



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

August 08, 2020

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-Sixth Annual General Meeting and Annual Report for the year ended March 31, 2020

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 2019-20 ("Annual Report") along with the Notice of the Thirty -Sixth Annual General Meeting ("Notice") of the Company to be held on Monday, August 31, 2020 at 11.00 A.M.(IST) through Video Conference / Other Audio Visual Means.

In accordance with Ministry of Corporate Affairs circular dated May 5, 2020 and SEBI circular dated May 12, 2020, 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.

We request you to take the aforesaid on records.

Thanking you,

Yours faithfully,
For **LKP Finance Limited**
Sd/-
Girish Innani
General Manager (Legal) & Company Secretary

Contact No.: 98219 30869

Encl.: As above

LKP Finance Limited



36TH ANNUAL REPORT 2019-2020

Board of Directors : DIN

Shri Mahendra V. Doshi <i>Executive Chairman & Managing Director</i>	00123243
Shri Vineet N. Suchanti	00004031
Shri Sajid Mohamed	06878433
Shri Pratik M. Doshi	00131122
Smt. Anjali Suresh	02545317
Shri Amitabh Chaturvedi (upto 22 nd October 2019)	00057441

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**CONTENTS**

	Page Nos.
Notice for the Annual General Meeting	1-9
Directors' Report	10-25
Corporate Governance Report	26-31
Management Discussion and Analysis	32-33
Standalone Financial Statements	34-78
Consolidated Financial Statements	79-109

**36th Annual General Meeting on Monday, 31st August 2020
at 11.00 a.m. through Video Conferencing (VC)/ Other Audio
Visual Means**

NOTICE

NOTICE is hereby given that the Thirty Sixth (36th) Annual General Meeting (“Meeting”) of the member(s) of LKP Finance Limited (“Company”) will be held on Monday, August 31, 2020 at 11:00 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, 2020, 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, 2020, together with the Report of the Statutory Auditors thereon.
2. To confirm interim dividend declared and paid by the Board of Directors as final dividend on equity shares.
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 re-appoint Mr. Mahendra V. Doshi (DIN: 00123243), as the Executive Chairman and Managing Director 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 Section 196, 197, 198, 203 and all other applicable provisions, of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V to the Act (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) thereof or supplements thereto (“SEBI Listing Regulations”), approval of the Members be and is hereby accorded to re-appoint Mr. Mahendra V. Doshi (DIN 00123243), who has attained the age of 70 (Seventy) years, as the Executive Chairman and Managing Director of the Company for a period of three (3) years with effect from April 1, 2020 upto March 31, 2023 on such terms and conditions and remuneration, as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To re-appoint Ms. Anjali Suresh 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, Ms. Anjali Suresh (DIN: 02545317), who was appointed as an Independent Director and who holds office of an Independent Director up to June 10, 2020 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 her 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 11, 2020 upto June 10, 2025 on the Board of the Company.”

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-Sixth 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 other requisite documents 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 lkpfinvestor.relations@lkpsec.com.
3. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has *vide* circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (“MCA Circulars”) permitted holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. 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-Sixth 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 the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility

for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. 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 or with a copy marked to helpdesk.evoting@cdslindia.com.
6. CDSL e-voting system – for remote e-voting and e-voting during the e-AGM:
 - i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and MCA Circulars 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.
 - ii. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
 - iii. The facility of participation at the AGM through VC/OAVM will be made available to at least 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.
 - iv. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
 - v. Pursuant to MCA Circulars the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Act, 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.
 - vi. In line with the MCA Circulars the Notice calling the AGM has been uploaded on the website of the Company at www.lkpsec.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at

www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL at www.evotingindia.com.

- vii. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act, read with MCA Circulars.

7. The instructions for shareholders for remote e-voting are as under:

- i. The voting period begins on Thursday, August 27, 2020 at 09:00 A.M. and ends on Sunday, August 30, 2020 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 Monday, August 24, 2020 may cast their vote electronically. Thereafter the e-voting module shall be disabled by CDSL for voting.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the e-AGM.
- iii. **The shareholders should log on to the e-voting website www.evotingindia.com.**
- iv. Click on "Shareholders" module and 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.

OR

 - d) Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- vii. 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.
- viii. If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. 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.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- ix. After entering these details appropriately, click on “SUBMIT” tab.
 - x. 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.
 - xi. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - xii. Click on the EVSN no. 200805010 of ‘LKP FINANCE LIMITED’.
 - xiii. 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.
 - xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - xv. 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.
 - xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - xviii. Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- 6. 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 or RTA at 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 or RTA at info@adroitcorporate.com.
- 9. 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 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 in advance atleast 7 days prior to meeting (i.e on or before August 24, 2020) mentioning their name, demat account number/ folio number, email id, mobile number at 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 7 days prior to meeting (i.e on or before August 24, 2020) mentioning their name, demat account number/ folio number, email id, mobile number at lkpfininvestor.relations@lkpsec.com . These queries will be replied to by the Company suitably by email.
 - v. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
- 10. Instructions for shareholders for e-voting during the AGM are as under:-**
- i. The procedure for e-Voting on the day of the AGM is same

as the instructions mentioned above for Remote e-voting.

- ii. 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.
- iii. 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.
- iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

11. Note for Non – Individual Shareholders and Custodians

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- iii. 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.
- iv. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- v. 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.
- vi. 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 the email address lkpfinvestor.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.

12. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) by an email to helpdesk.evoting@cdslindia.com.

www.evotingindia.com or call on 022-23058542/43.

13. The Register of Members and Share Transfer books will remain closed from Tuesday, August 25, 2020 to Monday, August 31, 2020 (both days inclusive). Monday, August 24, 2020 shall be the cut-off date as on which the right of voting of the Members shall be reckoned and a person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
14. 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.
15. 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.
16. 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.
17. 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.
18. 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 dematerialization, 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.
19. 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.
20. The Results declared along with the report of the Scrutiniser

shall be placed on the website of the Company at 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.

21. 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 2019-20 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 2019-20 will also be available on the Company's website at www.lkpsec.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com.
22. 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
23. Since the meeting will be conducted through VC/OAVM facility, the Route Map is not annexed in this Notice.

By order of the Board of Directors
For LKP Finance Limited

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

Place : Mumbai
Date : June 27, 2020

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NOS. 5 AND 6:

Item No. 5

Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the Members of the Company at the Annual General Meeting held on May 24, 2017, had reappointed Mr. Mahendra V. Doshi (DIN 00123243) as Executive Chairman and Managing Director for a period of 3 (Three) years with effect from April 01, 2017 till March 31, 2020.

In accordance with the provisions of Section 203 and Schedule V of the Companies Act, 2013 (the 'Act'), the Company seeks consent of the members by way of special resolution for appointment and continuation of the holding of office by Mr. Mahendra V. Doshi.

Mr. Mahendra V. Doshi (aged 70 years) is the promoter of the Company and is associated with Company since inception. He was appointed as Executive Chairman w.e.f. 26th July, 2001. He has

over 42 years vast experience in the field of Finance, Capital Market and Business Administration. He has been entrusted and has made significant contribution in various areas of distribution of financial products, Wealth Management Service, Investment Advisory etc. His strategic leadership skills and ability to deliver results are among the key drivers.

Looking at the performance and growth of the Company which was led by Mr. Mahendra Doshi in capacity as a Managing Director of the Company and considering the enhanced responsibilities of business activities and as recommendation of Nomination and Remuneration Committee, the Board of Directors has considered and approved re-appointment of Mr. Mahendra Doshi as the Executive Chairman and Managing Director of the Company for a further term of 3 (Three) years effective from April 01, 2020 till March 31, 2023 and payment of remuneration thereof, both on such terms and conditions as stipulated below subject to the approval of the Members of the Company and Central Government, if required:

1. **Salary:** Salary up to Rs. 10,00,000/- (Rs. Ten Lacs only) per month as consolidated.
2. **Commission:** In addition, to the salary, Mr. Mahendra V. Doshi shall be entitled to receive commission on net profit. The commission payable to him will be determined by the Board for each financial year. The overall remuneration including commission to him shall not exceed 5% of the net profit of the Company for each financial year or part thereof to be computed in the manner referred to under Section 197 of the Act and other applicable provisions thereof, or any statutory modification(s) or re-enactment thereof.
3. **Perquisites & Allowances:**
 - I. House Rent Allowance: In accordance with the rules of the Company.
 - II. Medical Reimbursement: Reimbursement of Medical Expenses incurred by him for self and family subject to the ceiling of Rs. 2,00,000/- (Rs. Two Lacs Only) in a year.
 - III. Leave Travel Allowance: Leave Travel Allowance for him and his family, once in a year up to a sum of Rs. 2,00,000/- (Rs. Two Lacs only) per year, incurred in accordance with the rules of the Company.
 - IV. Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
 - V. Provident Fund, Super-annuation Fund and Gratuity: Company's Contribution to Provident Fund, Superannuation Fund and Gratuity as per rules of the Company payable to Mr. Mahendra V. Doshi will not be considered for calculating the ceiling on remuneration.
 - VI. Car and Telephones: Provision of car with chauffeur for use on Company's business and telephone, mobile and communication facilities like Internet at residence shall not be considered as perquisites. The personal long distance calls on telephone and car for private purpose shall be billed by the Company.
 - VII. Leave: Leave on full pay and allowance, as per the rules of the Company, but not more than one month's leave for every eleven months of service. However, leave accumulated but not availed of will not be allowed to be

encashed.

VIII. Period: Three years commencing from 1st April 2020. The office of Executive Chairman & Managing Director may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing.

4. **Compensation:** The Executive Chairman and Managing Director shall be entitled to compensation for loss of office as provided in Section 191 and 202 of the Companies Act, 2013.
5. **Sitting Fees:** No Sitting Fees shall be paid to the for attending meeting of the Board of Directors or any Committee of the Board.
6. **Reimbursement of Expenses:** Reimbursement of expenses incurred for travelling, boarding and lodging including for his attendant(s) during business trips; provision of car for use on the Company's business; telephone expenses at residence and club membership shall be reimbursed and not considered as perquisites.
7. **General:**
 - i. The Executive Chairman and Managing Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the directions given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board and his functions will be under the overall authority of the Board of Directors.
 - ii. Shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management personnel and shall satisfy all the conditions set out in Part-I of Schedule V to the Act for being eligible for the re-appointment.

Furthermore, any recommendation by the Nomination and Remuneration Committee and consideration by the Board for subsequent revisions in the remuneration shall be within the foregoing pay scale.

A brief profile of Mr. Mahendra Doshi, including nature of his expertise, as required under Regulation 36 of SEBI Listing Regulations and SS-2 is provided in the Annexure - I to this Notice. Further, additional information as required under Schedule V to the Act, is provided in the Annexure - II to this Notice and also forms part of the Statement.

Mr. Mahendra V. Doshi is interested in the resolution set out at Item No. 5 of the Notice. Mr. Pratik M. Doshi, Non-executive Director being related as a son of Mr. Mahendra V. Doshi may be deemed to be interested in the said resolution.

None of the other Directors, Key Managerial Personnel(s) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the passing of the proposed Resolution(s).

The Board of Directors recommends the resolution at Item No. 5 as Special Resolution for the approval by the Members.

Item No. 6

Ms. Anjali Suresh was appointed as an Independent Director of the Company by the Shareholders of the Company at the 31st Annual General Meeting held on 11th June, 2015, for a period of five years with effect from June 11, 2015 up to June 10, 2020. The Board on January 28, 2020, based on the recommendations of the Nomination

and Remuneration Committee and pursuant to the performance evaluation of Ms. Anjali Suresh as a Member of the Board and considering that the continued association of Ms. Anjali would be beneficial to the Company, proposed to re-appoint Ms. Anjali Suresh as an Independent Director of the Company, not liable to retire by rotation, for a second term effective June 11, 2020 up to June 10, 2025. 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 Ms. Anjali for the office of Director. The Company has received from Ms. Anjali Suresh (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 she is not disqualified under Section 164(2) of the Act (iii) Declaration to the effect that she 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 she 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 Ms. Anjali Suresh as an Independent Director of the Company for a second term with effect from June 11, 2020 till June 10, 2025 is being placed before the Shareholders for their approval by way of a special resolution. Ms. Anjali, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Ms. Anjali Suresh 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 Ms. Anjali Suresh as an Independent Director setting out the terms and conditions of her appointment is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the Annual General Meeting ('AGM') and will also be kept open at the venue of the AGM till the conclusion of the Meeting. The profile and specific areas of expertise of Ms. Anjali Suresh are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Ms. Anjali Suresh, 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 Kumar B. Innani
General Manager (Legal) &
Company Secretary

Place : Mumbai
Date : June 27, 2020

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 SEBI Listing Regulations 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. Mahendra V. Doshi	Mr. Pratik M. Doshi	Mrs. Anjali Suresh
DIN	00123243	00131122	DIN 02545317
Date of Birth / Age	29/11/1949 70 Years	01/12/1980 39 Years	17/11/1965 54 Years
Date of First Appointment	5 th May 1984	26 th October 2009	29 th January 2015
Qualification	MBA – U. S. A.	B. A. In Economics-UK.	Chartered Accountant
Expertise in Specific Functional Areas	Mr. Mahendra V. Doshi is the promoter of the Company and is associated with Company since inception. He was appointed as Executive Chairman w.e.f. 26 th July, 2001. He has over 42 years vast experience in the field of Finance, Capital Market and Business Administration.	Extensive experience of 16 years in the field of Foreign Exchange, Stock Market and Commodity Market.	Extensive experience of 25 years in the field of Financial Services.
Other Directorships	<ol style="list-style-type: none"> 1. Nilkamal Ltd. 2. Graviss Hospitality Limited 3. MKM Share and Stock Brokers Ltd. 4. J. K. Helene Curtis Limited 5. Bhavana Holdings Pvt. Ltd. 6. LKP Wealth Advisory Pvt. Ltd. 7. Peak Plastonics Pvt. Ltd. 8. Sea Glimpse Investment Pvt. Ltd. 9. SolarEx P V Solution Pvt. Ltd. 10. Raymond Apparel Ltd. 	<ol style="list-style-type: none"> 1. LKP Securities Ltd. (Managing Director) 2. MKM Share and Stock Brokers Ltd. 3. Bhavana Holdings Pvt. Ltd. 4. LKP Wealth Advisory Pvt. Ltd. 5. Alpha Commodity Pvt. Ltd. 6. SolarEx P V Solution Pvt. Ltd. 7. Peak Plastonics Pvt. Ltd. 8. Astro Sports Pvt. Ltd. 9. Astro Sports Promotion Pvt.Ltd. 	<ol style="list-style-type: none"> 1. Quartet Financial Services Private Limited 2. LKP Securities Ltd.
*Chairman / Member of Committee of the Board of the Companies on which he/she is a Director	LKP Finance Ltd. i. Share Transfer Committee-Chairman ii. CSR Committee -Chairman iii. Audit Committee-Member Graviss Hospitality Limited i. Audit Committee - Chairman ii. Shareholders & Investors Grievance Committee – Member Nilkamal Ltd. i. Audit Committee – Member ii. Remuneration Committee – Member	LKP Finance Ltd. i. Corporate Social Responsibility Committee - Member ii. Nomination & Remuneration Committee- Member LKP Securities Ltd. i. Audit Committee-Member ii. Stakeholders Relationship Committee- Member iii. Share Transfer Committee – Chairman	LKP Finance Ltd. i. Audit Committee-Member ii. Nomination & Remuneration Committee- Member iii. Stakeholders Relationship Committee- Chairperson LKP Securities Ltd. i. Corporate Social Responsibility Committee - Chairperson ii. Audit Committee - Member iii. Nomination & Remuneration Committee - Member iv. Stakeholders Relationship Committee – Member
Shareholding in the Company	35,08,767 Equity Shares (29.52%) (Including on behalf Partnership firm)	1,00,722 Equity Shares (0.80%)	Nil

Relationship with any Director(s) of the Company	Father of Mr. Pratik M. Doshi	Son of Mr. Mahendra V. Doshi	She is not related to any Director or Key Managerial Personnel of the Company
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Annexure - II
Information / Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder:
I. General information:

- Nature of industry: The Company is Nonbanking Financing Company (NBFC).
- Date or expected date of commencement of commercial production: Not Applicable
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- Financial performance based on given indicators: Standalone financial performance of the Company based on given indicators:

(Rs. in lakh)

Particulars	March 31, 2020	March 31, 2019
Paid-up Share Capital	1256.86	1256.86
Total Turnover	1944.14	4468.67
Profit / (Loss) before tax	(2268.49)	2625.35
Net Profit / (Loss) after tax	(2268.49)	1982.07
EPS - Basic and Diluted (in Rs.)	(18.05)	15.78

- Foreign investments or collaborations, if any: None

II. Information about the appointee:

- Background details: Mr. Mahendra V Doshi, aged 70 years is the promoter of the Company and has been instrumental in setting-up and growth of our Company. After completing his M.B.A from Fort Lauderdale University (U.S.A). He has been active in the field of financial markets for over 42 years. He has accelerated growth, and enhanced stakeholder value.
- Past remuneration:

Sl. no.	Particulars of Remuneration	2019-2020	2018-2019	2017-2018
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	63,00,000/-	60,00,000/-	55,50,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	4,50,000/-
	(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	--	81,00,000/-	19,00,000/-
	- others, specify...			
5.	Others, please specify – Bonus	5,00,000/-	5,00,000/-	3,00,000/-
	Medical	15,000/-	15,000/-	---
	Total	68,15,000/-	1,46,15,000/-	82,00,000/-

- Recognition or awards: None
- Job profile and his suitability: Mr. Mahendra Doshi is Managing Director of the Company and handling day to day operation under superintendence and directions of the Board of Directors of the Company.
- Remuneration proposed: Detail given in Explanatory Statement of item no.5 of the Notice.
- Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The proposed remuneration is in line with respect to similar industry, size of the company considering his profile, position and expertise in business. Further aforesaid remuneration is within the ceiling as prescribed under part II of Schedule V of the Act.

8. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: None, apart from his own remuneration and controlling interest by shareholding in the Company. Mr. Mahendra Doshi is a relative of Mr. Pratik M. Doshi, Director of the Company.

III. Other information:

1. Reasons of loss or inadequate profits: This has arisen mainly because of fair value changes of Rs 3009.74 lakhs (as per IND AS) caused by the crash in Stock Markets in March 2020.
2. Steps taken or proposed to be taken for improvement: The Company's major activities are related to Investment in Capital Markets hence its profitability directly co-relate to behaviour of Stock Markets.
3. Expected increase in productivity and profits in measurable terms: Not applicable

IV. Disclosures:

The requisite applicable information and disclosures are furnished in the Board of Directors' report under the heading "Corporate Governance" read with MGT 9 annexure to Directors' Report.

By order of the Board of Directors
For LKP Finance Limited

Place : Mumbai
Date : June 27, 2020

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

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

DIRECTORS' REPORT

The Directors present the Thirty Sixth Annual Report and Audited Accounts of the Company for the year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

The financial performance of the Company is as follows:

Rs. In lakh

Particulars	Standalone		Consolidated	
	Financial Year 2019-20	Financial Year 2018-19	Financial Year 2019-20	Financial Year 2018-19
Revenue from Operations	1936.13	1447.28	1936.25	1450.72
Other Income	8.01	3021.40	8.10	3021.40
Total Revenue	1944.14	4468.68	1944.35	4472.12
Profit before Tax	(2268.49)	2625.35	(2273.32)	2623.69
Less: Tax expense	-	643.28	-	643.29
Profit after Tax	(2268.49)	1982.07	(2273.32)	1980.40
Other Comprehensive loss for the year	41.52	1.80	31.08	(6.92)
Total Comprehensive Income for the year	(2226.97)	1983.87	(2242.24)	1973.48
Earnings per equity share (Face Value of Rs.10/- each)				
- Basic and Diluted (in Rs.)	-18.05	15.78	-18.09	15.76

RESERVE

There is no amount proposed to be transferred to Reserves out of profits of the financial year 2019-20.

DIVIDEND

The Company paid an interim dividend during the financial year ended March 31, 2020, Rs. 2/- per equity share (20%) on the equity share capital in March, 2020, amounting to Rs. 2,51,37,246/- (exclusive of tax on dividend).

The Board of Directors did not recommend any final dividend on the Equity Shares and accordingly, the aforesaid payment of interim dividend shall be considered as dividend for the Financial Year ended March 31, 2020.

PERFORMANCE REVIEW

The Company's revenue from operation increased to Rs.1936.13 lacs from Rs. 1447.28 lacs whereas Other Income decreased to Rs. 8.01 lacs from 3021.40 lacs. The Company has adopted Ind AS for reporting financial results of the year under review against previously Indian GAAP. There is a net loss of after tax of Rs 2268.49 lakhs as against a net profit of Rs 1982.07 lakhs in the previous year. This has arisen mainly because of net loss on fair value changes of Rs 3009.75 lakhs (as per IND AS) caused by the crash in Stock Markets in March 2020.

COVID-19

Towards the end of the financial year, the World Health Organisation (WHO) declared Covid-19 a pandemic and the outbreak, which infected millions, has resulted in deaths of a significant number of people globally. Covid-19 is seen having an unprecedented impact

on people and economies worldwide. 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 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.

The Ministry of Home Affairs, Government of India on March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of Covid-19 pandemic. The Company operates its business in conformity with the highest ethical standards and employee centricity. In view of the outbreak of the pandemic, The Company undertook timely measures to ensure the safety and well-being of its employees at all levels. The employees were allowed to work from home by providing adequate digital and other assistance. The Company observed all the government advisories and guidelines thoroughly.

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 2019-20 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 8th 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. Gayatri Cement and Chemical Industries Private Limited, in Form AOC 1 annexed in Annual 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.

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. The aforesaid documents are also available to Member interested in obtaining the same upon a request made to the Company.

DIRECTORS

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. 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.

Pursuant to section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking re-appointment of Mrs. Anjali Suresh (DIN 02545317) as Independent Director for five consecutive years for a second term with effect from 11th June 2020. The detail of the proposal for re-appointment of Mrs. Anjali Suresh is mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 36th Annual General Meeting.

During the year under review, Mr. Amitabh Chaturvedi ceased to be a Nominee Director of the Company with effect from October 22, 2019 detail as reported under Corporate Governance Report of the Company.

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, 2020, the Board had five members, one of whom is an Executive Chairman-Managing Director, a 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 four Board Meetings and 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, 2020 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 loss 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 in this Annual Report.

SECRETARIAL AUDIT

Pursuant 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 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

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**".

None of the employees of the Company are covered under the provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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 27, 2020

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

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**

Amounts in Rs.

