

**I. Expenses recognised during the year in the statement of profit and loss**

	(Rs Lakhs)	
	31 March 2021	31 March 2020
Current service cost	1.54	1.48
Interest cost (net)	(3.07)	(3.60)
<b>Net expenses</b>	<b>(1.53)</b>	<b>(2.12)</b>

**II. Expenses recognised during the year in other comprehensive income (OCI)**

	(Rs Lakhs)	
	31 March 2021	31 March 2020
Actuarial (gains)/ losses arising from changes in demographic assumptions	(1.68)	2.62
Actuarial (gains)/ losses arising from changes in financial assumptions	(0.44)	0.81
Actuarial (gains)/ losses arising from changes in experience assumptions	-	-
<b>Recognised during the year</b>	<b>(2.12)</b>	<b>3.43</b>

**III. Net liability recognised in the balance sheet**

	31 March 2021	31 March 2020
Fair value of plan assets	121.81	115.08
Present value of obligation	71.19	67.67
<b>Liability recognized in balance sheet</b>	<b>(50.62)</b>	<b>(47.41)</b>

**IV. Reconciliation of opening and closing balances of defined benefit obligation**

	(Rs Lakhs)	
	31 March 2021	31 March 2020
Defined benefit obligation as at the beginning of the year	67.67	63.99
Current Service Costs	1.53	1.48
Interest Costs	3.66	4.58
Benefit Paid	-	(5.00)
Actuarial (gain)/ loss on obligation	(1.68)	2.62
<b>Defined benefit obligation at the end of the year</b>	<b>71.18</b>	<b>67.67</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**
**V. Reconciliation of opening and closing balance of fair value of plan assets**

	31 March 2021	31 March 2020
Fair value of plan assets at the beginning of the year	115.08	111.08
Adjustment to opening balance	(1.18)	1.02
Interest income	6.73	8.17
Contributions paid	0.74	0.62
Benefits paid	-	(5.00)
Return on plan asset	0.44	(0.81)
<b>Fair value of plan assets at year end</b>	<b>121.81</b>	<b>115.08</b>

**VI. Actuarial Assumptions**

	31 March 2021	31 March 2020
Discount rate (Per annum)	6.33%	6.53%
Rate of escalation in salary (per annum)	5.00%	5.00%
Attrition rate	PS: 0 to 10 :7% PS: 10 to 20 :0% PS: 20 to 52 :7%	PS: 0 to 10 :7% PS: 10 to 20 :0% PS: 20 to 52 :7%
Mortality Table	IALM (2012-14) ult	IALM (2012-14) ult

**VII. Quantitative Sensitivity Analysis**

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points

	(Rs Lakhs)	
	31 March 2021	31 March 2020
<b>Projected benefit obligation on current assumptions</b>		
Increase by 1% in Discount rate	68.18	64.70
Decrease by 1% in Discount rate	74.52	70.97
Increase by 1% in Rate of salary increase	73.17	69.52
Decrease by 1% in Rate of salary increase	69.36	65.94

**VIII Maturity analysis of projected benefit obligation : from the fund**

Projected benefits payable in future years from the date of reporting	31 March 2021	31 March 2020
1st Following Year	23.47	23.32
2nd Following Year	3.35	3.20
3rd Following Year	3.24	3.09
4th Following Year	4.37	2.99
5th Following Year	4.03	4.11
Sum of years 6 to 10	35.39	35.92

**Notes:**

- The current service cost recognized as an expense is included in the Note 26 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.
- The estimate of future salary increases considered in the actuarial valuation takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**36 Related party transactions**

Key Management Personnel	Nature of relationship
Mr M.V Doshi	Executive Chairman & Managing director
Sajid Mohamed	Independent Director
Pratik M. Doshi	Non-Executive Director
Dinesh Waghela (w.e.f. 04 December , 2020 )	Non-Executive additional Director
Vineet N. Suchanti	Independent Director
Smt. Anjali Suresh	Independent Director
Amitabh Chaturvedi (upto 22nd October 2019)	Nominee Director
Mr G B Innani	G.M Legal & Company Secretary
Mr S S Gulati	Head - Corporate Affairs

**Other related parties with whom transactions have taken place during the year.**

LKP Securities Limited  
 MKM Share & Stock Brokers Limited  
 Bhavana Holding Private Limited  
 Alpha Commodity Private Limited  
 Sea Glimpse Investments Private Limited  
 LKP Wealth Advisory Limited  
 Peak Plastonic Private Limited  
 M/s. LK Pandey  
 Solarex PV Solutions Private Limited  
 Astro Sports Private Limited  
 Astro Sports Promotion Private Limited