Sl. No.	Particulars	Details
1	Name of the subsidiary	Gayatri Cement & Chemical Industries Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2019 To 31/03/2020
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	21,00,000/-
5	Reserves & Surplus	(-)1,94,57,432/-
6	Total Assets	10,05,816/-
7	Total Liabilities	10,05,816/-
8	Investments	4,79,015/-
9	Turnover	20,512/-
10	Profit before taxation	(-)4,82,910/-
11	Provision for taxation	Nil
12	Profit after taxation	(-)4,82,910/-
13	Proposed Dividend	Nil
14	% of shareholding	Nil

1. Names of subsidiaries which are yet to commence operations – Not Applicable

2. Names of subsidiaries which have been liquidated or sold during the year – Not Applicable

Part "B": Associates and Joint Ventures: Not ApplicableFor MGB & Co. LLP
Chartered Accountants
Firm Registration No. 101169W/W-100035For and on behalf of the board
LKP Finance Limited**Sanjay Kothari**
Partner
Membership No. 048215**M.V Doshi**
Executive Chairman & Managing Director**Pratik M Doshi**
DirectorPlace : Mumbai
Date : 27 June 2020**G.B Innani**
G.M (Legal) & Company Secretary**S.S Gulati**
Head - Corporate Affairs

SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020**[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 our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit*, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained* by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder; except for
- (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; **(not applicable to the company during the audit period)** 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;
 - (e) Employees State Insurance Act, 1948;
 - (f) Payment of Gratuity Act, 1972;
 - (g) The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;

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:

We further report that

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

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

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

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

- i. Special resolution passed at annual general meeting dated 5th July, 2019 for appointment of Mr. Vineet Suchanti as Independent Director of the Company.

For V.R. Associates
Company Secretaries
Sd/-

V. Ramachandran
ACS: 7731:CP 4731

Place: Mumbai

Date: June 22, 2020

UDIN: A007731B000362767

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 our 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 we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
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 checked digitally.*

For V.R. Associates
Company Secretaries
Sd/-

V. Ramachandran
ACS: 7731:CP 4731

Place: Mumbai

Date: June 22, 2020

UDIN: A007731B000362767

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L65990MH1984PLC032831
ii.	Registration Date	5 th May 1984
iii.	Name of the Company	LKP Finance Limited
iv.	Category / Sub-Category of the Company	Company Limited by shares
v.	Address of the Registered office and contact details	203 Embassy Centre, Nariman Point, Mumbai 400 021 Tel No.: 022 4002 4712 / 85 / 86
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Adroit Corporate Services Private Limited 19, Jafarbhoy Industrial Estate, 1 st 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	Interest & Dividend Income	65990	28.34
2	Profit on sale of Shares and Securities	65990	71.24

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	Gayatri Cement & Chemical Industries Private Limited 112-A, Embassy Centre Nariman Point Mumbai 400021	U99999MH1983PTC115063	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 01/04/2019				No. Of Shares held at the end of the year 31/03/2020				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
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	3809489	0	3809489	30.31	3609489	0	3609489	28.72	-1.59
ii. Directors relatives	216725	0	216725	1.73	416725	0	416725	3.32	1.59
Sub-total (A) (1):-	7983234	0	7983234	63.52	7983234	0	7983234	63.52	0.00
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other...	--	--	--	--	--	--	--	--	--

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2019				No. Of Shares held at the end of the year 31/03/2020				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	7983234	0	7983234	63.52	7983234	0	7983234	63.52	0.00
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	700	700	0.01	0	0	0	0.00	-0.01
b) Banks / FI	50	2500	2550	0.02	50	200	250	0.00	-0.02
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FII's	19783	0	19783	0.15	374778	0	374778	2.98	2.83
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B) (1)	19833	3200	23033	0.18	374828	200	375028	2.98	2.80
(2) Non - Institutions									
a) Bodies Corp.									
i) Indian	3131872	8101	3139973	24.98	2314180	6026	2320206	18.46	-6.52
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	797095	268885	1065980	8.48	751259	192921	944180	7.51	-0.97
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	233699	0	233699	1.86	771499	0	771499	6.14	4.28
c) Others (Specify)									
c-1) Non Resident Indians (Individuals)	72329	46225	118554	0.94	57520	21025	78545	0.62	-0.32
c-2) Foreign Individuals	0	200	200	0.00	0	200	200	0.00	0.00
c-3) Trusts	200	0	200	0.00	0	0	0	0.00	0.00
c-4) Clearing Member	3750	0	3750	0.03	1711	0	1711	0.01	-0.02
c-5) Investor Education And Protection Fund	0	0	0	0.00	94020	0	94020	0.75	0.75
Sub-total (B)(2)	4238945	323411	4562356	36.30	3990189	220172	4210361	33.50	-2.80
Total Public Shareholding(B)= (B) (1)+(B)(2)	4258778	326611	4585389	36.48	4365017	220372	4585389	36.48	0.00
C. Shares held by Custodian for GDRs & ADRs.									
Promoter and Promoter Group	--	--	--	--	--	--	--	--	--
Public -	--	--	--	--	--	--	--	--	--
Sub-total (C)	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	12242012	326611	12568623	100.00	12348251	220372	12568623	100.00	0.00

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			% 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 Vasantrai Doshi	1649363	13.12	0.00	1449363	11.54	0.00	-1.58
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 Vasantrai Doshi (On Behalf Of LKP Panday)	2059404	16.39	0.00	2059404	16.39	0.00	0.00
7	Ira Pratik Doshi	100000	0.80	0.00	200000	1.59	0.00	0.79
8	Samaya Pratik Doshi	100000	0.80	0.00	200000	1.59	0.00	0.79
	Total	7983234	63.52	0.00	7983234	63.52	0.00	0.00

(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	
1	BHAVANA HOLDINGS PRIVATE LIMITED					
	At the beginning of the year	31-03-2019	1409505	11.21	1409505	11.21
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2020	0	0.00	1409505	11.21
2	SEA GLIMPSE INVESTMENTS PVT LTD					
	At the beginning of the year	31-03-2019	2547515	20.27	2547515	20.27
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2020	0	0.00	2547515	20.27
3	MAHENDRA VASANTRAI DOSHI (on behalf of LKP Panday)					
	At the beginning of the year	31-03-2019	2059404	16.39	2059404	16.39
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2020	0	0.00	2059404	16.39
4	MAHENDRA VASANTRAI DOSHI					
	At the beginning of the year	31-03-2019	1649363	13.12	1649363	13.12
	Date wise Increase / Decrease in Promoters Share holding during the year	06/03/2020	-200000	1.59	1449363	11.53
	At the End of the year	31/03/2020	0	0.00	1449363	11.53
5	SHITAL A SONPAL					
	At the beginning of the year	31-03-2019	16725	0.13	16725	0.13
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2020	0	0.00	16725	0.13
6	PRATIK M DOSHI					
	At the beginning of the year	31-03-2019	100722	0.80	100722	0.80
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2020	0	0.00	100722	0.80
7	IRA PRATIK DOSHI					

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	
	At the beginning of the year	31-03-2019	100000	0.80	100000	0.80
	Date wise Increase / Decrease in Promoters Share holding during the year	06/03/2020	100000	0.80	200000	1.59
	At the End of the year	31/03/2020	0	0.00	200000	1.59
8	SAMAYA PRATIK DOSHI					
	At the beginning of the year	31-03-2019	100000	0.80	100000	0.80
	Date wise Increase / Decrease in Promoters Share holding during the year	06/03/2020	100000	0.80	200000	1.59
	At the End of the year	31/03/2020	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
1	AUTHUM INVESTMENT AND INFRASTRUCTURE LIMITED					
	At the beginning of the year	31-03-2019	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	10/01/2020	3089410	24.58	3089410	24.58
		07/02/2020	-800959	6.37	2288451	18.21
		14/02/2020	-294614	2.34	1993837	15.86
		13/03/2020	700	0.01	1994537	15.87
		20/03/2020	-197281	1.57	1797256	14.30
		27/03/2020	1000	0.01	1798256	14.31
	At the End of the year	31/03/2020	0	0.00	1798256	14.31
2	DAKSHIN MERCANTILE PRIVATE LIMITED					
	At the beginning of the year	31-03-2019	3074410	24.46	3074410	24.46
	Date wise Increase / Decrease in Share holding during the year	20/09/2019	-3074410	24.46	0	0.00
	At the End of the year	31/03/2020	0	0.00	0	0.00
3	MULRAJ PITAMBER MODY					
	At the beginning of the year	31-03-2019	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	07/02/2020	555500	4.42	555500	4.42
	At the End of the year	31/03/2020	0	0.00	555500	4.42
4	TEAM INDIA MANAGERS LTD					
	At the beginning of the year	31-03-2019	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	07/02/2020	284000	2.26	284000	2.26
		13/03/2020	-130000	1.03	154000	1.23
		20/03/2020	25000	0.20	179000	1.42
	At the End of the year	31/03/2020	0	0.00	179000	1.42
5	NEW BERRY ADVISORS LIMITED					
	At the beginning of the year	31-03-2019	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	14/02/2020	249900	1.99	249900	1.99
		20/03/2020	-50000	0.40	199900	1.59
	At the End of the year	31/03/2020	0	0.00	199900	1.59

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
6	INDIA MAX INVESTMENT FUND LIMITED					
	At the beginning of the year	31-03-2019	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	08/11/2019	2788	0.02	2788	0.02
		20/12/2019	-2788	0.02	0	0.00
		20/03/2020	199995	1.59	199995	1.59
	At the End of the year	31/03/2020	0	0.00	199995	1.59
7	LTS INVESTMENT FUND LTD					
	At the beginning of the year	31-03-2019	19783	0.16	19783	0.16
	Date wise Increase / Decrease in Share holding during the year	13/03/2020	130000	1.03	149783	1.19
		27/03/2020	25000	0.20	174783	1.39
	At the End of the year	31/03/2020	0	0.00	174783	1.39
8	TAX RECOVERY OFFICER (TRO RANGE 14 (1)					
	At the beginning of the year	31-03-2019	200	0.00	200	0.00
	Date wise Increase / Decrease in Share holding during the year	20/09/2019	93820	0.75	94020	0.75
	At the End of the year	31/03/2020	0	0.00	94020	0.75
9	HAS LIFESTYLE LIMITED					
	At the beginning of the year	31-03-2019	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	21/02/2020	50100	0.40	50100	0.40
	At the End of the year	31/03/2020	0	0.00	50100	0.40
10	SANJAY MANSUKHLAL CHITALIA					
	At the beginning of the year	31-03-2019	30000	0.24	30000	0.24
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2020	0	0.00	30000	0.24

(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				
	01/04/2019	3708767*	29.85	3708767	29.51
	06/03/2020 - 200000			3508767	29.51
	31/03/2020			3508767*	27.92
2	Mr. Pratik M Doshi, Director				
	01/04/2019	100722	0.80	100722	0.80
	31/03/2020	--	--	100722	0.80
3	Mr. Vineet Suchanti, Director				
	01/04/2019	--	--	--	--
	31/03/2020	--	--	--	--
4	Mrs. Anjali Suresh, Director				
	01/04/2019	--	--	--	--
	31/03/2020	--	--	--	--
5	Mr. Sajid Mohamed, Director				
	01/04/2019	--	--	--	--
	31/03/2020	---	---	---	---
6	Mr. S. S. Gulati, CFO				
	01/04/2019	--	--	--	10
	31/03/2020	--	--	--	10

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
7	Mr. Girish Innani, G M (Legal) & Company Secretary				
	01/04/2019	--	--	--	--
	31/03/2020	--	--	--	--

* Including 2059404 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
Indebtedness at the beginning of the financial year				
Principal amount	--	35,96,65,031	--	35,96,65,031
Interest due but not paid	--	--	--	--
Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	35,96,65,031	--	35,96,65,031
Change in Indebtedness during the financial year				
Addition	--	--	--	--
Reduction	--	--	--	--
Net Change	--	--	--	--
Indebtedness at the end of the financial year				
Principal Amount	--	35,96,65,031	--	35,96,65,031
Interest due but not paid	--	--	--	--
Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	35,96,65,031	--	35,96,65,031

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.
		Mr. Mahendra V. Doshi, 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...			
5.	Others, please specify – Bonus Medical		5,00,000/- 15,000/-	5,00,000/- 15,000/-
	Total (A)		68,15,000/-	68,15,000/-
	Ceiling as per the Act			

B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Director(s)			Total Amount
a.	<u>Independent Directors</u>	Mr. Vineet Suchanti	Mr. Sajid Mohamed	Mrs. Anjali Suresh	
	· Fee for attending board meetings	Rs. 90,000/-	Rs. 60,000/-	Rs. 1,10,000/-	Rs. 2,60,000/-
	· Commission	-	-	-	-
	· Others, please specify	-	-	-	-
	Total (1)	Rs. 90,000/-	Rs. 60,000/-	Rs. 1,10,000/-	Rs. 2,60,000/-

b.	Other Non-Executive Directors	Mr. Pratik Doshi	Mr. Amitabh Chaturvedi	
	· Fee for attending board meetings	1,10,000/-	--	Rs. 1,10,000/-
	· Commission	--	--	
	· Others, please specify	--	--	
	Total (2)	1,10,000/-	--	Rs. 1,10,000/-
	Total (B)=(1+2)			Rs. 3,70,000/-

(*Overall Ceiling as per the Act is Rs. 1,00,000/- sitting fees per Meeting. However company has paid Rs. 20,000/- sitting fees per board meeting for 3 board meetings and Rs. 50,000/- for 1 board meeting.)

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/-	53,99,100/-
	(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...	--	--	--
5.	Others, please specify-			
	1) Bonus	1,48,500/-	2,75,000/-	4,23,500/-
	2) Incentive	--	--	--
	3) Medical	10,000/-	15,000/-	25,000/-
	4) Transportation	12,000/-	12,000/-	24,000/-
	Total (C)	21,04,600/-	37,67,000/-	58,71,600/-

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
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
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.

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the company’s CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR policy is stated herein below:

CSR Policy

(Approved by the Board of Directors on 29.01.2015)

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.

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:-

1. *Education: Our endeavour is to spark the desire for learning and enlighten minds. We may undertake to fulfill 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.*
2. *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.*
3. *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.*

Web Link: http://www.lkpsec.com/Admin/InvestorInreport/635665217977345000_FINAL%20CSR%20POLICY.pdf

2. **Composition of CSR committee**

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

3. **Average net profit of the company for last three financial years:**

Average net profit: Rs. 21,13,11,469/-

4. **Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)**

The company is required to spent Rs. 42,26,229/-

Details of CSR spent :

- a) Total amount spent for the Financial Year Rs. 45,00,000/-
- b) Amount unspent if any : NIL
- c) Manner in which the amount was spent

S. No.	Projects/ Activities	Sector	Locations	Amount outlay (Budget) project or programme wise (Rs. Lakhs)	Amount spent on the project or programme (Rs. Lakhs)	Cumulative expenditure up to reporting period (Rs. Lakhs)	Amount spent: Direct or through implementing agency (Rs. Lakhs)
1	Educational	Literacy	Maharashtra	215.00	201.50	201.50	201.50

- d) Details of implementing agency : Smt. Jayalaxmi Vasantrai Doshi Charitable Trust, Mumbai.
- e) The implementing agency has identified rehabilitation project of Devghar village, Ambawane Panchayat in Pune District of Maharashtra State, for the purpose of Education, Health Care and Environmental Sustainability.
- f) The implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of Board of Directors

Place: Mumbai
Date: June 27, 2020

(Pratik M. Doshi)
Member CSR Committee

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

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	13.49:1

- 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	-53.36
Head Corporate Affairs / CFO	Mr. S. S. Gulati	-18.14
General Manger (Legal) & Company secretary	Mr. G. B. Innani	4.57

- iii. The % increase in the median remuneration of employees in the financial year : 4.44
- iv. The number of permanent employees on the rolls of the Company : 10
- v. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year: + 2.31
- Average percentage increase in the managerial remuneration in the last financial year. - 40.24
- There are no exceptional circumstances for increase in the managerial remuneration.
- 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 27, 2020

(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, 2020 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 & Managing Director	Graviss Hospitality Limited Nilkamal Ltd.	Independent Director Independent 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	Promoter-Non-executive Director
Mr. Sajid Mohamed	Independent & Non-executive	Director	LKP Securities Limited	Independent Director
Mr. Pratik M. Doshi	Promoter	Director	LKP Securities Limited	Managing Director
Mr. Amitabh Chaturvedi	Nominee	Director (upto October 22, 2019)	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.

Mr. Amitabh Chaturvedi was representing Dakshin Mercantile Private Limited ('Dakshin'), the Acquirer under Open Offer. However, the transaction as per Share Purchase Agreement could not conclude by Dakshin due to financial constraints of the Acquirer (Essel Group) and during the year under review Dakshin disposed-off its entire shares holding in the Company which was acquired under Open Offer. Hence, in consequent thereto Mr. Chaturvedi has ceased to be nominee Director on the Board of Company with effect from October 22, 2019.

Board Meetings

The Meeting of the Board of Directors are scheduled well in advance and generally held at the Company's office at Nariman Point, Mumbai. The notice confirming the meeting and the detailed agenda is sent well in advance to all the Directors.

There were four Board Meetings held during the financial year ended March 31, 2020, namely on May 02, 2019, August 08, 2019, October 22, 2019 and January 28, 2020.

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, 2020:

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	4	Yes	6	5	4	3
2	Mr. Vineet Suchanti	3	Yes	6	1	4	4
3	Mr. Pratik M. Doshi	4	Yes	3	7	5	1
4	Mr. Sajid Mohamed	3	No	2	1	2	0
5	Mrs. Anjali Suresh	4	No	2	1	5	2
6	Mr. Amitabh Chaturvedi (upto October 22, 2019)	1	Yes	Not Applicable			

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. 68.15 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 May 24, 2017. 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. 60,000/-
Mr. Vineet N. Suchanti	Rs. 90,000/-
Mr. Pratik M. Doshi	Rs. 1,10,000/-
Mr. M. V. Doshi	Nil
Mrs. Anjali Suresh	Rs. 1,10,000/-
Mr. Amitabh Chaturvedi	Nil

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 April 30, 2019, August 08, 2019, October 22, 2019 and January 28, 2020. 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. During the year under review, one complaint were received about non receipt of Dividend Warrant. The Committee meetings were held on 5th April 2019, 15th July 2019, 22nd October 2019 and 28th January 2020. 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, 2020, two meetings of the Nomination and Remuneration Committee were held on 22nd October 2019 and 28th January 2020. All the members have attended the aforesaid meetings. 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, 2020. 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 January 28, 2020, 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 ⁵	Mr. Mahendra V. Doshi	Mr. Vineet Suchanti	Mr. Pratik M. Doshi	Mr. Sajid Mohamed	Mrs. Anjali Suresh
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.

Credit Rating

The Company's present Credit Rating is BWR BBB- (stable) as compare to earlier BWR BBB (stable)

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
2018-19	Friday, July 05, 2019 at 10:00 AM	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001.	Reappointment of Mr. Vineet Suchanti as Independent Director.
2017-18	Friday, May 15, 2018 at 10:00 AM		Nil
2016-17	Wednesday, May 24, 2017 at 10.00 a.m.		Approval for re-appointment of Mr. M. V. Doshi as Executive Chairman of the Company and payment of Remuneration thereof

During the year 2019-20 no business had been conducted through postal ballot and as on date no Special Resolution is proposed to be conducted 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.

During the year under review, there were no strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchange or any regulatory authority for non-compliance of

any matter related to the capital market.

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

Policy for determining 'material' subsidiaries

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 Lakshadeep, widely circulating national and local dailies. These were not sent individually to the shareholders.

The Company's results or official news are displayed on a web site 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: Monday, August 31, 2020 at 11.00 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)

1st Quarter - First week of August

2nd Quarter - First week of November

3rd Quarter - First week of February

4th Quarter - First week of May

Book Closure: Tuesday, August 25, 2020 to Monday, August 31, 2020 (both days inclusive).

Dividend: Dividend which remains unpaid or unclaimed, declared by the Company for the year ended on March 31, 2013 at the Annual General Meeting held on May 31, 2013 will be due on July 05, 2020 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. 3,34,244/- lying with the Company for a period of seven years pertaining to the financial year ended on March 31, 2012 was transferred during the year 2019-20, 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. .

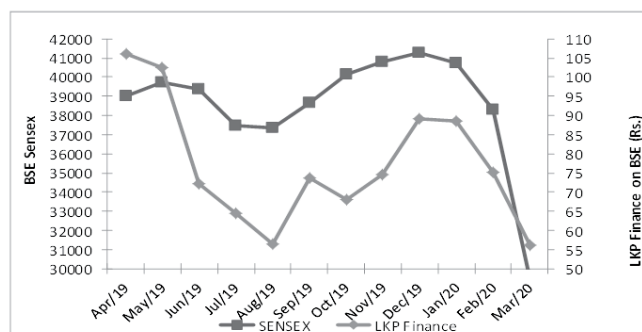
Listing on Stock Exchange: BSE Limited, Mumbai (Code-507912). The Company has paid the listing fees for FY 2019-20 and 2020-21.

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-19	123.4	105	14720	290	39487.45	38460.25
May-19	109.9	97.05	11697	328	40124.96	36956.1
Jun-19	105	63.05	22350	410	40312.07	38870.96
Jul-19	74	63.85	21293	241	40032.41	37128.26
Aug-19	65.7	50.55	10386	119	37807.55	36102.35
Sep-19	89	55.1	3138977	466	39441.12	35987.8
Oct-19	77.3	59.85	25014	473	40392.22	37415.83
Nov-19	90	67	60501	610	41163.79	40014.23
Dec-19	98.95	72	53238	550	41809.96	40135.37
Jan-20	92.8	78.1	3119854	542	42273.87	40476.55
Feb-20	95	74	1184590	606	41709.3	38219.97
Mar-20	82.5	48	401148	435	39083.17	25638.9

Price Performance compared to SENSEX



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

Registrar & share Transfer Agent

M/s. Adroit Corporate Services Private Limited
19, Jafarbhoy Industrial Estate, 1st 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 2020

No. of Shares	No. of Shareholders	%	No. of Shares	Amount in Rs.	%
UPTO - 100	2954	67.67	211425	2114250	1.68
101 - 500	982	22.5	262293	2622930	2.09
501 - 1000	226	5.18	169676	1696760	1.35
1001 - 2000	108	2.47	158090	1580900	1.26
2001 - 3000	29	0.66	72924	729240	0.58
3001 - 4000	7	0.16	23695	236950	0.19
4001 - 5000	9	0.21	42431	424310	0.34
5001 - 10000	16	0.37	108402	1084020	0.86
10001 - 20000	13	0.3	191707	1917070	1.53
20001 - 50000	4	0.09	112474	1124740	0.89
50001 & Above	17	0.39	11215506	112155060	89.23
Total	4365	100	12568623	125686230	100

Dematerialization of equity Shares and liquidity

As on March 31, 2020, 98.25 % of the Company's total shares represented by 1,23,48,251 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 : lkpfininvestor.relations@lkpsec.com

For and on behalf of Board of Directors

Place: Mumbai (M. V. Doshi)
Date: June 27, 2020 Executive Chairman and Managing Director

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

M. V. Doshi Executive Chairman
S. S. Gulati Head Corporate Affairs
Place: Mumbai and Managing Director
Date: June 27, 2020

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, 2020.

For and on behalf of Board of Directors

Place: Mumbai (M. V. Doshi)
Date: June 27, 2020 Executive Chairman and Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,
LKP Finance Limited

We have examined* the compliance of conditions of Corporate Governance by LKP Finance Limited (“the Company”) for the financial year ended on March 31, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of the corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the company has complied with conditions of corporate governance as specified in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

We state that such compliance is neither an assurance as to future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**Due to ongoing pandemic of Covid-19 and state of lockdown, all the papers, forms, returns filed and other records maintained by the Company, wherever possible, have been checked digitally.*

For V.R. Associates
Company Secretaries

V. Ramachandran
CP 4731; ACS 7731

Place: Mumbai
Date: 22nd June, 2020
UDIN: A007731B000362899

Certificate under Regulation 34(3) of SEBI Listing Regulations

We have examined* the relevant records, registers, forms, and documents of LKP Finance Ltd. (the company), having CIN L65990MH1984PLC032831 and having registered office at 203 Embassy Centre, Nariman Point, Mumbai 400 021, maintained and produced before us, and the records available in public domain, for the year ended 31st March, 2020 for the purpose of issuing the certificate under regulation 34(3), read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

Based on our examination of the records, documentation as well as information and explanation furnished to us, including the disclosures from the Directors of the company, which to the best of our knowledge and belief were necessary for the purposes of certification, we hereby certify that in our opinion and according to the best of our information and belief, none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Director of companies either by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

** 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 checked digitally.*

For V.R. Associates
Company Secretaries

V. Ramachandran
C.P. No. 4731

Place: Mumbai
Date: 22nd June, 2020
UDIN: **A007731B00036303**

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The financial year 2019-20 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.

The NBFC segment witnessed marginal growth during first half of 2019-20 but during the second half of the year, NBFCs were impacted on account of tight liquidity conditions, high cost of borrowing and volatility in the capital markets. The spread of the COVID-19 pandemic and the subsequent synchronized lockdown across global markets resulted in shrinking of the capital market lending business.

OPPORTUNITIES AND THREATS

Your Company being an investment Company seeks opportunities in the capital market. The volatility in stock indices in the financial year under report represents both an opportunity and challenge for the Company.

Capital market activities in which most of our activities depend on is also influenced by global events happening in the US, UK & China and hence there is an amount of uncertainty in the near term outlook of the market.

However, strong and stable government at centre, 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

The Covid-19 crisis has disrupted global economy and created extraordinary challenges. The economic activity in India was down to a standstill owing to the nation-wide lockdown in India.

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On March 11, 2020, the COVID-19 outbreak was declared as a global pandemic by the World Health Organisation. On March 24, 2020 the Indian Government had announced a strict 21 day lockdown which kept on getting extended across the Country with gradual and modest relaxations.

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 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.

The government and the RBI have introduced several liquidity and stimulus measures to support the NBFC industry however those are yet to show tangible results.

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 of Chartered Accountants. 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.

FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW

The Company has adopted Ind AS for reporting financial results of the year under review against previously Indian GAAP the effect of the same can be noted from the Audited Financial Statements. Due to crash of Stock Market in the month of March 2020, company's profits have been affected substantially.

CAUTIONARY STATEMENT

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

TAX EXPENSES

The tax expense has reduced from Rs. 6,43,28,599/- in previous year to Nil 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, 2020 there are 10 employees employed by the Company. The Company has been paying special attention to improve the skill set of the employees.

KEY FINANCIAL RATIOS

The key financial ratios and details of significant changes in these ratios, to the extent applicable, as required by SEBI (LODR) (Amendment) Regulations, 2018 are given below:

Key Financial Ratios	Financial Year 2019-20	Financial Year 2018-19
(i) Debtors Turnover	N.A.	N.A.
(ii) Inventory Turnover	N.A.	N.A.
(iii) Interest Coverage Ratio	-21.33	34.24
(iv) Current Ratio	3.33 : 1	5.13 : 1
(v) Debt Equity Ratio	0.25 : 1	0.21 : 1
(vi) Operating Profit Margin (%) or sector-specific equivalent ratios, as applicable.	-105.79%	-3.64%
(vii) Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	-116.68%	44.35%
(j) details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.	N.A.	N.A.

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 2020, 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 2020, loss 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 2020. 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>Non recognition of Deferred tax assets on carried forward tax losses and MAT credit entitlement</p> <p>The Company's ability to recover deferred tax assets and MAT credit entitlement 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 and MAT credit entitlement 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 and MAT credit entitlement 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 and MAT credit entitlement, 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 and unrecognized MAT credit entitlement.</p>

Sr. No	Key Audit Matter	How our audit addressed the key audit matter
2	<p>Transition to Ind AS accounting framework (as described in Note 46 to standalone financial statements)</p> <p>The Company has adopted Ind AS from 1 April 2019 with an effective date of 1 April 2018 for such transition. For periods up to and including the year ended 31 March 2019, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31 March 2020, together with the comparative financial information for the previous year ended 31 March 2019 and the transition date Balance Sheet as at 1 April 2018 have been prepared under Ind AS.</p> <p>The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.</p> <p>In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.</p>	<p>Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework.</p> <p>Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date.</p> <p>Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</p> <p>Tested the disclosures prescribed under Ind AS</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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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, 27 June 2020

UDIN: 20048215AAAACX4491

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 2020.

- 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 not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. As the company is a Non-Banking finance Company being engaged in the business of financing Company 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 2020 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, 27 June 2020

UDIN: 20048215AAAACX4491

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 2020

We have audited the internal financial controls over financial reporting of **LKP Finance Limited** ("the Company") as of 31 March 2020 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 2020, 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, 27 June 2020

UDIN: 20048215AAAACX4491

STANDALONE BALANCE SHEET AS AT 31 MARCH 2020

	Notes	31 March 2020	31 March 2019	(Rs Lakhs) 01 April 2018 (Restated, Refer Note 46)
ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents	3(a)	417.83	399.50	7,784.77
(b) Bank Balance other than (a) above	3(b)	1,819.40	1,819.15	1,831.84
(c) Trade receivables	4	1,165.76	1,564.16	2.59
(d) Loans	5	3,826.63	3,699.24	1,013.66
(e) Investments	6	8,316.99	11,482.45	9,233.45
(f) Other financial assets	7	954.46	952.46	504.58
Total Financial Assets		16,501.07	19,916.96	20,370.89
(2) Non-Financial Assets				
(a) Current tax assets (net)	8	453.99	288.74	295.52
(b) Deferred tax assets (net)	9	663.20	663.20	673.48
(c) Property, Plant and Equipment	10	13.45	16.33	178.04
(d) Other non-financial assets	11	1,173.63	57.08	34.39
Total Non-Financial Assets		2,304.27	1,025.36	1,181.43
TOTAL ASSETS		18,805.34	20,942.32	21,552.32
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial Liabilities				
(a) Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		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		239.89	73.73	83.99
(b) Borrowings	13	3,596.65	3,596.65	5,584.83
(c) Other financial liabilities	14	64.19	65.20	77.30
Total Financial Liabilities		4,034.22	3,735.58	5,746.12
(2) Non-Financial Liabilities				
(a) Provisions	15	12.46	15.22	8.50
(b) Other non-financial liabilities	16	128.74	31.57	31.90
Total Non-financial liabilities		141.20	46.79	40.40
(3) Equity				
(a) Equity Share capital	17	1,256.86	1,256.86	1,242.15
(b) Other Equity	18	13,373.06	15,903.09	14,523.65
Total Equity		14,629.93	17,159.95	15,765.80
TOTAL LIABILITIES AND EQUITY		18,805.34	20,942.32	21,552.32
Notes forming part of the standalone financial statements	1-47			

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 : 27 June 2020
G.B Innani

G.M (Legal) & Company Secretary

S.S Gulati

Head-Corporate Affairs

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(Rs Lakhs)

	Note	31 March 2020	31 March 2019
Revenue from operations	19		
(i) Interest Income		539.77	400.93
(ii) Dividend Income		11.29	91.59
(iii) Others		1,385.07	954.76
Total Revenue from operations		1,936.13	1,447.28
Other Income	20	8.01	3,021.40
Total Income		1,944.15	4,468.68
Expenses			
(i) Finance Costs	21	219.78	233.40
(ii) Fees and commission Expense	22	53.90	7.03
(iii) Net loss on fair value changes	23	3,009.75	357.69
(iv) Impairment on financial instruments	24	188.24	712.62
(v) Employee benefits expense	25	501.55	259.89
(vi) Depreciation and amortisation expenses	26	0.86	10.26
(vii) Other expenses	27	238.55	262.43
Total Expenses		4,212.64	1,843.32
Profit/ (Loss) before tax		(2,268.50)	2,625.36
Tax expenses	28		
Current tax		-	633.00
Deferred tax (Credit) / Charge		-	10.29
Total tax expenses		-	643.30
Profit for the year		(2,268.50)	1,982.07
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plan		(3.43)	1.38
- Fair value change on equity instruments through other comprehensive income		44.96	0.42
Other Comprehensive Income for the year		41.52	1.80
Total comprehensive Income/ (loss) for the year		(2,226.98)	1,983.87
Earning per equity share (face value of Rs. 10 each)	37		
Basic (in Rs.)		(18.05)	15.78
Diluted (in Rs.)		(18.05)	15.78
Notes forming part of the standalone financial statements	1-47		

In terms of our Report attached

For and on behalf of the board
For MGB & Co. LLP
LKP Finance Limited

Chartered Accountants

Firm Registration No. 101169W/W-100035

Sanjay Kothari

Partner

Membership No. 048215

M.V Doshi

Executive Chairman & Managing Director

Pratik M Doshi

Director

Place : Mumbai
Date : 27 June 2020
G.B Innani

G.M (Legal) & Company Secretary

S.S Gulati

Head-Corporate Affairs

Statement of Changes in Equity for the year ended 31 March 2020

	Note	Rs in Lakhs
A. Equity Share Capital		
As at 1 April 2018	17	1,242.15
Changes in equity share capital during the year		14.71
As at 31 March 2019	17	1,256.86
Changes in equity share capital during the year		-
As at 31 March 2020	17	1,256.86

	Reserves and Surplus					Other Comprehensive Income	Total other Equity
	Share based payment reserve	Special Reserve as per RBI Guidelines for NBFC	Securities Premium	General Reserve	Retained Earnings		
As at 1 April 2018	60.89	4,124.66	156.45	6,146.06	3,672.79	362.80	14,523.65
Profit / (loss) for the year	-	-	-	-	1,982.07	-	1,982.07
Remeasurement gains/(losses) on defined benefit plan	-	-	-	-	1.38	-	1.38
Dividend paid (including tax)	-	-	-	-	(757.13)	-	(757.13)
Transfer from Retained Earnings to Special Reserve	-	483.60	-	-	(483.60)	-	-
Premium on issue of ESOP	(60.89)	-	213.58	-	-	-	152.69
Other comprehensive income							
Gain /(Loss) on fair value of financial asset measured through other comprehensive income	-	-	-	-	-	0.42	0.42
Total comprehensive income	-	4,608.26	370.03	6,146.06	4,415.52	363.22	15,903.09
As at 31 March 2019	-	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	-	-	-	-	(3.43)	-	(3.43)
Dividend paid (including tax)	-	-	-	-	(303.05)	-	(303.05)
Other comprehensive income							
Gain /(Loss) on fair value of financial asset measured through other comprehensive income	-	-	-	-	-	44.96	44.96
Total comprehensive income	-	4,608.26	370.03	6,146.06	1,840.52	408.18	13,373.06
As at 31 March 2020	-	4,608.26	370.03	6,146.06	1,840.52	408.18	13,373.06
Notes forming part of the standalone financial statements 1-47							

- 1) Securities premium on created in issue of shares
- 2) Shares Based payment reserve is related to share options granted by the company to its employee under its employee share option plan.
- 3) Retained earnings represent the accumulated earnings net of losses if any made by the company over the years.
- 4) Other comprehensive income includes fair value gain on equity instruments measured at fair value through OCI and remeasurement of defined benefit plan.
- 5) Statutory Reserves represent reserve created wherein sum not less than twenty percent of its net profit is being transferred to the reserves
- 6) General Reserve is a distributable reserve maintained by the company out of transfers made from profits

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 : 27 June 2020
G.B Innani

G.M (Legal) & Company Secretary

S.S Gulati

Head-Corporate Affairs

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2020

	(Rs Lakhs)	
	31 March 2020	31 March 2019
A. Cash flow from operating activities		
Profit/(loss) before tax	(2,268.50)	2,625.36
Adjustments for:		
Depreciation and amortization expense	0.86	10.26
Loss/ (profit) on disposal of property, plant and equipment/ intangibles	(2.96)	33.02
Interest expenses	101.57	114.48
Interest Income	(168.65)	(281.27)
Dividend Income	(11.29)	(91.59)
Net loss/ (gain) on fair value changes	3,009.75	357.69
Net loss/ (gain) on sale of investments	(1,382.94)	(954.76)
Impairment on financial instruments	188.24	712.62
Operating profit before working capital changes	(533.92)	2,525.80
Adjustments for:		
Decrease / (increase) in Trade Receivables	398.40	(1,561.57)
(Decrease) /increase in Trade payables and other payables	299.64	(10.26)
(Decrease) /increase in Financial assets	(2.00)	(447.88)
(Decrease) /increase in Non financial assets	(1,119.98)	(21.30)
Other Non-Financial Liabilities	97.16	(0.32)
Other Financial Liabilities	(1.01)	(12.10)
Provision for Mark to Market Losses on Future Contracts	-	(3.88)
Cash generated from operations	(861.71)	468.49
Direct tax paid (net of refunds)	(165.25)	(626.22)
Net cash from/ (used in) operating activities (A)	(1,026.95)	(157.73)
B. Cash flow from investing activities		
Sale of Property, plant and equipment and intangible assets	5.00	118.41
Purchase of investments	(2,000.00)	-
(Increase)/ decrease in investments held for trading	3,583.61	(1,901.51)
Loans given	(318.40)	(3,137.60)
(Increase)/ decrease in bank deposits	(0.25)	12.69
Interest received	168.65	281.27
Dividend received	11.29	91.59
Net cash from/ (used in) investing activities (B)	1,449.90	(4,535.15)
C. Cash flow from financing activities		
Proceeds from issues of shares on ESOP	-	167.40
Dividend Paid	(303.05)	(757.13)
Repayments of borrowings	-	(1,988.18)
Interest paid	(101.57)	(114.48)
Net cash from/ (used in) financing activities (C)	(404.63)	(2,692.38)
Net changes in cash and cash equivalents (A+B+C)	18.32	(7,385.27)
Cash and cash equivalents at the beginning of the year	399.50	7,784.77
Cash and bank balances at the end of the year	417.83	399.50
Notes:		
1. Previous year figures have been regrouped or recast wherever, considered necessary		
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. Cash and cash equivalents consists of :		
Cash on Hand	0.06	0.08
Balances with banks:		
in current accounts	402.91	399.42
Cheques in hand	14.86	-
Total	417.83	399.50

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 : 27 June 2020
G.B Innani

G.M (Legal) & Company Secretary

S.S Gulati

Head-Corporate Affairs

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 7 August 1999 vide Regn No. B.13.01282. The Company is presently classified as Investment Company.

The separate financial statement (hereinafter referred to as “Financial Statements”) of the Company for the year ended 31 March 2020 were authorised for issue by the Board of Directors at the meeting held on 27 June 2020.

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.

For all periods up to and including the year ended 31 March 2019, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2016 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as ‘Previous GAAP’). These financial statements for the year ended 31 March 2020 are the first the Company has prepared in accordance with Ind AS. The Company has applied Ind AS 101 ‘First-time Adoption of Indian Accounting Standards’, for transition from previous GAAP to Ind AS.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2018 being the date of transition to Ind AS.

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.

An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note no. 46

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) Property, plant and equipment

- i) 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.
- ii) On transition to IND AS, the company has elected to continue with the carrying value of all its property plant & equipment recognised as at 1 April 2018 measured as per previous GAAP and use that carrying value as deemed cost of property, plant and equipment.

(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 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.

Notes forming part of standalone financial statements

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.

(f) 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.

(g) 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').

Notes forming part of standalone financial statements

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 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.

Notes forming part of standalone financial statements

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.

(h) 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.

(i) 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.

(j) 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.

(k) 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 unfunded.

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)

Notes forming part of standalone financial statements

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.

(l) 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.

(m) 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 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.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

(n) 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.

(o) 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.

(p) 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.

(q) Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but remaining

Notes forming part of standalone financial statements

undistributed at the end of the reporting period, where the same has been appropriately authorised and is no longer at the discretion of the entity.

(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.

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 Leases – The Company evaluates if an arrangement qualifies to be a lease as per IND AS 116

The Company determines lease term as a cancellable period of a lease and hence there is no impact of adoption of the said standard on the financial statements

g Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notification which would have been applicable from 1 April 2020.

Notes forming part of standalone financial statements

	(Rs.Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
3(a) Cash and cash equivalents			
Cash on hand	0.06	0.08	0.00
Balances with bank -			
- In Current accounts	402.91	399.42	2,461.36
- Deposit with original maturity less than 3 months	-	-	5,323.40
Cheques on hand	14.86	-	-
Total	417.83	399.50	7,784.77
3(b) Bank Balances other than cash and cash equivalents			
Unpaid dividend accounts	63.99	63.63	69.58
Bank deposit having original maturity period of less than twelve months*	-	-	236.32
Bank deposit having original maturity period of more than twelve months*	1,755.42	1,755.53	1,525.93
Total	1,819.40	1,819.15	1,831.84

* (2020: Rs 1,570 Lakhs); (2019: Rs 1,570 Lakhs; (2018: Rs 1,570 Lakhs) lien marked against Cash Credit and Bank Overdraft taken from bank and (2020: Rs 180 Lakhs) (2019: Rs 180 Lakhs; 2018: Rs 180 Lakhs) lien marked against bank guarantee given to Enforcement Directorate

4 RECEIVABLES

	31 March 2020	31 March 2019	1 April 2018
Trade receivables			
Considered good - Unsecured	1,165.76	1,564.16	2.59
Total	1,165.76	1,564.16	2.59

Trade receivables are non-interest bearing includes receivables from Related party - (2020 : Rs 887.97 Lakhs), (2019 : Rs 1000.00 Lakhs; 2018 : Rs Nil Lakhs)

5 Loans (Unsecured)

	31 March 2020	31 March 2019	1 April 2018
At amortised cost			
Considered Good	3,060.86	3,699.24	1,013.66
Significant increase in credit risk	955.78	-	-
Less: Impairment Loss Allowance	191.00	-	-
	3,825.64	3,699.24	1,013.66
Loans to employees			
- Considered Good	1.00	-	-
Total	3,826.64	3,699.24	1,013.66

For related party transactions refer note 36

Notes forming part of standalone financial statements
6 Investments

	(Rs. Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
A Investments carried at cost			
Investments in equity instruments- unquoted			
In Wholly owned subsidiary- equity shares of Rs 100 each (2020 : 21,000) (2019:21,000), (2018 : 21,000) of Gayatri Cement & Chemical Industries Private Limited	164.00	164.00	164.00
	164.00	164.00	164.00
B Investments carried at amortized cost			
Investment in Debt Securities			
Investment in Non-Convertible Debentures - Face value of Rs 1,00,000 (2020: Nil) (2019:Nil) (2018 : 1,000) 10.5% Edelweiss Asset Reconstruction Company Limited	-	-	1,180.66
	-	-	1,180.66
C Investment carried at Fair value through other comprehensive income			
Investment in equity shares -unquoted- face value of Rs 10 each			
(2020: 58,29,404), (2019: Nil) , (2018: Nil) Religare Health Insurance Co Limited	2,044.95	-	-
(2020 : 5,600) (2019:5,600) (2018: 5,600) The Hindustan Times Limited	375.79	375.79	375.37
	2,420.74	375.79	375.37
D Investment carried at Fair value through profit and loss			
i Investment in Mutual Funds			
Face value of Rs 1000 each	1,372.95	3,197.90	398.14
Face value of Rs 10 each		2,562.76	
ii Investment in Bonds[^]			
Investment in Bonds of face value of Rs 10 lakhs each [^]	81.03	2,030.37	1,778.09
Investment in Bonds of face value of Rs 1 lakh each	-	669.10	-
Investment in Bonds of face value of Rs 1,000 each	-	-	580.64
iii Investment in Equity Shares -quoted			
Equity shares of face value of Rs 10 each			
(2020 : 86,737)(2019 : 68,000) (2018 : 17,000) Yuken India Limited	281.90	459.92	679.66
(2020 : 4,241)(2019 : 4,241) (2018: 4,241) CMI FPE Limited	17.70	56.78	37.00
(2020 : 2,502) (2019: 2,502)(2018: 50,000)Greycells Education Limited	0.93	0.95	21.00
(2020 : 100,000) (2019 : 100,000) (2018: 100,000) Jai Prakash Power Ventures Limited	0.65	1.86	4.80
(2020: 7,873,550) (2019:206,750) (2018:Nil) Religare Enterprises Limited	1,495.97	60.78	-
(2020: 235,350) (2019: 87,000) (2018: Nil)Has Lifestyles Limited	23.54	22.62	-
(2020: 25,400) (2019: Nil)(2018: Nil) Raymond Limited	56.64	-	-
(2020: 201,400) (2019: Nil)(2018: Nil) L & T Finance Holdings Limited	103.31	-	-
(2020: 100,000) (2019: Nil)(2018: Nil) RBL Bank Limited	135.65	-	-
(2020: 2,016,000) (2019: Nil)(2018: Nil) Vodafone Idea Limited	124.90	-	-
(2020: 8,203) (2019: Nil)(2018: Nil) Solara Activa Pharma Limited	36.35	-	-
(2020 : 5,400) (2019 :Nil) (2018 :Nil) Cremica Agro Foods Limited	0.00	-	-
(2020 : 332) (2019 :Nil) (2018 :Nil) Linde India Limited	1.62	-	-
(2020 : 250) (2019 :Nil) (2018 :Nil) Sandur Manganese & Iron Ores Limited	0.93	-	-
(2020: 2918) (2019: Nil) (2018:Nil) Pearl Polymers Limited	16.66	-	-
(2020: 17,018) (2019: Nil) (2018: Nil) Solid Stone Company Limited	3.22	-	-
(2020: 18,000) (2019: Nil) (2018: Nil) Manorama Industries Limited	31.11	-	-