**Transactions with Related parties:**

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Remuneration to Key Management Personnel</b>		
<b>Key Management Personnel</b>	<b>377.33</b>	<b>126.23</b>
Mahendra V Doshi	308.40	68.00
S.S. Gulati	47.81	37.40
Girish Inani	21.12	20.83
<b>Interest Income</b>	<b>27.15</b>	<b>102.59</b>
LKP Securities Limited	17.58	67.04
Alpha Commodities Private Limited	9.57	0.40
MKM Shares & Stock Brokers Limited		3.15
Keynote Fincorp Limited	34.30	32.00
<b>Brokerage and Depository Charges Paid</b>		
LKP Securities Limited	26.52	32.14
<b>Legal and Professional Charges Paid</b>		
Keynote Financial Services Limited	16.52	
<b>Sale of Investments</b>		
LKP Securities Limited	3,563.89	-



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Purchase of Investments</b>	<b>4,520.23</b>	<b>187.50</b>
LKP Securities Limited	4,106.23	187.50
Sea Glimpse Investments Private Limited	54.00	
MKM Share & Stock Brokers Limited	360.00	
<b>Loans given</b>	<b>49,005.00</b>	<b>68,166.80</b>
LKP Securities Limited	47,985.00	66,601.00
Alpha Commodities Private Limited	1,020.00	965.80
MKM Shares & Stock Brokers Limited	-	100.00
Keynote Fincorp Limited	-	500.00
<b>Other Advances Given</b>		
L K Panday	-	2.00
<b>Payment for purchase of share and Reimbursement of Expenses</b>		
LKP Securities limited	738.08	
<b>Receipt of share and Payment of Expenses</b>		
LKP Securities limited	738.08	
<b>Payment of Trade Receivables Received</b>		
MKM Shares & Stock Brokers Limited	387.98	150.00
<b>Other Advances Received</b>		
Bhavana Holdings Pvt. Ltd.		100.00
<b>Repayment of Other Advances</b>		
Bhavana Holdings Pvt. Ltd.	40.00	60.00
<b>Repayment Received of Loans given</b>	<b>49,045.00</b>	<b>67,726.00</b>
LKP Securities Limited	47,985.00	66,601.00
Alpha Commodities Private Limited	1,060.00	925.00
MKM Shares & Stock Brokers Limited	-	100.00
Keynote Fincorp Limited	-	100.00
<b>Outstanding balance as on</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Director Remuneration / Commission Payable</b>		
Mr M.V Doshi	143.5	-
<b>Loans given / Other Advances</b>		
Alpha Commodity Pvt. Ltd.	-	-
Keynote Fincorp Limited	400.00	400.00
L K Panday	14.10	14.10
<b>Interest Receivable</b>		
Keynote Fincorp Limited	60.53	28.80

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Other Receivables</b>		
MKM Share & Stock Brokers Limited	500.00	887.98
<b>Trade and other Payables</b>		
LKP Securities Limited	-	133.49
Bhavana Holdings Private Ltd.	-	40.00

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>37 Earnings per share</b>		
Profit/(Loss) after tax (Rs.)	6,064.67	(2,273.33)
<b>Weighted average number of equity shares</b>		
- for Basic Earnings per share	12,568,623	12,568,623
- for Diluted Earnings per share	12,568,623	12,568,623
Face value of equity share (Rs/ share)	10	10
<b>Basic earnings per share (Rs.)</b>	<b>48.25</b>	<b>(18.09)</b>
<b>Diluted Earnings per share (Rs/share)</b>	<b>48.25</b>	<b>(18.09)</b>
<b>38 Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:</b>		

	As at 1 April 2019	Cash Inflows	Cash outflows	Non Cash Changes		As at 31 March 2020
				Interest Accrued	Other Charges	
Borrowings	3,596.65	-	-	-	-	3,596.65

	As at 31 March 2020	Cash Inflows	Cash outflows	Non Cash Changes		As at 31 March 2021
				Interest Accrued	Other Charges	
Borrowings	3,596.65	980.99	-	-	-	4,577.64

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>39 Disclosures as required by Ind AS 115</b>		
<b>Revenue Consist of following</b>		
Interest Income	428.83	539.77
Dividend Income	29.55	11.41
Net Gain/loss on sale of mutual fund & other investments	3,234.86	1,385.07
<b>Total</b>	<b>3,693.24</b>	<b>1,936.25</b>