Notes forming part of standalone financial statements

	31 March 2020	31 March 2019	1 April 2018
(2020 : Nil) (2019: 1,000,000) (2018:Nil)Reliance Power Limited	-	113.60	-
(2020 : Nil) (2019 :Nil) (2018 :100,000) Aditya Birla Capital Limited	-	-	145.85
(2020 : Nil) (2019 :Nil) (2018 :18,300) CESC Limited	-	-	177.08
(2020 : Nil) (2019 :Nil) (2018 :119,308) Mcdowell Holdings Limited	-	-	47.54
(2020 : Nil) (2019 :Nil)(2018: 50,000) IZMO Limited	-	-	48.33
(2020 : Nil) (2019 :Nil) (2018: 70,000) Nitco Limited	-	-	64.75
(2020:Nil) (2019: Nil) (2018 : 51,000) Nilkamal Limited	-	-	775.84
Equity shares of face value of Rs 5 each			
(2020: 411,898) (2019: 95,000)(2018: 65,000) Prime Securities Limited	156.38	38.86	30.88
(2020 : 200,000) (2019 : Nil) (2018 : Nil) Jump Networks Limited	97.70	-	-
Equity shares of face value of Rs 2 each			
(2020 : Nil)(2019 :Nil) (2018 :63,85,000) Jaiprakash Associates Limited	-	-	1,209.96
(2020 : 75,000) (2019 : Nil) (2018 : Nil) Setco Automotive Limited	4.24	-	-
Equity shares of face value of Re 1 each			
(2020: 2,00,000)(2019: 2,00,000) (2018: 200,000) Sintex Plastics Technology Limited	1.24	39.90	115.20
(2020: 2,00,000) (2019: 2,00,000) (2018 :2,00,000) Transformers and Rectifiers (India) Limited	10.90	27.04	53.00
(2020: 225,000) (2019: Nil)(2018: 250,000) Ganesh Benzoplast Limited	52.54	-	205.38
(2020: 3,348,691) (2019: 3,344,791)(2018: Nil)International Conveyors Limited	678.11	889.71	-
(2020: 2,261,619) (2019: 1,662,683) (2018: Nil)Elpro International Limited	753.62	770.51	-
(2020: Nil) (2019: Nil) (2018: 100,000) Mercator Limited	-	-	34.70
(2020: Nil) (2019: Nil)(2018: 300,000) Centrum Capital Limited	-	-	188.10
iv Investment in Equity Shares- Unquoted			
Equity shares of face value of Rs 10 each			
(2020 : Nil) (2019 :Nil) (5,00,000) Business India Limited	-	-	150.00
(2020 : Nil) (2019 :Nil) (10,00,000) Primary Cuisine Private Limited	-	-	100.00
v Alternate Investment Funds			
(2020 : 1,875)(2019 :Nil) (2018 : Nil)Edelweiss Infra Yield plus of Rs. 10,000/- each	192.48	-	-
(2020: Nil)(2019: Nil) (2018: 56,750) Units of Edelweiss Credit Opportunities Fund of Rs. 1,000/- each	-	-	567.50
(2020: Nil) (2019: Nil) (2018:100) units of Oysterrock Capital Fund 1 of face value of Rs 1,00,000/- each	-	-	100.00
	5,732.25	10,942.66	7,513.43
Total Investments (A+B+C+D)	8,316.99	11,482.45	9,233.45
* The fair value of shares considered as "0" (-) as the company's shares are suspended from trading.			
# "0" (Zero) denotes amounts less than thousand			
^ are marked as lien against secured loan from banks viz. Bank of India and Federal Bank			
Total Investments	8,316.99	11,482.45	9,233.45
		As at	
Out of Above	31 March 2020	31 March 2019	1 April 2018
In India	8,316.99	11,482.45	9,233.45
Outside India	-	-	-
Aggregate book value of quoted investments	5,732.25	10,942.66	7,263.43
Aggregate book value of unquoted investments	2,584.74	539.79	1,970.02
Aggregate market value of quoted investments	5,732.25	10,942.66	7,263.43
Aggregate market value of unquoted investments other than subsidiary	2,420.74	375.79	1,806.02
Subsidiary Company at cost	164.00	164.00	164.00

Notes forming part of standalone financial statements
7 Other financial assets

	(Rs. Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
Security Deposits- (unsecured and considered good)			
- Related parties	150.23	150.23	150.23
- others	15.73	15.73	15.93
Stock Futures Margin	-	-	210.91
Other Advances - unsecured			
- Related parties	2.00	-	-
- others	786.50	786.50	127.50
Total	954.46	952.46	504.58

8 Current tax assets (net)

	31 March 2020	31 March 2019	1 April 2018
Balance with Government Authorities			
Advance Direct Tax (net of provisions)	453.99	288.74	295.52
Total	453.99	288.74	295.52

9 Deferred tax assets (net)

	31 March 2020	31 March 2019	1 April 2018
Deferred tax assets/ (liabilities)			
Depreciation and amortisation	-	-	10.29
MAT Credit Entitlement	663.20	663.20	663.20
Total	663.20	663.20	673.48

10 Property, Plant and Equipments

	(Rs. Lakhs)					
Description of Assets	Buildings	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
Deemed cost as at 1 April 2018	17.28	22.08	136.84	1.82	0.02	178.04
Additions	-	-	-	-	-	-
Disposals	-	22.08	136.84	1.82	0.02	160.75
Balance as at 31 March 2019	17.28	-	-	-	-	17.28
Additions						
Disposals	2.19	-	-	-	-	2.19
Balance as at 31 March 2020	15.10	-	-	-	-	15.10
II. Accumulated Depreciation						
Balance as at 1 April 2018	-	-	-	-	-	-
Depreciation charged for the year	0.94	1.07	7.99	0.27	-	10.26
Disposals	-	-1.07	-7.99	-0.27	-	-9.33
Upto 31 March 2019	0.94	-	-	-	-	0.94
Depreciation charged for the year	0.86	-	-	-	-	0.86
Disposals	0.15	-	-	-	-	0.15
Upto 31 March 2020	1.65	-	-	-	-	1.65
Net book value						
As at 31 March 2020	13.45	-	-	-	-	13.45
As at 31 March 2019	16.33	-	-	-	-	16.33
As at 01 April 2018	17.28	22.08	136.84	1.82	0.02	178.04

Note : Buildings include cost of shares of Rs 500/- the value of shares in co operative societies

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

	(Rs. Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
Others Assets			
Prepaid expenses	-	10.00	-
Defined Benefit Asset -'Gratuity	47.41	47.08	34.39
Deposit with Debt Recovery Tribunal (DRT) (Refer note 29)	1,126.22	-	-
Total	1,173.63	57.08	34.39

12 Financial liabilities

	31 March 2020	31 March 2019	1 April 2018
Payables			
I) Trade Payables (refer note 34)			
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	-	-
Total	133.49	-	-
II) Other Payables (refer note 34)			
i) total outstanding dues of micro enterprises and small enterprises	-	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	239.89	73.73	83.99
Total	239.89	73.73	83.99

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

	(Rs. Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
Loans repayable on demand			
From Banks*	-	-	1,988.18
From Other Parties**	3,596.65	3,596.65	3,596.65
Total	3,596.65	3,596.65	5,584.83

* Cash Credit/ Overdraft from Bank of India of (2020: Rs. Nil) (2019: Rs.Nil) (2018: Rs 716.29 Lakhs) are secured against pledge of approved debt securities rated 'A' and above with 15% margin, fixed deposit with the bank and personal guarantee of the Promoter. The loan is repayable on demand and carries interest of 12% p.a. (one year MCLR+ BSS+CRP)

Cash Credit from Federal Bank Limited of (2020 : Rs.Nil) (2019: Rs.Nil) (2018: Rs 1,232.94 lakhs) are secured against pledge of bonds in CGSL account with Federal bank Limited. The loan is repayable on demand and carries interest of 10.95% p.a. % (one year MCLR)

Overdraft from Federal Bank Limited of (2020 : Rs. Nil) (2019: Rs. Nil) (2018: Rs 38.95 lakhs) are secured against pledge of fixed deposit with banks. The loan is repayable on demand. It carries interest 7.25% - 7.80% at monthly rests

** Borrowings of Rs (2020: 3,596.65 lakhs) (2019: 3,596.65 lakhs) (2018: Rs 3,596.65lakhs) is considered interest free and repayable on demand in the absence of term sheet and confirmation. Refer note 29 (ii) (c)

14 Other financial liabilities

	(Rs. Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
Interest accrued but not due on borrowings	0.20	1.57	7.72
Unclaimed dividends	63.99	63.63	69.58
Total	64.19	65.20	77.30

Notes forming part of standalone financial statements
15 Provisions

	(Rs. Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
Provision for Standard Assets	12.46	15.22	4.62
Provision for Mark to Market Losses on Future Contracts	-	-	3.88
Total	12.46	15.22	8.50

16 Other non-financial liabilities

	31 March 2020	31 March 2019	1 April 2018
Statutory dues payable	128.74	31.57	31.90
Total	128.74	31.57	31.90

17 Equity Share capital

	(Rs. Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
Authorised*			
20,000,000 (2019:20,000,000) , (2018:20,000,000) Equity Shares of Rs 10/- each	2,000.00	2,000.00	2,000.00
	2,000.00	2,000.00	2,000.00
Issued, subscribed and fully paid up			
12,568,623 (2019:12,568,623) (2018:12,421,523) Equity Shares of Rs 10/- each	1,256.86	1,256.86	1,242.15

*Authorised share capital of (2020: Rs 1,000 Lakhs); (2019: Rs 1,000 Lakhs); (2018: 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

	(Rs. in Lakhs)					
	31 March 2020		31 March 2019		1 April 2018	
	Number of Equity shares	Rs.	Number of Equity shares	Rs.	Number of Equity shares	Rs.
At the beginning of the year	12,568,623	1,256.86	12,421,523	1,242.15	12,198,023	1,219.80
Add: Share Issued on exercise of ESOP employee Stock Options	-	-	147,100	14.71	223,500	22.35
Add: Share issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	12,568,623	1,256.86	12,568,623	1,256.86	12,421,523	1,242.15

b) Terms/rights attached to equity shares

The Company has 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 dividend, incase proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except incase of interim dividend.

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 preceeding the reporting date: NIL

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

Name of shareholders	31 March 2020		31 March 2019		1 April 2018	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
Mr Mahendra V Doshi	1,449,363	11.53%	1,649,363	13.12%	1,648,763	13.27%
Mr Mahendra V Doshi-Partner M/s L K Panday	2,059,404	16.39%	2,059,404	16.39%	2,059,204	16.58%
Sea Glimpse Investments Private Limited	2,547,515	20.27%	2,547,515	20.27%	2,547,515	20.51%
Bhavana Holdings Private Limited	1,409,505	11.21%	1,409,505	11.21%	1,409,505	11.35%
Authum Investment and Infrastructure Ltd	1,798,256	14.31%	-	-	-	-
Dakshin Mercantile Private Limited	-	-	3,074,410	24.46%	-	-
Agrud Capital Pte Limited	-	-	-	-	727,489	5.86%
	9,264,043	73.71%	10,740,197	85.45%	8,392,476	67.56%

e) (i) Employees Stock Option Scheme (ESOP) 2010

The Company had instituted an Employee Stock Option Plan (“ESOP 2010 or “the Scheme”) as approved by Board of Directors and Shareholders of the Company. Under the scheme, 390,000 Stock Options were granted at a pricing of 5% discount on the average closing price of the Company’s shares on BSE during the last 15 days preceeding the date of grant of options to the employees of the Company and of its subsidiaries. The options vested would be exercisable at any time within a period of five years from the date of vesting and the equity shares arising on exercise of options shall not be subject to any lock in. The said Scheme is administered by the Nomination and Remuneration Committee of the Board.

During the year ended 31 March 2020 and 31 March 2019, the Company did not grant any stock option. Out of the options granted 132,600 stock options had been exercised in FY 2018-19. There are no option outstanding as at 31 March 2020 and 31 March 2019.

e) (ii) Summary of Options granted under the scheme

	31 March 2020	31 March 2019	1 April 2018
Options outstanding at the beginning of the year	-	132,600	261,300
Options exercised during the year	-	132,600	-
Options lapsed during the year	-	-	128,700
Option outstanding at the end of the year	-	-	132,600

f) (i) Employees Stock Option Scheme (ESOP) 2010

The Company had instituted a new Employee Stock Option Plan (“ESOP 2010 or “the Scheme”) as approved by Board of Directors and Shareholders of the Company. Under the scheme, 447,000 Stock Options were granted at a price of Rs 80/- per option to the employees of the Company and of its subsidiaries. The options vested would be exercisable at any time within a period of five years from the date of vesting and the equity shares arising on exercise of options shall not be subject to any lock in. The said Scheme is administered by the Nomination and Remuneration Committee of the Board. There are no option outstanding as at 31 March 2020 and 31 March 2019 .

f) (ii) Summary of Options granted under the scheme

	31 March 2020	31 March 2019	1 April 2018
Options outstanding at the beginning of the year	-	14,500	240,500
Options exercised during the year	-	14,500	223,500
Options lapsed during the year	-	-	2,500
Option outstanding at the end of the year	-	-	14,500

g) (i) Employees Stock Option Scheme (ESOP) 2014

The Company has instituted an Employee Stock Option Plan (“ESOP 2014” or “the Scheme”) as approved by Board of Directors and Shareholders of the Company, for issuance of 775,000 Stock Options Convertible in equivalent number of equity shares of Rs.10 each to the employees of the Company and of its subsidiaries. Out of 610,000, 610,000 options were granted and vested during 31 March

Notes forming part of standalone financial statements

2015 at a price of Rs 80/- per option. The options vested would be exercisable at any time within a period of three years from the date of vesting and the equity shares arising on exercise of options shall not be subject to any lock in. The said Scheme is administered by the Nomination and Remuneration Committee of the Board. There are no option outstanding as at 31 March 2020, 31 March 2019 and 31 March 2018 .

18 Other Equity (Refer note 46)

	(Rs. Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
Shares Based Payment Reserve			
As per Last Balance Sheet	-	60.89	11.71
Add : Share based payments	-	-	49.18
Less : Premium on issue of ESOP	-	(60.89)	-
	-	-	60.89
Special Reserve Fund- As per RBI guidelines for NBFCs			
As per Last Balance Sheet	4,608.26	4,124.66	3,730.37
Add: Transfer from Retained Earnings	-	483.60	394.30
	4,608.26	4,608.26	4,124.66
Securities Premium			
As per Last Balance Sheet	370.03	156.45	-
Add : Premium on issue of ESOP	-	213.58	156.45
	370.03	370.03	156.45
General Reserve			
As per Last Balance Sheet	6,146.06	6,146.06	6,146.06
	6,146.06	6,146.06	6,146.06
Retained Earnings			
Balance as per the last financial statements	4,415.52	3,672.79	2,101.37
Profit / (Loss) for the year	(2,268.50)	1,982.07	1,965.72
Gain /(Loss) on fair value of defined benefit plan	(3.43)	1.38	-
Transfer to Special Reserve Fund	-	(483.60)	(394.30)
Dividend Paid (Including Tax)	(303.05)	(757.13)	-
	1,840.53	4,415.52	3,672.79
Other Comprehensive income - fair value on equity instruments			
As per last balance sheet	363.22	362.80	-
Gain /(Loss) on fair value of financial asset measured through other comprehensive income	44.96	0.42	362.80
	408.18	363.22	362.80
Total Other Equity	13,373.06	15,903.09	14,523.65

19 Revenue from operations

	(Rs. Lakhs)	
	31 March 2020	31 March 2019
(i) Interest Income		
Interest -Loans	371.12	119.66
-Investments	36.69	111.60
-Deposit with Banks	128.36	166.69
-Retirement benefits	3.60	2.97
Total	539.77	400.93
(ii) Dividend Income on Investments		
Total	11.29	91.59
(iii) Others		
Net gain on sale of securities	1,382.94	954.76
Income from AIF Investments	2.13	-
Total	1,385.07	954.76

Notes forming part of standalone financial statements
20 Other income

	31 March 2020	31 March 2019
Income on Assignment of Non Performing Asset *	-	3,000.00
Miscellaneous Income	5.05	21.40
Profit on sale/ discard of property, plant and equipment	2.96	-
Total	8.01	3,021.40

*For related party transactions refer note 40

(Rs. Lakhs)

	31 March 2020	31 March 2019
Expenses		
21 Finance Costs		
Interest on borrowings	101.57	78.99
Interest - Others	-	35.49
Other financial charges	118.21	118.92
Total	219.78	233.40
22 Fees and commision expense		
Commission and sub-brokerage	53.90	7.03
Total	53.90	7.03
23 Net loss on fair value changes		
Fair valuation loss on fair value through profit and loss instruments	3,009.75	357.69
Total	3,009.75	357.69
24 Impairment on financial instruments		
At amortised cost		
Loan- Standard Assets	(2.76)	10.60
Loan- substandard assets	191.00	-
Bad debts	-	452.02
Investments written off	-	250.00
Total	188.24	712.62
25 Employee benefits expense		
Salaries and wages	478.37	253.70
Contribution to provident and other funds	2.96	0.36
Staff welfare expenses	20.39	1.26
Gratuity expense	(0.16)	4.56
Total	501.55	259.89
26 Depreciation, amortisation and impairment		
Depreciation on property, plant and equipment	0.86	10.26
Total	0.86	10.26
27 Other expenses		
Rent , Rates and taxes	31.08	30.16
Repairs and maintenance	0.44	1.10
Communication expenses	5.53	7.34
Printing and stationery	1.50	2.13
Advertisement Expenses	0.70	1.45
Directors sitting fees	3.70	3.26
Payments to auditors (Refer Note : 31)	10.00	13.55
Legal and professional charges	87.28	71.78
Travelling and Conveyance expenses	21.60	12.23
Loss on sale of property, plant and equipments	-	33.02
Corporate Social responsibility expenses (refer note 32)	45.00	35.00
Miscellaneous expenses	31.72	51.41
Total	238.55	262.43

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

	31 March 2020	31 March 2019
Current tax		
Current tax on profits for the year	-	633.00
Deferred tax (Credit) / Charge		
Relating to origination and reversal of temporary differences	-	10.29
Total	-	643.29
Effective tax rate #	0%	25%

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 2020

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

	31 March 2020	31 March 2019
Deferred tax on remeasurement (gains)/losses on defined benefit plan	-	-
Deferred tax charged to OCI	-	-

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

	31 March 2020	31 March 2019
Accounting Profit/(Loss) before tax	(2,268.50)	2,625.36
Income tax expense calculated at corporate tax rate	(631.10)	730.38
Tax effect on non-deductible expenses	634.24	(51.32)
Effect of exempt income and income tax at Lower rates	(3.14)	(25.48)
Reversal of Other temporary differences	-	(10.29)
Tax expense recognized in the statement of profit and loss	0.00	643.29

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 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:

Reconciliation of deferred tax assets / (liabilities) net:	31 March 2020	31 March 2019
Opening balance	663.20	673.48
Deferred tax (charge)/credit recognised in		
- Statement of profit and loss	-	(10.29)
Total	663.20	663.20

Deferred tax recognized in statement of profit or loss

For the year ended	31 March 2020	31 March 2019
Depreciation and amortisation	-	(10.29)
Total	-	(10.29)

Notes forming part of standalone financial statements

Deferred tax recognized in statement of Other Comprehensive Income

For the year ended	31 March 2020	31 March 2019
Employee retirement benefits obligation	-	-
Total	-	-

Unused tax losses

The Company has unused tax business losses of (2020: Rs. 3,431.86 Lakhs and Long term capital loss of Rs.237.80 lakhs) ; (2019: Rs. 4,031.42 Lakhs and Long term capital loss of 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

MAT Credit Entitlement

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future taxable benefits associated with it will flow to the Company and the assets can be measured reliably. The Company has unrecognized MAT credit entitlement (2020: Rs 2045.94 Lakhs); (2019: Rs 1,980.49 Lakhs)

29 (i) Contingent Liabilities

Against a penalty order (for 2020: Rs 180 Lakhs) (2019: Rs 180 Lakhs); (2018: 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(2020 : Rs. 25.11 Lakhs) (2019 : Rs. 25.11 lakhs) (2018 : 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 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.
- 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)

(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. 187.50 Lakhs and remaining uncalled amount on investments is Rs. 312.50 Lakhs.

Notes forming part of standalone financial statements

(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. Subsequent to the balance sheet date , the Company has received back the advance given.

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 2020	31 March 2019
Audit fees	10.00	10.00
Other matters	-	3.55
Total	10.00	13.55

32 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, amount required to be spend by the company during the year ended March 31, 2020 is Rs. 42.26 lakhs, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company has incurred Rs. 5 lakhs and provided of Rs. 40 Lakhs during the year ended 31 March, 2020 towards CSR expenditure for purposes other than construction / acquisition of any asset. The Company couldnot transfer the fund to specified trust due to lockdown and the same will be transferred in the next financial year .

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 2020 (31 March 2019: Nil) (1 April 2018 : 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 2020	31 March 2019	1 April 2018
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.	-	-	-

Notes forming part of standalone financial statements

34 Financial Instruments

i) Financial risk management objective and policies

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. 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 is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks.

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. Redeemable preference shares carries fixed coupon rate and hence is not considered for calculation of interest rate sensitivity of the company.

Interest rate risk exposure

	(Rs. Lakhs)		
	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Variable rate borrowings*	-	-	1,988.18

*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 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 2020	+ 50 / - 50	-
As on 31 March 2019	+ 50 / - 50	-
As on 1 April 2018	+ 50 / - 50	9.94

2) Foreign currency risk:

The company enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Company analyses currency risk as to which balances outstanding in currency other than the functional currency of that company. The management has taken a position not to hedge this currency risk.

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

Notes forming part of standalone financial statements

3) Credit Risk:

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 receivables from customers, deposits and loans given, investments and balances at bank.

The Company measures the expected credit loss of trade 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.

	(Rs. Lakhs)		
Trade Receivables	31 March 2020	31 March 2019	1 April 2018
More than Six months	1,165.76	1,564.16	-
Others	-	-	2.59
Total	1,165.76	1,564.16	2.59

	As at 31 March 2020	As at 31 March 2019
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	-	-
Net Trade receivable	1,165.76	1,564.16

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 equity shares and bonds.

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

	Carrying Amount / Fair value	31 March 2020			
		Less than 1 year	2-5 years	More than 5 years	Total
Financial Liabilities :					
Trade payables	133.49	133.49	-	-	133.49
Other payables	239.89	239.89	-	-	239.89
Borrowings	3,596.65	3,596.65	-	-	3,596.65
Other financial liabilities	64.19	64.19	-	-	64.19
	4,034.22	4,034.22	-	-	4,034.22

	Carrying Amount / Fair value	31 March 2019			
		Less than 1 year	2-5 years	More than 5 years	Total
Financial Liabilities :					
Other payables	73.73	73.73	-	-	73.73
Borrowings	3,596.65	3,596.65	-	-	3,596.65
Other financial liabilities	65.20	65.20	-	-	65.20
	3,735.58	3,735.58	-	-	3,735.58

Notes forming part of standalone financial statements

	Carrying Amount / Fair value	1 April 2018			Total
		Less than 1 year	2-5 years	More than 5 years	
Financial Liabilities :					
Other payables	83.99	83.99	-	-	83.99
Borrowings	5,584.83	5,584.83	-	-	5,584.83
Other financial liabilities	77.30	77.30	-	-	77.30
	5,746.12	5,746.12	-	-	5,746.12

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 2020	As at 31 March 2019	As at 1 April 2018
Gross debt (inclusive of long term and short term borrowing)	4,034.22	3,735.58	5,746.12
Less: Cash and cash equivalents	417.83	399.50	7,784.77
Net debt	3,616.39	3,336.08	-2,038.64
Total equity	14,629.93	17,159.95	15,765.80
Total capital	18,246.31	20,496.05	13,727.15
Gearing ratio	19.82%	16.28%	-14.85%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

iii) Categories of financial instruments and fair value thereof

(Rs. Lakhs)

Particulars	As at 31 March 2020			As at 31 March 2019			As at 1 April 2018		
	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost
A) Financial assets (other than investment in subsidiaries)									
Cash and cash equivalents	-	-	417.83	-	-	399.50	-	-	7,784.77
Bank Balance other than (a) above	-	-	1,819.40	-	-	1,819.15	-	-	1,831.84
Trade receivables	-	-	1,165.76	-	-	1,564.16	-	-	2.59
Loans	-	-	3,826.63	-	-	3,699.24	-	-	1,013.66
Investments	2,420.74	5,732.25	-	375.79	10,942.66	-	375.37	7,513.43	1,180.66
Other financial assets	-	-	954.46	-	-	952.46	-	-	504.58
Total financial assets	2,420.74	5,732.25	8,184.08	375.79	10,942.66	8,434.51	375.37	7,513.43	12,318.08
B) Financial liabilities									
Trade payables	-	-	133.49	-	-	-	-	-	-
Other Payables	-	-	239.89	-	-	73.73	-	-	83.99
Borrowings	-	-	3,596.65	-	-	3,596.65	-	-	5,584.83
Other financial liabilities	-	-	64.19	-	-	65.20	-	-	77.30
Total financial liabilities	-	-	4,034.22	-	-	3,735.58	-	-	5,746.12

Notes forming part of standalone financial statements

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 2020

(Rs. Lakhs)

Financial assets	As at 31 March 2020				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at FVTOCI					
Investments	2,420.74	2,420.74	-	-	2,420.74
Financial assets measured at FVTPL					
Investments	5,732.25	5,732.25	5,732.25	-	-
Total	8,152.99	8,152.99	5,732.25	-	2,420.74

Financial assets	As at 31 March 2019				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at FVTOCI					
Investments	375.79			-	375.79
Financial assets measured at FVTPL					
Investments	10,942.66	10,942.66	10,942.66	-	-
Total	11,318.45	10,942.66	10,942.66	-	375.79

Financial assets	As at 1 April 2018				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at FVTOCI					
Investments	375.37	375.37			375.37
Financial assets measured at FVTPL					
Investments	7,513.43	7,513.43	6,220.56		1,292.87
Financial assets measured at amortised cost					
Investments	1,180.66	1,180.66	-	1,180.66	-
Total	9,069.45	9,069.45	6,220.56	1,180.66	1,668.23

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.

Notes forming part of standalone financial statements

Foreign currency risk:

The company enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Company analyses currency risk as to which balances outstanding in currency other than the functional currency of that company. The management has taken a position not to hedge this currency risk.

The company 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 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 2020	31 March 2019
Current service cost	1.48	1.67
Interest cost (net)	(3.60)	(2.97)
Past Service cost	-	-
Net expenses	(2.12)	(1.30)

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

	(Rs Lakhs)	
	31 March 2020	31 March 2019
Actuarial (gains)/ losses arising from changes in demographic assumptions	0.52	(0.91)
Actuarial (gains)/ losses arising from changes in financial assumptions	2.46	0.63
Actuarial (gains)/ losses arising from changes in experience assumptions	(0.35)	(2.17)
Recognised during the year	2.62	(2.44)

III Net liability recognised in the balance sheet

	(Rs Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
Fair value of plan assets	115.08	111.08	94.61
Present value of obligation	67.67	63.99	60.22
Liability recognized in balance sheet	47.41	47.08	34.39

IV Reconciliation of opening and closing balances of defined benefit obligation

	(Rs Lakhs)	
	31 March 2020	31 March 2019
Defined benefit obligation as at the beginning of the year	(47.08)	(34.39)
Adjustment to opening balance	(1.02)	-
Current Service Costs	(2.12)	(1.30)
Interest Costs	-	-
Actuarial (gain)/ loss on obligation	3.43	(1.38)
Contribution paid	(0.62)	(10.00)
Defined benefit obligation at the end of the year	(47.41)	(47.08)

Notes forming part of standalone financial statements
V Reconciliation of opening and closing balance of fair value of plan assets

	(Rs Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
Fair value of plan assets at the beginning of the year	111.08	94.61	73.00
Adjustment to opening balance	1.02	-	0.26
Interest income	8.17	7.52	5.54
Contributions paid by employer	0.62	10.00	23.04
Benefits paid	(5.00)	-	(8.31)
Return on plan asset	(0.81)	(1.06)	1.08
Fair value of plan assets at year end	115.08	111.08	94.61

VI Actuarial Assumptions

	(Rs Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
Discount rate (Per annum)	6.53%	7.35%	7.55%
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%
Attrition rate	PS: 0 to 10 :7% PS: 10 to 20 :0%	PS: 0 to 10 :7% PS: 10 to 20 :0%	PS: 0 to 10 :7% PS: 0 to 10 :7%
	PS: 20 to 52 :7%	PS: 20 to 52 :7%	PS: 20 to 52 :7%
Mortality Table	IALM(2012-14) ult	IALM(2006-08) ult	IALM(2006-08) 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 2020	31 March 2019
Projected benefit obligation on current assumptions		
Increase by 1% in Discount rate	64.70	60.64
Decrease by 1% in Discount rate	70.97	67.75
Increase by 1% in Rate of salary increase	69.52	66.30
Decrease by 1% in Rate of salary increase	65.94	61.45

VIII Maturity analysis of projected benefit obligation : from the fund

	(Rs Lakhs)		
Projected benefits payable in future years from the date of reporting	31 March 2020	31 March 2019	1 April 2018
1st Following Year	23.32	96.39	3.95
2nd Following Year	3.20	78.85	3.73
3rd Following Year	3.09	73.23	22.24
4th Following Year	2.99	46.74	3.03
5th Following Year	4.11	36.29	2.89
Sum of years 6 to 10	35.92	126.74	37.17

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.

Notes forming part of standalone financial statements

- (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

Gayatri Cements & Chemicals Industries Private Limited

Key Management Personnel

Mr M.V Doshi

Mr G B Innani

Mr S S Gulati

Nature of relationship

Executive Chairman & Managing 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 Holdings Private Limited

Alpha Commodity Private Limited

Transactions with Related parties:

	(Rs. Lakhs)	
	31 March 2020	31 March 2019
Remuneration to Key Management Personnel		
Key Management Personnel	126.87	223.36
Interest Income		
Other related parties	72.59	75.89
Fees and commission expense		
Other related parties	32.38	10.65
Sale of Investments		
Other related parties	-	1,100.00
Purchase of Investments		
Other related parties	187.50	-
Sale of Property, Plant and Equipments		
Other related parties	-	118.41
Income on Assignment of NPA		
Other related parties	-	3,000.00
Loans given		
Other related parties	67,666.80	50,410.00
Other advances given		
Subsidiary Company	2.00	-
Repayment Received of Loans given		
Other related parties	67,626.00	50,410.00
Short Term Borrowings Given		
Other related parties	-	35,500.00
Short Term Borrowings Repaid		
Other related parties	-	35,500.00

Notes forming part of standalone financial statements

	(Rs Lakhs)		
Outstanding balance as on	31 March 2020	31 March 2019	1 April 2018
Deposits			
Subsidiary Company	150.23	150.23	150.23
Loans given / Other Advances			
Other related parties	40.80	-	127.20
Other Receivables			
Other related parties	887.98	1,000.00	-
Other advances			
Subsidiary Company	2.00	-	-
Interest/ Loans receivables			
Other related parties	8.17	-	-
Investments			
Subsidiary Company	164.00	164.00	164.00
Trade and other Payables			
Other related parties	174.48	-	-

37 Earnings per share

	31 March 2020	31 March 2019
Profit/(Loss) after tax (Rs.)	(2,268.50)	1,982.07
Weighted average number of equity shares		
- for Basic Earnings per share	12,568,623	12,562,419
- for Diluted Earnings per share	12,568,623	12,562,419
Face value of equity share (Rs/ share)	10	10
Basic earnings per share (Rs.)	(18.05)	15.78
Diluted Earnings per share (Rs/share)	(18.05)	15.78

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:

(Rs. Lakhs)						
	As at 1 April 2018	Cash Inflows	Cash outflows	Non Cash Changes		As at 31 March 2019
				Interest Accrued	Other Charges	
Borrowings	5,584.83	-	1,988.18	-	-	3,596.65
(Rs. Lakhs)						
	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

Notes forming part of standalone financial statements
39 Disclosures as required by Ind AS 115
Revenue Consist of following

	(Rs. Lakhs)	
	31 March 2020	31 March 2019
Interest Income	539.77	400.93
Dividend Income	11.29	91.59
Net Gain/loss on sale of mutual fund & other investments	1,385.07	954.76
Total	1,936.13	1,447.28

Revenue Disaggregation by Industrial Vertical & Geography is as follows

	(Rs. Lakhs)	
Revenue by offerings	31 March 2020	31 March 2019
Financial Services/ India	1,936.13	1,447.28
Total	1,936.13	1,447.28

Timing of Revenue Recognition

	(Rs. Lakhs)	
	31 March 2020	31 March 2019
Income accounted at point in time	1,396.37	1,046.35
Income accounted over period in time	539.77	400.93
Total	1,936.13	1,447.28

40 Other Income

Other Income Includes Income on Assignment of NPA

Details of Non Performing Assets Sold	31-Mar-19
No of Accounts Sold	4
Aggregate outstanding*	NIL
Aggregate Consideration received	3,000

* Written off over earlier years

41 Dividend Recommendation:

The board declared interim dividend as under :-

	(Rs. Lakhs)	
	2020	2019
Interim Dividend Paid	251.37	377.06
Dividend Distribution Tax on interim dividend	51.68	77.22

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 2020

- 42** The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreak was declared as a global pandemic by the World Health Organisation. On 24 March 2020 the Indian Government had announced a strict 21 day lockdown which kept on getting extended across the country with gradual and modest relaxations. The Company carries shares and securities in its books. The effect of mark to market 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 statements 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.

Notes forming part of standalone financial statements
43 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:

Liabilities :		Amount outstanding	Amount overdue
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:			
(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		-	-
2. Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :			
(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		-	-
Assets :			Amount outstanding
3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below]			
(a) Secured			-
(b) Unsecured			8,237.68
4. Break up of Leased Assets and stock on hire and other assets counting towards AFC activities			
(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			-
5. Break-up of Investments :			
Current Investments :			
Quoted :			
(i) Shares : (a) Equity *			4,085.78
(b) Preference			-
(ii) Debentures and Bonds*			81.03
(iii) Units of mutual funds			1,372.95
(iv) Government Securities			-
(v) Others - Certificate of Deposits			-
Unquoted :			
(i) Shares : (a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others			-

Notes forming part of standalone financial statements

Long Term Investments :		
Quoted :		
(i) Shares : (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others		-
Unquoted :		
(i) Shares : (a) Equity		2,584.74
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others		192.48
*Current Investments- equity and bonds shown above are held as Stock in Trade		

6. Borrower group-wise classification of assets financed as in (3) and (4) above :

Category	Amount net of provisions		Total
	Secured	Unsecured	
Related Parties			
(a) Subsidiaries	-	152.23	152.23
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	928.77	928.77
Other than related parties	Nil	7,156.67	7,156.67
Total	Nil	8,237.68	8,237.68

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

Category	Amount (Rs.)	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	164.00	164.00
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	8,152.99	8,152.99
	8,316.99	8,316.99

** As per Accounting Standard of ICAI

8. Other Information

	Amount (Rs.)
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	955.78
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	764.78
(iii) Assets acquired in satisfaction of debt	-

Notes forming part of standalone financial statements
44 Disclosure for NBFC adopting IND AS for the first time

Asset Classification as per RBI Norms	Asset Classification as per IND AS 109	Gross Carrying Amount as per IND AS	Loss Allowances (Provisions) as required under IND AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	3,060.86	12.46	3,048.40	12.46	-
Non - Performing Assets						
Sub-Standard	Stage 3	955.78	191.00	764.78	191.00	-

45 Maturity Analysis of Assets and Liabilities

	As at 31 Mar 2020			As at 31 Mar 2019			As at 1 April 2018		
	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total
I ASSETS									
(1) Financial Assets									
(a) Cash and cash equivalents	417.83	-	417.83	399.50	-	399.50	7,784.77	-	7,784.77
(b) Bank Balance other than (a) above	1,819.40	-	1,819.40	1,819.15	-	1,819.15	1,831.84	-	1,831.84
(c) Trade receivables	1,165.76	-	1,165.76	1,564.16	-	1,564.16	2.59	-	2.59
(d) Loans	3,826.63	-	3,826.63	3,699.24	-	3,699.24	1,013.66	-	1,013.66
(e) Investments	5,732.25	2,584.74	8,316.99	10,942.66	539.79	11,482.45	8,694.09	539.37	9,233.45
(f) Other financial assets	938.73	15.73	954.46	936.73	15.73	952.46	488.65	15.93	504.58
Total Financial Assets	13,900.60	2,584.74	16,501.07	19,361.45	539.79	19,916.96	19,815.58	539.37	20,370.88
(2) Non-Financial Assets									
(a) Current tax assets (net)	-	453.99	453.99	-	288.74	288.74	-	295.52	295.52
(b) Deferred Tax Asset	-	663.20	663.20	-	663.20	663.20	-	673.48	673.48
(c) Property, plant and Equipment	-	13.45	13.45	-	16.33	16.33	-	178.04	178.04
(F) Other non-financial assets	-	1,173.63	1,173.63	47.08	10.00	57.08	-	34.39	34.39
Total Non-Financial Assets	-	2,304.26	2,304.26	47.08	978.26	1,025.34	-	1,181.43	1,181.43
II LIABILITIES AND EQUITY									
(1) Financial Liabilities									
(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	239.89	-	239.89	73.73	-	73.73	83.99	-	83.99
(b) Borrowings	3,596.65	-	3,596.65	3,596.65	-	3,596.65	5,584.83	-	5,584.83
(c) Other financial liabilities	64.19	-	64.19	65.20	-	65.20	77.30	-	77.30
Total Financial Liabilities	4,034.22	-	4,034.22	3,735.58	-	3,735.58	5,746.12	-	5,746.12
(2) Non-Financial Liabilities									
(a) Provisions	12.46	-	12.46	15.22	-	15.22	8.50	-	8.50
(b) Other non-financial liabilities	128.74	-	128.74	31.57	-	31.57	31.90	-	31.90
Total Non-financial liabilities	141.20	-	141.20	46.79	-	46.79	40.40	-	40.40

Notes forming part of standalone financial statements

46 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2020, are the first, the Company has prepared in accordance with Ind AS. For the period up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ended 31 March 2020, together with comparative data as at and for the year ended 31 March, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2018, the Company's date of transition. These notes explain the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April, 2018 and the financial statements as at and for the year ended 31 March 2019.

A. Optional exemptions availed:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Deemed cost option

IND AS 101 permits a first-time adopter to elect and continue with the carrying value for all its Property, plant and equipment as recognised in the financial statements as at the date of transition to IND AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the company has elected to measure all of its property, plant equipment and intangible assets at their previous GAAP carrying value.

b) Investments in Subsidiary

IND AS 101 permits a first-time adopter to elect and continue with the carrying value for all of its investment in subsidiary as recognised in the financial statements at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost at the date of transition. Accordingly, the company has elected to measure its investment in its Subsidiary at its previous GAAP carrying value.

Further, the entity may make an irrevocable election at initial recognition of a financial asset to present subsequent changes in the fair value of an investment in equity instrument in profit and loss or other comprehensive income. IND AS 101 allows such designation of previously recognized financial assets, as fair value through profit and loss or other comprehensive income. The Company has accordingly designated certain equity instruments as at 1 April 2018 as fair value through profit and loss or other comprehensive income.

B. Exceptions:

The following are the mandatory exceptions have been applied in accordance with Ind AS 101 in preparing financial statements:

a) Estimates

The estimates at 1 April, 2018 and at 31 March, 2019 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences, if any, in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

i. Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present amounts in accordance with Ind AS reflects conditions as at the transition date and as on 31 March 2019.

b) Derecognition of financial assets and financial liabilities

The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and measurement of financial assets

IND AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, the Company has classified financial assets in accordance with IND AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Notes forming part of standalone financial statements
C. Reconciliations between Previous GAAP and Ind AS

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- a Balance Sheet and equity Reconciliation
- b Profit and Loss and Other comprehensive income reconciliation
- c Adjustment to Statement of Cash Flows
- d Total equity reconciliation
- e Total comprehensive income reconciliation

a. Effect of Ind AS adoption on Balance Sheet

(Rs in Lakhs)

	Note	Balance sheet as at 1 April 2018			Balance sheet as at 31 March 2019		
		Previous GAAP (Reclassified)	Effect of transition to Ind AS	Ind AS	Previous GAAP (Reclassified)	Effect of transition to Ind AS	Ind AS
Assets							
Financial Assets							
a) Cash and cash equivalents		7,784.77	-	7,784.77	399.50	-	399.50
b) Bank Balance other than (a) above		1,831.84	-	1,831.84	1,819.15	-	1,819.15
c) 'Receivables							
c)*)Trade receivables		2.59	-	2.59	1,564.16	-	1,564.16
d)Loans		1,013.66	-	1,013.66	3,699.24	-	3,699.24
e) Investments		8,111.84	1,121.61	9,233.45	10,718.11	764.34	11,482.45
f) Other Financial assets		504.58	-	504.58	952.46	-	952.46
Total Financial Assets		19,249.27	1,121.61	20,370.89	19,152.62	764.34	19,916.96
Non-Financial Assets							
Current tax assets (net)		213.09	82.43	295.52	288.74	-	288.74
Deferred tax assets (net)		673.48	-	673.48	663.20	-	663.20
Property, Plant and Equipment		178.04	-	178.04	16.33	-	16.33
Other non-financial assets		34.39	-	34.39	57.28	(0.20)	57.08
Total Non-Financial Assets		1,099.00	82.43	1,181.43	1,025.56	(0.20)	1,025.36
Total assets		20,348.28	1,204.05	21,552.32	20,178.18	764.14	20,942.32
LIABILITIES AND EQUITY							
Financial Liabilities							
a)(I) Trade payable							
(II) Other payable		83.99	-	83.99	73.73	-	73.73
b) Borrowings		5,584.83	-	5,584.83	3,596.65	-	3,596.65
c) Deposits							
d) Other financial liabilities		77.30	-	77.30	65.20	-	65.20
Total Financial Liabilities		5,746.12	-	5,746.12	3,735.58	-	3,735.58
Non-Financial Liabilities							
a) Provisions		8.50	-	8.50	15.22	-	15.22
b) Other non-financial liabilities		31.90	-	31.90	31.57	-	31.57
Total Non- Financial Liabilities		40.40	-	40.40	46.79	-	46.79
Equity							
(a) Equity share capital		1,242.15	-	1,242.15	1,256.86	-	1,256.86
(c) Other equity		13,319.60	1,204.04	14,523.65	15,138.95	764.14	15,903.09
Total equity		14,561.75	1,204.04	15,765.80	16,395.81	764.14	17,159.94
Total Liabilities and Equity		20,348.28	1,204.04	21,552.32	20,178.18	764.14	20,942.32

Notes forming part of standalone financial statements
b. Effect of Ind AS adoption on Statement of Profit and loss for the year ended 31 March,2019

(Rs in Lakhs)

	Note	For the year ended 31 March 2019		
		Previous GAAP (Reclassified)	Effect of transition to Ind AS	Ind AS
Revenue from operations	19			
(i) Interest Income		397.96	2.97	400.93
(ii) Dividend Income		91.59	-	91.59
(iii) Others		954.76	-	954.76
Total Revenue from operations		1,444.30	2.97	1,447.28
Other income	20	3,021.40	-	3,021.40
Total income		4,465.71	2.97	4,468.68
Expenses				
(i) Finance Costs	21	233.40	-	233.40
(ii) Fees and commission Expense	22	7.03	-	7.03
(iii) Net loss on fair value changes	23	-	357.69	357.69
(iv) Impairment on financial instruments	24	-	712.62	712.62
(iv) Employee benefits expense	25	261.10	(1.21)	259.89
(v) Depreciation and amortisation expenses	26	10.26	-	10.26
(vi) Other expenses	27	975.05	(712.62)	262.43
Total Expenses		1,486.84	356.48	1,843.32
Profit/(Loss) before tax		2,978.87	(353.51)	2,625.36
Less : Tax expense				
Current tax - current year		633.00		633.00
Earlier Year tax		(82.43)	82.43	-
Deferred tax including MAT credit entitlement		10.29		10.29
Profit for the year		2,418.01	(435.94)	1,982.07
Other comprehensive income				
A. Items that will not be reclassified to profit or loss				
- Re measurement of defined benefit obligation		-	1.38	1.38
- Fair Value change on equity Instrument through other Comprehensive Income		-	0.42	0.42
Total other comprehensive income		-	1.80	1.80
Total comprehensive income for the year		2,418.01	(434.14)	1,983.87

Notes forming part of standalone financial statements
c. Statement of Cash Flow reconciliation for the year ended 31 March 2019

	For the year ended 31 March 2019		
	Previous GAAP (Reclassified)	Effect of transition to Ind AS	Ind AS
Net cash generated from Operating activities	1,904.60	(2,062.35)	(157.73)
Net cash generated from Investing activities	(6,597.48)	2,062.35	(4,535.15)
Net cash generated from Financing activities	(2,692.38)	-	(2,692.38)
Net increase / (decrease) in cash and cash equivalents	(7,385.27)	0.00	(7,385.27)
cash and cash equivalents at the beginning of the year	7784.77	-	7,784.77
cash and cash equivalents at the end of the year	399.50	0.00	399.50

Explanations for reconciliation of cash flow as previously reported under IGAAP to Ind AS

IND AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, the Company has classified financial assets in accordance with IND AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

d. Reconciliations of equity reported under previous GAAP to equity under Ind AS

Reconciliations of total equity as at 31 March 2019 and 1 April 2018

	Note	(Rs in Lakhs)	
		31 March 2019	1 April 2018
Equity as per Previous Indian GAAP		15,138.95	13,319.60
Effect of measuring financial instruments at fair value through profit and loss (FVTPL)	I	401.12	758.81
Fair Value change on equity instruments through Other Comprehensive Income (FVTOCI)	I	363.22	362.80
Remeasurement of Defined benefit obligation	II	(0.20)	-
Tax paid for earlier year adjusted	III	-	82.43
		15,903.09	14,523.65

e. Reconciliation of total comprehensive income for the year ended 31 March 2019

	Note	(Rs in Lakhs)	
		31 March 2019	
I Net profit as per previous Indian GAAP			2,418.01
Effect of measuring financial instruments at fair value	I		(357.69)
Fair valuation of employee stock options	II		5.77
Remeasurement of Defined benefit obligation			(1.58)
Ind AS Adjustments (transition date) - Tax of earlier year			(82.43)
Profit after tax as per Ind AS			1,982.07
II Other comprehensive income			
Fair Value change on equity instruments through Other Comprehensive Income	I		0.42
Remeasurement of Defined benefit obligation			1.38
Income Tax / Deferred Tax effect on above	III		
Other Comprehensive income as per Ind AS			1.80
III Total Comprehensive income as per Ind AS (I+ II)			1,983.87

Explanations for reconciliation of Balance Sheet and Statement of Profit and loss and other Comprehensive income as previously reported under IGAAP to Ind AS

Notes forming part of standalone financial statements

I Investments

Investments are recorded at fair value compared to being at cost under Previous GAAP

As per IND AS such investments are recorded at fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVTOCI)

II Remeasurements of defined benefit plans

Under the Previous GAAP, remeasurements i.e. actuarial gains and losses on the net defined benefit liability were recognised in the statement of profit and loss. Under Ind AS-19 Employee Benefits, actuarial gains and losses are recognised in other comprehensive income and not reclassified to statement of profit and loss.