<b>Revenue Disaggregation by Industrial Vertical &amp; Geography is as follows</b>		
<b>Revenue by offerings</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Financial Services/ India	3,693.24	1,936.25
<b>Total</b>	<b>3,693.24</b>	<b>1,936.25</b>

	(Rs. Lakhs)	
	31 March 2021	31 March 2020
<b>Timing of Revenue Recognition</b>		
Income recognised at point in time	3,264.41	1,396.49
Income recognised over period in time	428.83	539.77
<b>Total</b>	<b>3,693.24</b>	<b>1,936.25</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**
**40 (a) Dividend**

The board declared interim dividend as under :-		(Rs. Lakhs)
	2,021	2,020
Interim Dividend Paid	-	251.37
Dividend Distribution Tax on proposed dividend	-	51.68
	-	<b>303.05</b>

**(b) Dividend Recommendation:**

The Board of Directors of parent Company at its meeting held on 24 June 2021 has recommended a dividend of Rs. 2 per equity share of Rs. 10 each fully paid up, subject to approval of the shareholders.

(c) There are no unclaimed dividend for a period of more than seven years. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as on 31 March 2021.

41 Additional Information pursuant to Para 2 of General Instructions for the preparation of Consolidated Financial Statements

Name of the Entity	31-Mar-21					
	Net Asset/ (Net Liability)		Share in Profit / (Loss)		Share in Other Comprehensive Income	
	% of Consolidated net assets	Amount	% of Consolidated profit/ loss	Amount	% of consolidated other comprehensive income	Amount
<b>Parent</b>						
LKP Finance Limited	100.53	31802.01	100.15	6,073.60	99.99	4822.25
<b>Subsidiary</b>						
Gayatri Cement & Chemical Industries Private Limited	8.965	2835.84	-0.129	(7.81)	0.01	0.51
Inter Company elimination and consolidation adjustments	(9.50)	(3,004.51)	-0.02	-1.13	-0.00	-0.23
<b>Total</b>	<b>100.00</b>	<b>31633.33</b>	<b>100.00</b>	<b>6,064.67</b>	<b>100.00</b>	<b>4822.54</b>

42 During the year, the Subsidiary Company has obtained Trading Membership of the new Debt Segment of the BSE in January 2021. However the Subsidiary Company has not commenced Debt Segment operation .

43 a. The year ended March 31,2021 was unprecedented due to the spread of Coronavirus pandemic across the globe. The group has been in operation with minimal permitted staff. The group has not faced any material adversity of its financial position as at 31 March 2021 and considering other relevant facts and circumstances existing as of that date, the group does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact of the global health pandemic may differ from that estimated as at the date of approval of the financial results and the Group will continue to closely monitor any material changes to future economic conditions.

b. The Board of Directors of the Parent Company comprised of less than six directors until December 03, 2020 which was not as per Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The non-compliance was made good by appointment of Mr. Dinesh Waghela, as Additional (Non-Independent & Non-Executive) Director on December 04, 2020. Further in response to the Parent Company's appeal, BSE Limited waived the fines levied for June 2020 and December, 2020 quarter. However, the Parent Company was requested to pay Rs. 3,77,600/- as fines for December, 2020 quarter. The fine was paid.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**
**44 Analysis of change in the Gross carrying amount and corresponding ECL allowance in relation to Loans**

	Stage 1		Stage 2		Stage 3		Total	
	Term Loans Gross	Impairment loss allowances	Term Loans Gross	Impairment loss allowances	Term Loans Gross	Impairment loss allowances	Term Loans Gross	Impairment loss allowances
Balance as at 31 March 2020	3,061.86	-	955.78	191.00			4,017.64	191.00
Transfers during the year								
Transfer to Stage 3 from stage 1	-750.00	-			750.00	450.00	-	450.00
Transfer to Stage 3 from stage 2			-900.00	-180.00	900.00	180.00	-	-
Increase in impairment loss allowance during the year	-	-	-	-	-	540.00	-	540.00
Changes in Opening credit exposures			-55.78	-11.00	-	-	-55.78	-11.00
New Credit Exposures during the year, net of repayment	2789.13	-	-	-			2,789.13	-
<b>Balance as at 31 March 2021</b>	<b>5,100.99</b>	<b>-</b>	<b>-0.00</b>	<b>-</b>	<b>1,650.00</b>	<b>1,170.00</b>	<b>6,750.99</b>	<b>1,170.00</b>