III Tax Adjustments

Tax adjustments include Income tax of earlier year given effect in respective year .

47 Prior Year Comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

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 : 27 June 2020

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 2020, 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 2020, consolidated loss 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 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 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 consolidated Ind AS financial statements for the year ended 31 March 2020. 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>Non recognition of Deferred tax assets on carried forward tax losses and MAT credit entitlement</p> <p>The Group's ability to recover deferred tax assets and MAT credit entitlement 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 and MAT credit entitlement 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 and MAT credit entitlement 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 Group may not use in the future its deferred tax assets and MAT credit entitlement, 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 and unrecognized MAT credit entitlement.</p>

2.	<p>Transition to Ind AS accounting framework (as described in Note 48 to consolidated financial statements)</p> <p>The Group has adopted Ind AS from 1 April 2019 with an effective date of 1 April 2018 for such transition. For periods up to and including the year ended 31 March 2019, the Group had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31 March 2020, together with the comparative financial information for the previous year ended 31 March 2019 and the transition date Balance Sheet as at 1 April 2018 have been prepared under Ind AS.</p> <p>The transition has involved significant change in the Group's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.</p> <p>In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.</p>	<p>Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework.</p> <p>Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date.</p> <p>Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</p> <p>Tested the disclosures prescribed under Ind AS</p>
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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.10.06 lakhs as at 31 March 2020, total revenues of Rs. 0.21 lakhs, total net loss after tax of Rs.4.83 lakhs and total comprehensive income of Rs.15.27 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, 2020 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, 2020 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, 27 June 2020

UDIN: 20048215AAAACY9707

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 2020**

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, 2020, 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 2020, 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, 27 June 2020

UDIN: 20048215AAAACY9707

Consolidated Balance Sheet as at 31 March 2020

	Notes	31 March 2020	31 March 2019	Rs. Lakhs 01 April 2018 (Restated, Refer Note 47)
ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents	3(a)	418.09	400.31	7,785.17
(b) Bank Balance other than (a) above	3(b)	1,819.40	1,819.15	1,831.84
(c) Trade Receivables	4	1,165.76	1,564.16	2.59
(d) Loans	5	3,826.64	3,699.24	1,013.66
(e) Investments	6	8,157.78	11,333.68	9,090.32
(f) Other Financial assets	7	802.23	802.23	354.35
Total Financial Assets		16,189.90	19,618.77	20,077.93
(2) Non-Financial Assets				
(a) Current tax assets (net)	8	453.99	288.74	295.52
(b) Deferred tax Assets (net)	9	663.20	663.20	673.48
(c) Property, plant and Equipment	10	18.45	21.91	184.22
(d) Goodwill on Consolidation		143.00	143.00	143.00
(e) Other non-financial assets	11	1,173.63	57.08	34.39
Total Non-Financial Assets		2,452.27	1,173.93	1,330.61
TOTAL ASSETS		18,642.17	20,792.70	21,408.54
LIABILITIES AND EQUITY				
(1) Financial Liabilities				
(a) Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	12			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		133.49	-	8.63
(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		254.78	86.57	83.99
(b) Borrowings	13	3,613.15	3,613.15	5,601.33
(c) Other financial liabilities	14	64.19	65.50	77.30
Total Financial Liabilities		4,065.61	3,765.22	5,771.25
(2) Non-Financial Liabilities				
(a) Provisions	15	12.46	15.22	8.50
(b) Other non-financial liabilities	16	128.75	31.61	31.90
Total Non-financial liabilities		141.21	46.83	40.40
(3) Equity				
(a) Equity share Capital	17	1,256.86	1,256.86	1,242.15
(b) Other equity	18	13,178.49	15,723.79	14,354.74
Total Equity		14,435.35	16,980.65	15,596.90
TOTAL LIABILITIES AND EQUITY		18,642.17	20,792.70	21,408.54

Notes forming part of the consolidated financial statements 1-48

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

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

Sanjay Kothari **M.V Doshi** **Pratik M Doshi**
 Partner Executive Chairman & Director
 Membership No. 048215 Managing Director

Place : Mumbai **G.B Inani** **S.S Gulati**
Date : 27 June 2020 G.M (Legal) & Head - Corporate Affairs
 Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March 2020

	Note	31 March 2020	31 March 2019
Revenue from operations			
(i) Interest Income	19	539.77	400.93
(ii) Dividend Income		11.41	91.85
(v) Others		1,385.07	957.94
Total Revenue from operations		1,936.25	1,450.72
Other Income			
	20	8.10	3,021.40
Total Income		1,944.35	4,472.12
Expenses			
(i) Finance Costs	21	223.76	237.36
(ii) Fees and commission Expense	22	53.90	7.03
(iii) Net loss on fair value changes	23	3,009.75	357.69
(iv) Impairment on financial instruments	24	188.24	712.62
(v) Employee benefits expense	25	501.55	259.89
(vi) Depreciation, amortisation and impairment	26	1.42	10.88
(vii) Other expenses	27	239.06	262.96
Total Expenses		4,217.68	1,848.44
Profit/(Loss) before tax		(2,273.33)	2,623.69
Tax expenses			
Current tax	28	-	633.00
Deferred tax (Assets) / Liabilities		-	10.29
Total tax expenses		-	643.29
Profit/ (loss) for the year		(2,273.33)	1,980.40
Other Comprehensive Income Items that will not be reclassified to profit or loss			
- Remeasurement gains/losses on defined benefit plan		(3.43)	1.38
- Fair value change on equity instruments through other comprehensive income		34.51	(8.31)
- Income tax relating to items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income / (loss) for the year		31.08	(6.93)
Total comprehensive Income/(loss) for the year		(2,242.25)	1,973.47
Earning per equity share (face value of Rs. 10 each)			
Basic (in Rs.)	37	(18.09)	15.76
Diluted (in Rs.)		(18.09)	15.76
Notes forming part of the consolidated financial statements			
1-48			

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

Place : Mumbai
Date : 27 June 2020

LKP Finance Limited
M.V Doshi **Pratik M Doshi**
 Executive Chairman & Director
 Managing Director

G.B Inani **S.S Gulati**
 G.M (Legal) & Head - Corporate Affairs
 Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31 March 2020

	Rs. in Lakhs							
							Note	
A. Equity Share Capital								
As at 1 April 2018							17	1,242.15
Changes in equity share capital								14.71
As at 31 March 2019							17	1,256.86
Changes in equity share capital								-
As at 31 March 2020							17	1,256.86
B. Other Equity								
	Reserves and Surplus					Other Comprehensive Income	Total other Equity	
	Share based payment reserve	Special Reserve as per RBI Guidelines for NBFC	Securities Premium	General Reserve	Retained Earnings			
As at 1 April 2018	60.89	4,124.66	156.45	6,149.10	3,483.58	380.06	14,354.74	
Profit/ (Loss) for the year	-	-	-	-	1,980.40	-	1,980.40	
Remeasurement of defined benefit plan (net of deferred tax)	-	-	-	-	(757.13)	1.38	1.38	
Dividend paid (including tax)	-	-	-	-	(757.13)	-	(757.13)	
Transfer from Retained Earnings to Special Reserve	-	483.60	-	-	(483.60)	-	-	
Premium on issue of ESOP	(60.89)	-	213.58	-	-	-	152.69	
Other comprehensive income								
Gain/(Loss) on fair value of financial asset measured through other comprehensive income	-	-	-	-	-	(8.31)	(8.31)	
Total comprehensive income	-	4,608.26	370.03	6,149.10	4,224.64	371.75	15,723.79	
As at 31 March 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)	
Other comprehensive income								
Gain/(Loss) on fair value of financial asset measured through other comprehensive income	-	-	-	-	-	34.51	34.51	
Total comprehensive income	-	4,608.26	370.03	6,149.10	1,644.83	406.26	13,178.49	
As at 31 March 2020	-	4,608.26	370.03	6,149.10	1,644.83	406.26	13,178.49	

- Securities premium is created in issue of shares
- Shares Based payment reserve is related to share options granted by the group to its employee under its employee share option plan.
- 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 other comprehensive income.
- Statutory Reserves represent reserve created wherein sum not less than twenty percent of its net profit is being transferred to the reserves
- General Reserve is a distributable reserve maintained by the group out of transfers made from profits

Notes forming part of the consolidated financial statements **1-48**

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

M.V Doshi
Executive Chairman &
Managing Director

Pratik M Doshi
Director

Membership No. 048215

Place : Mumbai
Date : 27 June 2020

G.B Inani
G.M (Legal) &
Company Secretary

S.S Gulati
Head - Corporate Affairs

Consolidated Cash flow statement for the year ended 31 March 2020

	31 March 2020	(Rs Lakhs) 31 March 2019
A. Cash flow from operating activities		
Profit/(loss) before tax	(2,273.33)	2,623.69
Adjustments for:		
Depreciation and amortization expense	1.42	10.88
Loss/ (profit) on sale/ discard of property, plant and equipment/ intangibles	(2.96)	33.02
Interest expense	105.54	118.44
Interest Income	(168.65)	(281.27)
Dividend Income	(11.41)	(91.85)
Net loss/ (gain) on Investments carried at fair value through profit and loss	3,009.75	357.69
Net loss/ (gain) on sale of investments	(1,385.07)	(957.94)
Impairment on financial instruments	188.24	712.62
Operating profit before working capital changes	(536.47)	2,525.28
Adjustments for:		
Decrease / (increase) in Trade Receivables	398.40	(1,561.57)
(Decrease) /increase in Trade payables and other payables	301.69	(6.04)
(Decrease) /increase in Financial assets	-	(446.49)
(Decrease) /increase in Non financial assets	(1,119.98)	(22.69)
Other Non-Financial Liabilities	97.14	(0.29)
Other Financial Liabilities	(1.31)	(11.80)
Provision for Mark to Market Losses on Future Contracts	-	(3.88)
Cash generated from operations	(860.53)	472.51
Direct tax paid (net of refunds)	(165.25)	(626.22)
Net cash from/ (used in) operating activities (A)	(1,025.78)	(153.71)
B. Cash flow from investing activities		
Sale of Property, plant and equipment and intangible assets	5.00	118.41
Purchase of investments	(2,000.00)	-
(Increase)/ decrease in investments held for trading	3,585.74	(1,901.42)
Loans given	(318.40)	(3,137.60)
(Increase)/ decrease in bank deposits	(0.25)	12.69
Interest received	168.65	281.27
Dividend received	11.41	91.85
Net cash from/ (used in) investing activities (B)	1,452.16	(4,534.81)
C. Cash flow from financing activities		
Proceeds from issues of shares on ESOP	-	167.41
Dividend Paid	(303.05)	(757.13)
Repayments of borrowings	-	(1,988.18)
Interest paid	(105.54)	(118.44)
Net cash from/ (used in) financing activities (C)	(408.60)	(2,696.34)
Net changes in cash and cash equivalents (A+B+C)	17.78	(7,384.86)
Cash and cash equivalents at the beginning of the year	400.31	7,785.17
Cash and bank balances at the end of the year	418.09	400.31

Notes:

- Previous year figures have been regrouped or recast wherever, considered necessary
- 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
- Cash and cash equivalents consists of:**

Cash in Hand	0.06	0.08
Balances with banks:		
in current accounts	403.17	400.23
Cheques in hand	14.86	-
Total	418.09	400.31

 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 : 27 June 2020
G.B Inani
 G.M (Legal) &
 Company Secretary

S.S Gulati

Head - Corporate Affairs

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
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 Holding Company is presently classified as Investment Company. The consolidated financial statement (hereinafter referred to as "Financial statements") of the Group for the year ended 31 March 2020 were authorised for issue by the Board of Directors at the meeting held on 27 June 2020.

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.

For all periods up to and including the year ended 31 March 2019, the Group had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as 'Previous GAAP'). These financial statements for the year ended 31 March 2020 are the first the Group has prepared in accordance with Ind AS. The Group has applied Ind AS 101 'First-time Adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2018 being the date of transition to Ind AS.

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.

An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the group is provided in note no. 47

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
Direct Subsidiary		
Gayatri Cement & Chemical 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

- i) 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.
- ii) On transition to Ind AS, the group has elected to continue with the carrying value of all its property plant & equipment recognised as at 1 April 2018 measured as per previous GAAP and use that carrying value as deemed cost of property, plant and equipment

(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

In case of Subsidiary the depreciation method followed is WDV as per the rates prescribed in Income Tax Act 1961

(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.

(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 unfunded.

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 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.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Group and the assets can be measured reliably.

(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) Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but remaining undistributed at the end of the reporting period, where the same has been appropriately authorised and is no longer at the discretion of the entity.

(t) 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.

(u) 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'.

g Recent accounting pronouncements**Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notification which would have been applicable from 1 April 2020.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

	(Rs.Lakhs)					
	31 March 2020	31 March 2019	1 April 2018			
3(a) Cash and cash equivalents						
Cash on hand	0.06	0.08	0.00			
Balances with bank -						
- In Current accounts	403.17	400.23	2,461.77			
- Deposit with original maturity less than 3 months	-	-	5,323.40			
Cheques on hand	14.86	-	-			
Total	418.09	400.31	7,785.17			
3(b) Bank Balances other than cash and cash equivalents						
Unpaid dividend accounts	63.99	63.63	69.58			
Bank deposit having original maturity period of less than twelve months*	500.00	501.80	236.32			
Bank deposit having original maturity period of more than twelve months*	1,255.42	1,253.72	1,525.93			
Total	1,819.40	1,819.15	1,831.84			
* (2020: Rs 1,570 Lakhs); (2019: Rs 1,570 Lakhs; (2018: Rs 1,570 Lakhs) lien marked against Cash Credit and Bank Overdraft taken from bank and (2020: Rs 180 Lakhs) (2019: Rs 180 Lakhs; 2018: Rs 180 Lakhs) lien marked against bank guarantee given to Enforcement Directorate						
	31 March 2020	31 March 2019	1 April 2018			
4 RECEIVABLES						
Trade receivables						
Considered good - Unsecured	1,165.76	1,564.16	2.59			
Total	1,165.76	1,564.16	2.59			
Trade receivables are non-interest bearing till settlement date includes receivables from Related party - (2020 : Rs 887.97 Lakhs), (2019 : Rs 1000.00 Lakhs; 2018 : Rs Nil)						
	31 March 2020	31 March 2019	1 April 2018			
5 Loans (Unsecured)						
At amortised cost						
Considered Good	3,060.86	3,699.24	1,013.66			
Significant increase in credit risk	955.78	-	-			
Less: Impairment Loss Allowance	191.00	-	-			
	3,825.64	3,699.24	1,013.66			
Loans to employees	1.00	-	-			
- Consided Good	-	-	-			
Total	3,826.64	3,699.24	1,013.66			
For related party transactions refer note 36						
	31 March 2020	31 March 2019	1 April 2018			
6 Investments						
A Investments carried at amortized cost						
Investment in Debt Securities						
Investment in Non-Convertible Debentures - Face value of Rs 1,00,000						
(2020: Nil) (2019:Nil) (2018 : 1,000) 10.5% Edelweiss Asset Reconstruction Company Limited	-	-	1,180.66			
	-	-	1,180.66			
	-	-	1,180.66			
B Investment carried at Fair value through other comprehensive income						
Investment in equity shares -quoted- face value of Rs 10 each						
(2020 :8,153) (2019 :8,153) (2018: 11,531)Everlon Synthetics Limited	1.10	1.18	1.45			
(2020 :1,500) (2019 :1,500) (2018: 1,500) IDBI Limited	0.29	0.70	1.08			
(2020 :5,000) (2019 :5,000) (2018: 7,000) MRPL Limited	1.16	3.73	7.67			
(2020 : 1,000) (2019 :1,000) (2018: 1,000) Credit Capital Venture Limited	-	-	-			
(2020: 2,300) (2019: 2,300) (2018: 2,300) Indus Network Limited	-	-	-			
(2020 :10,000) (2019 :10,000) (2018: 10,000) Sanghi Polyester Limited	-	-	-			
Investment in equity shares -quoted- face value of Rs 5 each						
(2020 :10,000) (2019: 10,000) (2018: 10,000) Asian Electronics Limited	-	-	-			
Investment in equity shares -quoted- face value of Rs 2 each						
(2020 : 3,500) (2019 : 3,500) (2018: 3,500) Yes Bank Limited	2.25	9.63	10.67			
Investment in equity shares -unquoted- face value of Rs 10 each						
(2020: 58,29,404), (2019: NIL) , (2018: NIL) Religare Health Insurance Co Limited	2,044.95	-	-			
(2020 : 5,600) (2019:5,600) (2018: 5,600) The Hindustan Times Limited	375.79	375.79	375.37			
(2020:) (2019: 2,000) (2018 :2,000) MKM Shares and Stock Brokers Limited	-	-	-			
(2020 : 490) (2019: 490) (2018: 490) Peak Plastonics Private Limited	-	-	-			
(2020 : 1470) (2019: 1,470) (2018:1,470) Seaglimpse Investments Private Limited	-	-	-			
	2,425.53	391.02	396.23			
C Investment carried at Fair value through profit and loss						
i Investment in Mutual Funds						
face value of Rs 1000 each	1,372.95	3,197.90	398.14			
face value of Rs 10 each	-	2,562.76	-			
ii Investment in Bonds[^]						

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Investment in Bonds of face value of Rs 10 lakhs each ^	81.03	2,030.37	1,778.09	(2020 : Nil) (2019 :Nil) (2018: 18,300) CESC Limited	-	-	177.08
Investment in Bonds of face value of Rs 1 lakh each	-	669.10	-	(2020 : Nil) (2019 :Nil) (2018: 1,19,308) Medowell Holdings Limited	-	-	47.54
Investment in Bonds of face value of Rs 1,000 each	-	-	580.64	(2020 : Nil) (2019 :Nil) (2018: 50,000) IZMO Limited	-	-	48.33
iii Investment in equity shares -quoted				(2020 : Nil) (2019 :Nil) (2018: 70,000) Nitco Tiles Limited	-	-	64.75
Equity shares of face value of Rs 10 each				(2020 : Nil) (2019 :Nil)(2018 : 51,000) Nilkamal Limited	-	-	775.84
(2020 : 86,737) (2019 : 68,000) (2018 : 17,000) Yuken India Limited	281.90	459.92	679.66	Equity shares of face value of Rs 5 each	-	-	-
(2020 : 4241) (2019 : 4241) (2018: 4241) CMI FPE Limited	17.70	56.78	37.00	(2020:4,11,898) (2019: 95,000) (2018: 65,000) Prime Securities Limited	156.38	38.86	30.88
(2019: 2,502)(2018: 50,000) Greycells Education Limited	0.93	0.95	21.00	(2020 : 2,00,000) (2019 : Nil) (2018 : Nil) Jump Networks Limited	97.70	-	-
(2020 : 1,00,000) (2019 :1,00,000) (2018: 1,00,000) Jai Prakash Power Ventrures Limited	0.65	1.86	4.80	Equity shares of face value of Rs 2 each	-	-	-
(2020: 78,73,550) (2019:2,06,750) (2018:Nil) Religare Enterprises Limited	1,495.97	60.78	-	(2020 : Nil) (2019 :Nil) (2018 :63,85,000) Jaiprakash Associates Limited	-	-	1,209.96
(2020: 2,35,350) (2019: 87,000) (2018: NIL)Has Lifestyles Limited	23.54	22.62	-	(2020 : 75,000) (2019 : Nil) (2018 : Nil) Setco Automotive	4.24	-	-
(2020: 25,400) (2019: Nil)(2018: Nil) Raymond Limited	56.64	-	-	Equity shares of face value of Re 1 each	-	-	-
(2020: 2,01,400) (2019: Nil) (2018: Nil) LT Finance Holdings Limited	103.31	-	-	(2020: 2,00,000)(2019: 200,000) (2018: NIL) Sintex Plastics Technology Limited	1.24	39.90	115.20
(2020: 1,00,000) (2019: Nil) (2018: Nil) RBL Bank Limited	135.65	-	-	(2020 : 2,00,000) (2019: 2,00,000) (2018 :NIL) Transformers and Rectifiers (India) Limited	10.90	27.04	53.00
(2020: 20,16,000) (2019: Nil) (2018: Nil) Vodafone Idea Limited	124.90	-	-	(2020 : 2,25,000) (2019: Nil) (2018: Nil) Ganesh Benzoplast Limited	52.54	-	205.38
(2020: 8,203) (2019: Nil)(2018: Nil) Solara Activa Pharma Limited	36.35	-	-	(2020: 33,48,691) (2019: 33,44,791)(2018: NIL) International Conveyors Limited	678.11	889.71	-
(2020 : 5,400) (2019 :Nil) (2018 :Nil)Cremica Agro Foods Limited	0.00	-	-	(2020: 22,61,619) (2019: 16,62,683) (2018: NIL)Elpro International Limited	753.62	770.51	-
(2020 : 332) (2019 :Nil) (2018 :Nil) Linde India Limited	1.62	-	-	(2020: Nil) (2019: Nil) (2018: 100,000) Mercator Limited	-	-	34.70
(2020 : 250) (2019 :Nil) (2018 :Nil)Sandur Manganese & Iron Ores Limited	0.93	-	-	(2020: NIL) (2019: NIL)(2018: 300,000) Centrum Capital Limited	-	-	188.10
(2020: 2918) (2019: NIL) (2018:NIL) Pearl Polymers Limited	16.66	-	-	iv Investment in equity shares- Unquoted			
(2020: 17,018) (2019: NIL) (2018: NIL) Solid Stone Company Limited	3.22	-	-	Equity shares of face value of Rs 10 each			
(2020: 18,000) (2019: NIL) (2018: NIL) Manorama Industries Limited	31.11	-	-	(2020: Nil) (2019: Nil) (2018:5,00,000) Business India Limited	-	-	150.00
(2019: 10,00,000) (2018:NIL) Reliance Power Limited	-	113.60	-	(2020: Nil) (2019: Nil) (2018: 10,00,000) Primary Cuisine Private Limited	-	-	100.00
(2020 : Nil) (2019 :Nil) (2018: 1,00,000) Aditya Birla Capital Limited	-	-	145.85				

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

v Alternate Investment Funds (2020 : 1875)(2019 :NIL) (2018 : NIL)Edelweiss Infra Yield plus of Rs. 10,000/- each (2020: Nil)(2019: Nil) (2018: 56,750) Units of Edelweiss Credit Opportunities Fund of Rs. 1,000/- each (2020: Nil) (2019: Nil) (2018:100) units of Oysterrock Capital Fund 1 of face value of Rs 100,000 - - - <u>5,732.25 10,942.67 7,513.43</u> Total Investments (A+B+C+D) 8,157.78 11,333.68 9,090.32 * The fair value of shares considered as "0" (-) as the company's shares are suspended from trading. # "0" (Zero) denotes amounts less than thousand ^ are marked as lien against secured loan from banks viz. bank of India and Federal bank Total Investments 8,157.78 11,333.68 9,090.32 As at Out of Above 31 March 31 March 1 April 2020 2019 2018 In India <u>8,157.78 11,333.68 9,090.32</u> Outside India <u>- - -</u> Aggregate book value of quoted investments 5,737.04 10,957.89 7,284.30	Aggregate book value of unquoted investments 2,420.74 375.79 1,806.02 Aggregate market value of quoted investments 5,737.04 10,957.89 7,284.30 Aggregate market value of unquoted investments 2,420.74 375.79 1,806.02 (Rs. Lakhs) 31 March 31 March 1 April 2020 2019 2018 7 Other Financial Assets Security Deposits- (unsecured and considered good) - others 15.73 15.73 15.93 Stock Futures Margin - - 210.92 Other Advances - unsecured -Others 786.50 786.50 127.50 Total 802.23 802.23 354.35 8 Current Tax assets (net) Balance with Government Authorities Advance Direct Tax (net of provisions) 453.99 288.74 295.52 Total 453.99 288.74 295.52 9 Defered tax assets (net) Deferred tax assets/ (liabilities) Depreciation and amortisation - - 10.29 MAT Credit Entitlement 663.20 663.20 663.20 Total 663.20 663.20 673.48
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10 PROPERTY, PLANT AND EQUIPMENTS

(Rs. Lakhs)

Description of Assets	Buildings	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
Deemed cost as at 1 April 2018	23.43	22.11	136.84	1.82	0.02	184.22
Additions	-	-	-	-	-	-
Disposals	-	22.08	136.84	1.82	0.02	160.75
Balance as at 31 March 2019	23.43	0.04	-	-	-	23.47
Additions	-	-	-	-	-	-
Disposals	2.04	-	-	-	-	2.04
Balance as at 31 March 2020	21.39	0.04	-	-	-	21.43
II. Accumulated Depreciation						
Balance as at 1 April 2018	-	-	-	-	-	-
Depreciation charged for the year	1.55	1.07	7.99	0.27	-	10.88
Disposals	-	-1.07	-7.99	-0.27	-	-9.33
Upto 31 March 2019	1.55	0.00	-	-	-	1.56
Depreciation charged for the year	1.41	0.00	-	-	-	1.42
Disposals	-	-	-	-	-	-
Upto 31 March 2020	2.97	0.01	-	-	-	2.97
Net book value						
As at 31 March 2020	18.42	0.03	-	-	-	18.45
As at 31 March 2019	21.88	0.03	-	-	-	21.91
As at 01 April 2018	23.43	22.11	136.84	1.82	0.02	184.22

Note : Buildings include cost of shares of Rs 500/- the value of shares in co operative societies

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

	(Rs. Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
11 Other non-financial assets			
Others Assets			
Prepaid expenses	-	10.00	-
Defined Benefit Asset -Gratuity	47.41	47.08	34.39
Deposit with Debt Recovery Tribunal (DRT) (Refer note 29)	1,126.22	-	-
Total	1,173.63	57.08	34.39

12 Financial liabilities			
I) Trade Payables (refer note 34)			
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	-	8.63
Total	133.49	-	8.63

II) Other Payables (refer note 34)			
i) total outstanding dues of micro enterprises and small enterprises	-	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	254.78	86.57	83.99
Total	254.78	86.57	83.99

Trade payables and other payables are non-interest bearing and are normally settled as per contractual terms.

For related party transactions refer note 36

	31 March 2020	31 March 2019	1 April 2018
13 Borrowings			
i) Loans from related parties[^]			
- Others	16.50	16.50	16.50
16.50	16.50	16.50	16.50
ii) Loans repayable on demand			
From Banks*	-	-	1,988.18
From Other Parties**	3,596.65	3,596.65	3,596.65
3,596.65	3,596.65	3,596.65	5,584.83
Total	3,613.15	3,613.15	5,601.33

* Cash Credit/ Overdraft from Bank of India of (2020: Rs. Nil) (2019: Rs.Nil) (2018: Rs 716.29 Lakhs) are secured against pledge of approved debt securities rated 'A' and above with 15% margin, fixed deposit with the bank and personal guarantee of the Promoter. The loan is repayable on demand and carries interest of 12% p.a. (one year MCLR+ BSS+CRP)

Cash Credit from Federal Bank Limited of (2020 : Rs.Nil) (2019: Rs.Nil) (2018: Rs 1,232.94 lakhs) are secured against pledge of bonds in CGSL account with Federal bank Limited. The loan is repayable on demand and carries interest of 10.95% p.a. % (one year MCLR)

Overdraft from Federal Bank Limited of (2020 : Rs. Nil) (2019: Rs. Nil) (2018: Rs 38.95 lakhs) are secured against pledge of fixed deposit with banks. The loan is repayable on demand. It carries interest 7.25% - 7.80% at monthly rests

[^]Loan from related party carries interest rate of 18%

** Borrowings of Rs (2020: 3,596.65 lakhs) (2019: 3,596.65 lakhs) (2018: Rs 3,596.65 lakhs) is considered interest free and repayable on demand in the absence of term sheet and confirmation. Refer note 29 (ii) c)

	(Rs. Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
14 Other financial liabilities			
Interest accrued but not due on borrowings	0.20	1.87	7.72
Unclaimed Dividends	63.99	63.63	69.58
Total	64.19	65.50	77.30

15 Provisions			
Provision for Standard Assets	12.46	15.22	4.62
Provision for Mark to Market Losses on Future Contracts	-	-	3.88
Total	12.46	15.22	8.50

16 Other non-financial liabilities			
Statutory dues payable	128.75	31.61	31.90
Total	128.75	31.61	31.90

	(Rs. Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
17 Equity Share capital			
Authorised*			
20,000,000 (2019:20,000,000) , (2018:20,000,000) Equity Shares of Rs 10/- each	2,000.00	2,000.00	2,000.00
2,000.00	2,000.00	2,000.00	2,000.00

Issued, subscribed and fully paid up			
12,568,623 (2019:12,568,623) (2018:12,421,523) Equity Shares of Rs 10/- each	1,256.86	1,256.86	1,242.15
1,256.86	1,256.86	1,242.15	1,242.15

*Authorised share capital of (2020: Rs 1,000 Lakhs); (2019: Rs 1,000 Lakhs); (2018: 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.

	(Rs. in Lakhs)					
	31 March 2020		31 March 2019		1 April 2018	
	Number of Equity shares	(Rs. in Lakhs)	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	12,421,523	1,242.15	12,198,023	1,219.80

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Add: Share Issued on exercise of ESOP employee Stock Options	-	-	147,100	14.71	223,500	22.35
Add: Share issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	<u>12,568,623</u>	<u>1,256.86</u>	<u>12,568,623</u>	<u>1,256.86</u>	<u>12,421,523.00</u>	<u>1,242.15</u>

b) Terms/rights attached to equity shares

The Company has 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 dividend, incase proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except incase of interim dividend.

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 2020		31 March 2019		1 April 2018	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
Mr Mahendra V Doshi	1,449,363	11.53%	1,649,363	13.12%	1,648,763	13.27%
Mr Mahendra V Doshi-Partner M/s L K Panday	2,059,404	16.39%	2,059,404	16.39%	2,059,204	16.58%
Sea Glimpse Investments Private Limited	2,547,515	20.27%	2,547,515	20.27%	2,547,515	20.51%
Bhavana Holdings Private Limited	1,409,505	11.21%	1,409,505	11.21%	1,409,505	11.35%
Authum Investment and Infrastructure Ltd	1,798,256	14.31%	-	-	-	-
Dakshin Mercantile Private Limited	-	-	3,074,410	24.46%	-	-
Agrud Capital Pte Limited	-	-	-	-	727,489	5.86%
	<u>9,264,043</u>	<u>73.71%</u>	<u>10,740,197</u>	<u>85.45%</u>	<u>8,392,476</u>	<u>67.56%</u>

e) (i) Employees Stock Option Scheme (ESOP) 2010

The Company had instituted an Employee Stock Option Plan ("ESOP 2010 or "the Scheme") as approved by Board of Directors and Shareholders of the Company. Under the scheme, 390,000 Stock Options were granted at a pricing of 5% discount on the average closing price of the Company's shares on BSE during the last 15 days preceding the date of grant of options to the employees of the Company and of its subsidiaries. The options vested would be exercisable at any time within a period of five years from the date of vesting and the equity shares arising on exercise of options shall not be subject to any lock in. The said Scheme is administered by the Nomination and Remuneration Committee of the Board.

During the year ended 31 March 2020, the Company did not grant any stock option. Out of the options granted 132,600 stock options had been exercised in FY 2018-19. There are no option outstanding as at 31 March 2020 and 31 March 2019.

e) (ii) Summary of Options granted under the scheme

	31 March 2020	31 March 2019	1 April 2018
Options outstanding at the beginning of the year	-	132,600	261,300
Options exercised during the year	-	132,600	-
Options lapsed during the year	-	-	128,700
Option outstanding at the end of the year	-	-	132,600

f) (i) Employees Stock Option Scheme (ESOP) 2010

The Company had instituted a new Employee Stock Option Plan ("ESOP 2010 or "the Scheme") as approved by Board of Directors and Shareholders of the Company. Under the scheme, 447,000 Stock Options were granted at a price of Rs 80/- per option to the employees of the Company and of its subsidiaries. The options vested would be exercisable at any time within a period of five years from the date of vesting and the equity shares arising on exercise of options shall not be subject to any lock in. The said Scheme is administered by the Nomination and Remuneration Committee of the Board. There are no option outstanding as at 31 March 2020.

f) (ii) Summary of Options granted under the scheme

	31 March 2020	31 March 2019	1 April 2018
Options outstanding at the beginning of the year	-	14,500	240,500
Options exercised during the year	-	14,500	223,500
Options lapsed during the year	-	-	2,500
Option outstanding at the end of the year	-	-	14,500

g) (i) Employees Stock Option Scheme (ESOP) 2014

The Company has instituted an Employee Stock Option Plan ("ESOP 2014" or "the Scheme") as approved by Board of Directors and Shareholders of the Company, for issuance of 775,000 Stock Options Convertible in equivalent number of equity shares of Rs.10 each to the employees of the Company and of its subsidiaries. Out of 610,000, 610,000 options were granted and vested during 31 March 2015 at a price of Rs 80/- per option. The options vested would be exercisable at any time within a period of three years from the date of vesting and the equity shares arising on exercise of options shall not be subject to any lock in. The said Scheme is administered by the Nomination and Remuneration Committee of the Board. There are no option outstanding as at 31 March 2020

	31 March 2020	31 March 2019	1 April 2018
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18 Other Equity (Refer note 47)
Shares Based Payment Reserve

As per Last Balance Sheet	-	60.89	11.71
Add : Share based payments	-	-	49.18
Less : Premium on issue of ESOP	-	(60.89)	-
	<u>-</u>	<u>-</u>	<u>60.89</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
Special Reserve Fund- As per RBI guidelines for NBFCs

As per Last Balance Sheet	4,608.26	4,124.66	3,730.37
Add: Transfer from Retained Earnings		483.60	394.30
	4,608.26	4,608.26	4,124.66

Securities Premium

As per Last Balance Sheet	370.03	156.45	-
Add : Premium on issue of ESOP	-	213.58	156.45
	370.03	370.03	156.45

General Reserve

As per Last Balance Sheet	6,149.10	6,149.10	6,149.10
	6,149.10	6,149.10	6,149.10

Retained Earnings

Balance as per the last financial statements	4,223.25	3,483.58	1,916.98
Profit / (Loss) for the year		1,980.40	1,960.90
	(2,273.33)		
Gain /(Loss) on fair value of defined benefit plan	(3.43)	1.38	-
Transfer to Special Reserve Fund	-	(483.60)	(394.30)
Dividend Paid (Including Tax)	(303.05)	(757.13)	-
	1,643.45	4,224.65	3,483.58

Other Comprehensive income - fair value on equity instruments

As per last balance sheet	373.13	380.06	-
Gain /(Loss) on fair value of financial asset measured through other comprehensive income	34.51	(8.31)	380.06
	407.64	371.75	380.06

Total Other Equity
13,178.49 15,723.79 14,354.74

(Rs. Lakhs)

19 Revenue from operations
(i) Interest Income

Interest- 'Loans	371.12	119.66
-Investments	36.69	111.60
-Deposit with Banks	128.36	166.69
-Retirement benefits	3.60	2.97
Total	539.77	400.93

(ii) Dividend Income on Investments

	11.41	91.85
Total	11.41	91.85

(iii) Others

Net gain on sale of securities	1,382.94	957.94
Income from AIF Investments	2.13	-
Total	1,385.07	957.94

20 OTHER INCOME

Income on Assignment of NPA *	-	3,000.00
Miscellaneous Income	5.14	21.40
Profit on Sale/ Discard of Property plant and equipment	2.96	-
Total	8.10	3,021.40

*For related party transactions refer note 42

31 March 2020 31 March 2019
EXPENSES
21 Finance Costs

Interest on borrowings	105.54	82.95
Interest - Others	-	35.49
Other financial charges	118.21	118.92
Total	223.76	237.36

22 Fees and commision expense

Commission and sub-brokerage	53.90	7.03
Total	53.90	7.03

23 Net loss on fair value changes

Fair valuation loss on fair value through profit and loss instruments	3,009.75	357.69
Total	3,009.75	357.69

24 Impairment on financial instruments

At amortised cost		
Loan- Standard Assets	(2.76)	10.60
Loan- Substandard Assets	191.00	-
Bad debts	-	452.02
Investments Written off	-	250.00
	188.24	712.62

25 Employee benefits expense

Salaries and wages	478.37	253.70
Contribution to provident and other funds	2.96	0.36
Staff welfare expenses	20.39	1.26
Gratuity expense	(0.16)	4.56
	-	-
Total	501.55	259.89

26 Depreciation, amortisation and impairment

Depreciation of tangible assets	1.42	10.88
Total	1.42	10.88

27 Other expenses

Rent , Rates and taxes	31.08	30.16
Repairs and maintenance	0.44	1.10
Communication expenses	5.53	7.34

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Printing and stationery	1.50	2.13
Advertisement Expenses	0.70	1.45
Directors sitting fees	3.70	3.26
Payments to auditors (Refer Note 31)	10.48	13.84
Legal and professional charges	87.28	71.96
Travelling and Conveyance Expenses	21.60	12.23
Loss on sale of Property, Plant and Equipments	-	33.02
Corporate Social responsibility expenses (Refer note 32)	45.00	35.00
Miscellaneous expenses	31.75	51.47
Total	239.06	262.96

28 Tax Expense
(a) The major components of income tax for the year are as under:

- i) Income tax related to items recognised directly in the statement of profit and loss

	(Rs. Lakhs)	
	31 March 2020	31 March 2019
Current tax		
Current tax on profits for the year	-	633.00
Deferred tax (Credit) / Charge		
Relating to origination and reversal of temporary differences		10.29
Total	-	643.29
Effective tax rate #	0.00%	25%

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 2020

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

	31 March 2020	31 March 2019
Deferred tax on remeasurement (gains)/ losses on defined benefit plan		
Deferred tax charged to OCI	-	-

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

	31 March 2020	31 March 2019
Accounting Profit/(Loss) before tax	(2,273.33)	2,623.69
Income tax expense calculated at corporate tax rate	(632.44)	729.91
Tax effect on non-deductible expenses	635.62	(50.78)
Effect of exempt income and income tax at Lower rates	(3.18)	(25.55)
Reversal of Other temporary differences	-	(10.29)
Tax expense recognized in the statement of profit and loss	0.00	643.29

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 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:

Reconciliation of deferred tax assets / (liabilities) net:	31 March 2020	31 March 2019
Opening balance	663.20	673.48
Deferred tax (charge)/credit recognised in		
- Statement of profit and loss	-	(10.29)
Total	663.20	663.20

Deferred tax recognized in statement of profit or loss

For the year ended	31 March 2020	31 March 2019
Depreciation and amortisation	-	(10.29)
Total	-	(10.29)

Deferred tax recognized in statement of Other Comprehensive Income

For the year ended	31 March 2020	31 March 2019
Employee retirement benefits obligation	-	-
Total	-	-

Unused tax losses

The Group has unused tax business losses of (2020: Rs. 3,431.86 Lakhs and Long term capital loss of Rs.237.80 lakhs) ; (2019: Rs. 4,031.42 Lakhs and Long term capital loss of 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

MAT Credit Entitlement

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future taxable benefits associated with it will flow to the Company and the assets can be measured reliably. The Company has unrecognized MAT credit entitlement (2020: Rs 2045.94 Lakhs); (2019: Rs 1,980.49 Lakhs)

29 (i) Contingent Liabilities

Against a penalty order (for 2020: Rs 180 Lakhs) (2019: Rs 180 Lakhs); (2018: 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 Group, the Group has preferred an appeal in the Honorable Madras High Court. The Group 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 Group 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 Group has filed an arbitration case (2020 : Rs. 25.11 Lakhs) (2019 : Rs. 25.11 lakhs) (2018 : Rs. 25.11 Lakhs) against borrowers

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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 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.
- d) The Department of Company Affairs has filed a suit in the Small Causes Court, Mumbai against, the Group, its Directors and the KMPs for non filing of information in Form INV5 in respect of Unclaimed Dividend as on 31 March 2013. The Group has already filed the Form, The Group 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 Group has appealed against the said order, which is pending at the CIT(Appeals) stage even if the contention of the group is not accepted by the tax authorities, there will be no cash outgo as the taxes paid by the group exceed the tax payable (even after considering the addition made by the Department)

(iii) Capital Commitments

During the year ended 31 March 2020, the Group has entered into an memorandum of understanding to contribute in capital amounting to Rs. 500 Lakhs and Group has already paid amounting to Rs. 187.50 Lakhs and remaining uncalled amount on investments is Rs. 312.50 Lakhs.

(iv) Other Commitments

During the year ended 31 March 2019, the Group 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 Group 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. Subsequent to the balance sheet date, the Group has received back the advance given.

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

	(Rs. Lakhs)	
	31 March 2020	31 March 2019
Holding Company		
Audit fees including Limited review fees	10.00	10.00
Other matters	-	3.55
Subsidiary Company		
Audit fees	0.48	0.30
Total	10.48	13.85

32 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, amount required to be spend by the group during the year ended March 31, 2020 is Rs. 42.26 lakhs, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Group has incurred Rs. 5 lakhs and provided of Rs. 40 Lakhs during the year ended 31 March, 2020 towards CSR expenditure for purposes other than construction / acquisition of any asset. The Group couldnot transfer the fund to specified trust due to lockdown and the same will be transferred in the next financial year .

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 2020 (31 March 2019: Nil) (1 April 2018 : 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 2020	31 March 2019	1 April 2018
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.		-	-

34 Financial Instruments
i) Financial risk management objective and policies

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. The Group’s principal financial assets include investments, loans, trade receivables, other receivables, and cash and cash equivalents that derive directly from its operations.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks.

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. Redeemable preference shares carries fixed coupon rate and hence is not considered for calculation of interest rate sensitivity of the group.

Interest rate risk exposure

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Variable rate borrowings	-	-	1,988.18
*			

*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 2020	+ 50 / - 50	-
As on 31 March 2019	+ 50 / - 50	-
As on 1 April 2018	+ 50 / - 50	9.94

2) 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

3) Credit Risk:

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 receivables from customers, deposits and loans given, investments and balances at bank.

The Group measures the expected credit loss of trade 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.

(Rs. Lakhs)

Trade Receivables

	31 March 2020	31 March 2019	1 April 2018
More than Six months	1,165.76	1,564.16	-
Others	-	-	2.59
Total	1,165.76	1,564.16	2.59

As at 31
March 2020

As at 31
March 2019

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	-
Net Trade receivable	1,165.76 1,564.16

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 equity shares and bonds.