	Stage 1		Stage 2		Stage 3		Total	
	Term Loans Gross	Impairment loss allowances	Term Loans Gross	Impairment loss allowances	Term Loans Gross	Impairment loss allowances	Term Loans Gross	Impairment loss allowances
Balance as at 1 April 2019	3,699.24	-	-	-	-	-	3,699.24	-
Transfers during the year								
Transfer to Stage 2	-955.78	-	955.78	191.00	-	-	-	191.00
Increase in impairment loss allowance during the year	-	-	-	-	-	-	-	-
Changes in Opening credit exposures ( additional disbursement net of repayments )	-	-	-	-	-	-	-	-
New Credit Exposures during the year, net of repayment	318.40	-	-	-			318.40	-
<b>Balance as at 31 March 2020</b>	<b>3,061.86</b>	<b>-</b>	<b>955.78</b>	<b>191.00</b>			<b>4,017.64</b>	<b>191.00</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021**
**45 Maturity Analysis of Assets and Liabilities**

	As at 31 Mar 2021			As at 31 Mar 2020		
	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total
<b>ASSETS</b>						
<b>Financial Assets</b>						
(a) Cash and cash equivalents	777.45	-	777.45	418.09	-	418.09
(b) Bank Balance other than (a) above	2,196.20	-	2,196.20	1,819.40	-	1,819.40
(c) Trade receivables	719.67	-	719.67	1,165.76	-	1,165.76
(d) Loans	5,580.99	-	5,580.99	3,826.64	-	3,826.64
(e) Investments	14,506.21	5,984.31	20,490.53	5,539.77	2,618.01	8,157.78
(f) Other financial assets	229.36	-	229.36	802.23	-	802.23
<b>Total Financial Assets</b>	<b>24,009.87</b>	<b>5,984.31</b>	<b>29,994.18</b>	<b>13,571.88</b>	<b>2,618.01</b>	<b>16,189.89</b>
<b>Non-Financial Assets</b>						
(a) Current tax assets (net)	-	307.42	307.42	-	453.99	453.99
(b) Deferred Tax Asset	-	-	-	-	663.20	663.20
(c) Property, plant and Equipment	-	11.64	11.64	-	18.45	18.45
(d) Goodwill on Consolidation	-	143.00	143.00	-	143.00	143.00
(e) Other non-financial assets	1,126.23	50.62	1,176.85	1,126.22	47.41	1,173.63
<b>Total Non-Financial Assets</b>	<b>1,126.23</b>	<b>512.67</b>	<b>1,638.90</b>	<b>1,126.22</b>	<b>1,326.05</b>	<b>2,452.27</b>
<b>LIABILITIES</b>						
<b>Financial Liabilities</b>						
(a) (I) Trade payable						
(i) total outstanding dues of micro enterprises and small enterprises			-			-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	133.49	-	133.49
(II) Other payable						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11.76	-	11.76	115.52	-	115.52
(b) Borrowings	4,577.64	-	4,577.64	3,596.65	-	3,596.65
(c) Other financial liabilities	739.24	-	739.24	219.95	-	219.95
<b>Total Financial Liabilities</b>	<b>5,328.64</b>	<b>-</b>	<b>5,328.64</b>	<b>4,065.60</b>	<b>-</b>	<b>4,065.60</b>
<b>Non-Financial Liabilities</b>						
(a) Provisions	0.00	19.74	19.74	0.00	12.46	12.46
(b) Deferred tax Liabilities (net)	-	770.42	770.42	-	-	-
(c) Other non-financial liabilities	191.79	-	191.79	128.75	-	128.75
<b>Total Non-financial liabilities</b>	<b>191.79</b>	<b>790.16</b>	<b>981.95</b>	<b>128.75</b>	<b>12.46</b>	<b>141.21</b>

46 Previous year's figures have been regrouped / reclassified/rearranged wherever necessary to correspond with the current year's classifications / disclosures. Figures in brackets pertain to previous year

In terms of our Report attached

**For MGB & Co. LLP**

Chartered Accountants

Firm Registration No. 101169W/W-100035

**Sanjay Kothari**

Partner

Membership No. 048215

**Place :** Mumbai

**Date :** 24 June 2021

**For and on behalf of the board**

**LKP Finance Limited**

**M.V Doshi**

Executive Chairman & Managing Director

**G.B Inani**

G.M (Legal) & Company Secretary

**Pratik M Doshi**

Director

**S.S Gulati**

Head - Corporate Affairs













**LKP Finance Limited**  
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