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 2020			Total
		Less than 1 year	2-5 years	More than 5 years	
Financial Liabilities :					
Trade payables	133.49	133.49	-	-	133.49
Other payables	254.78	254.78	-	-	254.78
Borrowings	3,613.15	3,596.65	16.50	-	3,613.15
Other financial liabilities	64.19	64.19	-	-	64.19
	4,065.61	4,049.10	16.50	-	4,065.61

	Carrying Amount	31 March 2019			Total
		Less than 1 year	2-5 years	More than 5 years	
Financial Liabilities :					
Trade payables	-	-	-	-	-
Other payables	86.57	86.57	-	-	86.57
Borrowings	3,613.15	3,596.65	16.50	-	3,613.15

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Other financial liabilities	65.50	65.50	-	-	65.50
	3,765.22	3,748.73	16.50	-	3,765.22

	Carrying Amount		1 April 2018		
		Less than 1 year	2-5 years	More than 5 years	Total
Financial Liabilities :					
Trade payables	8.63	8.63	-	-	8.63
Other payables	83.99	83.99	-	-	83.99
Borrowings	5,601.33		16.50	-	5,601.33
		5,584.83			5,601.33
Other financial liabilities	77.30	77.30	-	-	77.30
	5,771.25		16.50	-	
		5,754.75			5,771.25

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 2020	As at 31 March 2019	As at 1 April 2018
Gross debt (inclusive of long term and short term borrowing)	4,065.61	3,765.22	5,771.25
Less: Cash and bank balances	418.09	400.31	7,785.17
Net debt	3,647.53	3,364.90	-2,013.93
Total equity	14,435.35	16,980.65	15,596.90
Total capital	18,082.88	20,345.55	13,582.97
Gearing ratio	20.17%	16.54%	-14.83%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

iii) Categories of financial instruments and fair value thereof

Particulars	As at 31 March 2020			As at 31 March 2019			As at 1 April 2018		
	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost
A) Financial assets									
Cash and cash equivalents	-	-	418.09	-	-	400.31	-	-	7,785.17
Bank Balance other than (a) above	-	-	1,819.40	-	-	1,819.15	-	-	1,831.84
Trade Receivables	-	-	1,165.76	-	-	1,564.16	-	-	2.59
Loans	-	-	3,826.64	-	-	3,699.24	-	-	1,013.66
Investments	2,426	5,732.25	-	391.02	10,942.66	-	396.23	7,513.43	1,180.66
Other Financial assets	-	-	802.23	-	-	802.23	-	-	354.35
Total financial assets	2,426	5,732.25	8,032.12	391	10,942.66	8,285.09	396	7,513.43	12,168.27
B) Financial liabilities									
Trade payables	-	-	133.49	-	-	-	-	-	8.63
Other Payables	-	-	254.78	-	-	86.57	-	-	83.99
Borrowings	-	-	3,613.15	-	-	3,613.15	-	-	5,601.33
Other financial liabilities	-	-	64.19	-	-	65.50	-	-	77.30
Total financial liabilities	-	-	4,065.61	-	-	3,765.22	-	-	5,771.25

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
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 2020

Financial assets	As at 31 March 2020				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at FVTOCI					
Investments	2,425.53	2,425.53	4.79	-	2,420.74
Financial assets measured at FVTPL					
Investments	5,732.25	5,732.25	5,732.25	-	-
Total	8,157.78	8,157.78	5,737.04	-	2,420.74

Financial assets	As at 31 March 2019				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at FVTOCI					
Investments	391.02	391.02	15.23	-	375.79
Financial assets measured at FVTPL					
Investments	10,942.66	10,942.66	10,582.11	-	-
Total	11,333.68	11,334	10,597.35	-	375.79

Financial assets	As at 1 April 2018				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at FVTOCI					
Investments	396.23	396	-	-	-
Financial assets measured at FVTPL					
Investments	7,513.43	7,513.43	7,513.43	-	-
Financial assets measured at amortised cost					
Investments	1,180.66	1,180.66	-	1,181	-
Total	9,090.32	9,090.32	7,513.43	1,180.66	-

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 company enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Company

analyses currency risk as to which balances outstanding in currency other than the functional currency of that company. The management has taken a position not to hedge this currency risk.

The company 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 recognised 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 2020	31 March 2019
Current service cost	1.48	1.67
Interest cost (net)	(3.60)	(2.97)
Past Service cost	-	-
Net expenses	(2.12)	(1.30)

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

	(Rs Lakhs)	
	31 March 2020	31 March 2019
Actuarial (gains)/ losses arising from changes in demographic assumptions	0.52	(0.91)
Actuarial (gains)/ losses arising from changes in financial assumptions	2.46	0.63
Actuarial (gains)/ losses arising from changes in experience assumptions	(0.35)	(2.17)
Recognised during the year	2.62	(2.44)

III Net liability recognised in the balance sheet

	(Rs Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
Fair value of plan assets	115.08	111.08	94.61
Present value of obligation	67.67	63.99	60.22
Liability recognized in balance sheet	47.41	47.08	34.39

IV Reconciliation of opening and closing balances of defined benefit obligation

	(Rs Lakhs)	
	31 March 2020	31 March 2019
Defined benefit obligation as at the beginning of the year	(47.08)	(34.39)
Adjustment to opening balance	(1.02)	-
Current Service Costs	(2.12)	(1.30)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Interest Costs	-	-
Actuarial (gain)/ loss on obligation	3.43	(1.38)
Contribution paid	(0.62)	(10.00)
Past service costs	-	-
Defined benefit obligation at the end of the year	(47.41)	(47.08)

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

	(Rs Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
Fair value of plan assets at the beginning of the year	111.08	94.61	73.00
Adjustment to opening balance	1.02	-	0.26
Interest income	8.17	7.52	5.54
Contributions paid	0.62	10.00	23.04
Benefits paid	(5.00)	-	(8.31)
Return on plan asset	(0.81)	(1.06)	1.08
Fair value of plan assets at year end	115.08	111.08	94.61

VI Actuarial Assumptions

	(Rs Lakhs)		
	31 March 2020	31 March 2019	1 April 2018
Discount rate (Per annum)	6.53%	7.35%	7.55%
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%
Attrition rate	PS: 0 to 10 :7%	PS: 0 to 10 :7%	PS: 0 to 10 :7%
	PS: 10 to 20 :0%	PS: 10 to 20 :0%	PS: 0 to 10 :7%
	PS: 20 to 52 :7%	PS: 20 to 52 :7%	PS: 20 to 52 :7%
Mortality Table	IALM (2012-14) ult	IALM (2006-08) ult	IALM (2006-08) 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 2020	31 March 2019
Projected benefit obligation on current assumptions		
Increase by 1% in Discount rate	64.70	60.64
Decrease by 1% in Discount rate	70.97	67.75
Increase by 1% in Rate of salary increase	69.52	66.30
Decrease by 1% in Rate of salary increase	65.94	61.45

VIII Maturity analysis of projected benefit obligation : from the fund

	(Rs Lakhs)		
Projected benefits payable in future years from the date of reporting	31 March 2020	31 March 2019	1 April 2018
1st Following Year	23.32	96.39	3.95
2nd Following Year	3.20	78.85	3.73
3rd Following Year	3.09	73.23	22.24
4th Following Year	2.99	46.74	3.03
5th Following Year	4.11	36.29	2.89
Sum of years 6 to 10	35.92	126.74	37.17

Notes:

- (a) 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.
- (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

Key Management Personnel	Nature of relationship
Mr M.V Doshi	Executive Chairman & Managing 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, M/s. LK Pandey,
MKM Share & Stock Brokers Limited, Bhavana Holding Private Limited, Alpha Commodity Private Limited

Transactions with Related parties:

	(Rs. Lakhs)	
	31 March 2020	31 March 2019
Remuneration to Key Management Personnel		
Key Management Personnel	126.87	223.36
Interest Income		
Other related parties	72.59	75.89
Fees and commission expense		
Other related parties	32.38	10.65
Advances for purchases of shares		
Other related parties	2.00	6.50

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Brokerage paid			
Other related parties	-	0.02	
Payment to Trade payables			
Other related parties	-	2.58	
Sale of Investments			
Other related parties	-	1,100.00	
Purchase of Investments			
Other related parties	187.50	-	
Sale of Property, Plant and Equipments			
Other related parties	-	118.41	
Income on Assignment of NPA			
Other related parties	-	3,000.00	
Loans given			
Other related parties	67,666.80	50,410.00	
Repayment Received of Loans given			
Other related parties	67,626.00	50,410.00	
Short Term Borrowings Given			
Other related parties	-	35,500.00	
Short Term Borrowings Repaid			
Other related parties	-	35,500.00	
			(Rs Lakhs)
	31 March	31 March	1 April
	2020	2019	2018
Loans given / Other Advances			
Other related parties	40.80	-	127.20
Other Receivables			
Other related parties	887.98	1,000.00	-
Interest/ Loans receivables			
Other related parties	8.17	-	-
Advances for purchases of shares			
Other related parties	14.10	12.10	5.60
Other Payables			
Other related parties	174.48	-	2.58

37 Earnings per share

		(Rs. Lakhs)
	31 March	31 March
	2020	2019
Profit/(Loss) after tax (Rs.)	(2,273.33)	1,980.40
Weighted average number of equity shares		
- for Basic Earnings per share	12,568,623	12,562,419
- for Diluted Earnings per share	12,568,623	12,562,419
Face value of equity share (Rs/ share)	10	10
Basic earnings per share (Rs.)	(18.09)	15.76
Diluted Earnings per share (Rs/ share)	(18.09)	15.76

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:

(Rs. Lakhs)						
	As at 1 April 2018	Cash Inflows	Cash outflows	Non Cash Changes		As at 31 March 2019
				Interest Accrued	Other Charges	
Borrowings	5,601.33		1,988.18			3,613.15

	As at 31 March 2019	Cash Inflows	Cash outflows	Non Cash Changes		As at 31 March 2020
				Interest Accrued	Other Charges	
Borrowings	3,613.15	-	-	-	-	3,613.15

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

	31 March 2020	31 March 2019
Interest Income	539.77	400.93
Dividend Income	11.41	91.85
Net Gain/loss on sale of mutual fund & other investments	1,385.07	957.94
Total	1,936.25	1,450.72

Revenue Disaggregation by Industrial Vertical & Geography is as follows

Revenue by offerings	31 March 2020	31 March 2019
Financial Services/ India	1,936.25	1,450.72
Total	1,936.25	1,450.72

Timing of Revenue Recognition

	31 March 2020	31 March 2019
Income Recognised at point in time	1,396.49	1,049.79
Income Recognised over period in time	539.77	400.93
Total	1,936.25	1,450.72

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

40 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 2020

41 **Dividend Recommendation:**

The board declared interim dividend as under :-		(Rs. Lakhs)
	2020	2019
Interim Dividend Paid	251.37	377.06
Dividend Distribution Tax on proposed dividend	51.68	77.22

42 **Other Income**

Other Income Includes Income on Assignment of NPA

Details of Non Performing Assets Sold	31-Mar-19
No of Accounts Sold	4
Aggregate outstanding*	NIL
Aggregate Consideration received	3,000

* Written off over earlier years

43 Additional Information pursuant to Para 2 of General Instructions for the preparation of Consolidated Financial Statements

Name of the Entity	31 March 2020					
	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
Parent						
LKP Finance Limited	100.88	18805.34	99.79	(2,268.50)	133.59	41.52
Subsidiary						
Gayatri Cement & Chemical Industries Private Limited	0.054	10.06	0.212	(4.83)	(33.59)	(10.44)
Inter Company elimination and consolidation adjustments	(0.93)	(173.23)	0.00	-	0.00	-
Total	100.00	18642.17	100.00	(2,273.33)	100.00	31.08

44 The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreak was declared as a global pandemic by the World Health Organisation. On 24 March 2020 the Indian Government had announced a strict 21 day lockdown which kept on getting extended across the country with gradual and modest relaxations. The Group carries shares and securities in its books. The effect of mark to market losses thereon have been taken into account in the Statement of Profit and Loss for the year. The Group believes that it has taken into account the impact of known events arising out of COVID 19 pandemic in the preparation of financial statements 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 Group will continue to monitor for any material changes to future economic conditions.

45 **Disclosure for NBFC adopting IND AS for the first time**

Asset Classification as per RBI Norms	Asset Classification as per IND AS 109	Gross Carrying Amount as per IND AS	Loss Allowances (Provisions) as required under IND AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	3,061	12.46	3,048	12.46	-
Non - Performing Assets						
Sub-Standard	Stage 3	955.78	191.00	765	191.00	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
46 Maturity Analysis of Assets and Liabilities

	As at 31 Mar 2020			As at 31 Mar 2019			As at 1 April 2018		
	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total
I ASSETS									
(1) Financial Assets									
(a) Cash and cash equivalents	418.09	-	418.09	400.31	-	400.31	7,785.17	-	7,785.17
(b) Bank Balance other than (a) above	1,819.40	-	1,819.40	1,819.15	-	1,819.15	1,831.84	-	1,831.84
(c) Trade receivables	1,165.76	-	1,165.76	1,564.16	-	1,564.16	2.59	-	2.59
(d) Loans	3,826.64	-	3,826.64	3,699.24	-	3,699.24	1,013.66	-	1,013.66
(e) Investments	5,732.25	2,425.53	8,157.78	10,942.66	391.02	11,333.68	8,694.09	396.23	9,090.32
(f) Other financial assets	786.50	15.73	802.23	786.50	15.73	802.23	354.35	-	354.35
Total Financial Assets	13,748.63	2,425.53	16,189.89	18,425.52	391.02	19,618.77	19,723.58	-	20,077.93
(2) Non-Financial Assets									
(a) Current tax assets (net)	-	453.99	453.99	-	288.74	288.74	-	295.52	295.52
(b) Deferred Tax Asset	-	663.20	663.20	-	663.20	663.20	-	673.48	673.48
(c) Property, plant and Equipment	-	18.45	18.45	-	21.91	21.91	-	184.22	184.22
(d) Goodwill on Consolidation	-	143.00	143.00	-	143.00	143.00	-	143.00	143.00
(e) Other non-financial assets	-	1,173.63	1,173.63	-	57.08	57.08	-	34.39	34.39
Total Non-Financial Assets	-	2,452.27	2,452.27	-	1,173.93	1,173.93	-	1,330.62	1,330.62
II LIABILITIES AND EQUITY									
LIABILITIES									
(1) Financial Liabilities									
(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	-	-	-	8.63	-	8.63
(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	254.78	-	254.78	86.57	-	86.57	83.99	-	83.99
(b) Borrowings	3,613.15	-	3,613.15	3,613.15	-	3,613.15	5,601.33	-	5,601.33
(c) Other financial liabilities	64.19	-	64.19	65.50	-	65.50	77.30	-	77.30
Total Financial Liabilities	4,065.60	-	4,065.60	3,765.23	-	3,765.23	5,771.25	-	5,771.25
(2) Non-Financial Liabilities									
(b) Provisions	12.46	-	12.46	15.22	-	15.22	8.50	-	8.50
(b) Other non-financial liabilities	128.75	-	128.75	31.61	-	31.61	31.90	-	31.90
Total Non-financial liabilities	141.21	-	141.21	46.83	-	46.83	40.40	-	40.40

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
47 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2020, are the first, the Group has prepared in accordance with Ind AS. For the period up to and including the year ended 31 March 2019, the Group prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Group has prepared its financial statements to comply with Ind AS for the year ended 31 March 2020, together with comparative data as at and for the year ended 31 March, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April 2018, the Group's date of transition. These notes explain the principal adjustments made by the Group in restating its Previous GAAP financial statements, including the balance sheet as at 1 April, 2018 and the financial statements as at and for the year ended 31 March 2019.

A. Optional exemptions availed:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

a) Deemed cost option

IND AS 101 permits a first-time adopter to elect and continue with the carrying value for all its Property, plant and equipment as recognised in the financial statements as at the date of transition to IND AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Group has elected to measure all of its property, plant equipment and intangible assets at their previous GAAP carrying value.

b) Investments

The Group may make an irrevocable election at initial recognition of a financial asset to present subsequent changes in the fair value of an investment in equity instrument in profit and loss or other comprehensive income. IND AS 101 allows such designation of previously recognized financial assets, as Fair value through profit and loss or other comprehensive income. The Group has accordingly designated certain equity instruments as at 1 April 2018 as fair value through profit and loss or other comprehensive income.

a. Effect of Ind AS adoption on Balance Sheet
B. Exceptions:

The following are the mandatory exceptions have been applied in accordance with Ind AS 101 in preparing financial statements:

a) Estimates

The estimates at 1 April, 2018 and at 31 March, 2019 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences, if any, in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

i. Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present amounts in accordance with Ind AS reflects conditions as at the transition date and as on 31 March 2019.

b) Derecognition of financial assets and financial liabilities

The Group has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and measurement of financial assets

IND AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Accordingly, the Group has classified financial assets in accordance with IND AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliations between Previous GAAP and Ind AS

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- Balance Sheet and equity Reconciliation
- Profit and Loss and Other comprehensive income reconciliation
- Adjustment to Statement of Cash Flows
- Total equity reconciliation
- Total comprehensive income reconciliation

(Rs in Lakhs)

	Note	Balance sheet as at 1 April 2018			Balance sheet as at 31 March 2019		
		Previous GAAP (Reclassified)	Effect of transition to Ind AS	Ind AS	Previous GAAP (Reclassified)	Effect of transition to Ind AS	Ind AS
Assets							
Financial Assets							
a) Cash and cash equivalents		7,785.17	-	7,785.17	400.31	-	400.31
b) Bank Balance other than (a) above		1,831.84	-	1,831.84	1,819.15	-	1,819.15
c) Trade receivables		2.59	-	2.59	1,564.16	-	1,564.16
d) Loans		1,013.66	-	1,013.66	3,699.24	-	3,699.24
e) Investments		7,951.45	1,138.87	9,090.32	10,560.81	772.87	11,333.68
f) Other Financial assets		354.35	-	354.35	802.23	-	802.23
Total Financial Assets		18,939.06	1,138.87	20,077.93	18,845.90	772.87	19,618.77

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Non-Financial Assets						
Current tax assets (net)	213.09	82.43	295.52	288.74	-	288.74
Deferred tax Assets (net)	673.48	-	673.48	663.20	-	663.20
Property, plant and Equipment	184.22	-	184.22	21.91	-	21.91
Goodwill on Consolidation	143.00	-	143.00	143.00	-	143.00
Other non-financial assets	34.39	-	34.39	57.28	-0.20	57.08
Total Non-Financial Assets	1,248.18	82.43	1,330.62	1,174.13	-0.20	1,173.93
Total assets	20,187.24	1,221.30	21,408.55	20,020.03	772.67	20,792.70
LIABILITIES AND EQUITY						
Financial Liabilities						
a)(I) Trade payable	8.63	-	8.63	-	-	-
(II) Other payable	83.99	-	83.99	86.57	-	86.57
b) Borrowings	5,601.33	-	5,601.33	3,613.15	-	3,613.15
d) Other financial liabilities	77.30	-	77.30	65.50	-	65.50
Total Financial Liabilities	5,771.25	-	5,771.25	3,765.23	-	3,765.23
Non-Financial Liabilities						
a) Provisions	8.50	-	8.50	15.22	-	15.22
b) Other non-financial liabilities	31.90	-	31.90	31.60	-	31.61
Total Non- Financial Liabilities	40.40	-	40.40	46.82	-	46.83
Equity						
(a) Equity share capital	1,242.15	-	1,242.15	1,256.86	-	1,256.86
(c) Other equity	13,133.44	1,221.30	14,354.74	14,951.12	772.67	15,723.79
Total equity	14,375.59	1,221.30	15,596.90	16,207.98	772.67	16,980.65
Total Liabilities and Equity	20,187.24	1,221.30	21,408.54	20,020.03	772.67	20,792.70

b. Effect of Ind AS adoption on Statement of Profit and loss for the year ended 31st March, 2019

	Note	For the year ended 31 March 2019			Expenses				
		Previous GAAP (Reclassified)	Effect of transition to Ind AS	Ind AS					
Revenue from operations	19				(i) Finance Costs	21	237.36	-	237.36
(i) Interest Income		397.96	2.97	400.93	(ii) Fees and commission Expense	22	7.03	-	7.03
(ii) Dividend Income		91.85	-	91.85	(iii) Net loss on fair value changes	23	-	357.69	357.69
(v) Others		957.94	-	957.94	(iv) Impairment on financial instruments			712.62	712.62
		-	-	-	(v) Employee benefits expense	25	261.10	-1.21	259.89
Total Revenue from operations		1,447.75	2.97	1,450.72	(vi) Depreciation, amortisation and impairment	26	10.88	-	10.88
Other income	20	3,021.40	-	3,021.40	(vii) Other expenses	27	975.58	-712.62	262.96
Total income		4,469.15	2.97	4,472.12	Total Expenses		1,491.95	356.48	1,848.44

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Profit/(Loss) before tax	2,977.19	-353.51	2,623.68
Less : Tax expense			
Current tax - current year	633.00	-	633.00
Earlier Year tax	-82.43	82.43	-
Deferred tax including MAT credit entitlement	10.29	-	10.29
Profit for the year	2,416.34	-435.94	1,980.40
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
- Re measurement of defined benefit obligation		1.38	1.38
- income tax relating to items that will not be reclassified to the Profit or Loss		-	-
- Fair Value change on equity Instrument through other Comprehensive Income		-8.31	-8.31
- Income tax effect on above		-	-
Total (A)	-	-6.93	-6.93
B. Items that will be reclassified to profit or loss			
Total (B)	-	-	-
Total other comprehensive income (A) + (B)	-	-6.93	-6.93
Total comprehensive income for the year	2,416.34	-442.87	1,973.47

c. Statement of Cash Flow reconciliation for the year ended 31 March 2019

	For the year ended 31 March 2019		
	Previous GAAP (Reclassified)	Effect of transition to Ind AS	Ind AS
Net cash generated from Operating activities	1,912.06	(2,065.79)	(153.71)
Net cash generated from Investing activities	(6,600.57)	2,065.77	(4,534.81)
Net cash generated from Financing activities	(2,696.34)	(0.00)	(2,696.34)
Net increase / (decrease) in cash and cash equivalents	(7,384.86)	-	(7,384.86)
cash and cash equivalents at the beginning of the year	7785.17	-	7,785.17
cash and cash equivalents at the end of the year	400.31	-	400.31

Explanations for reconciliation of cash flow as previously reported under IGAAP to Ind AS

IND AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, the Company has classified financial assets in accordance with IND AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

d. Reconciliations of equity reported under previous GAAP to equity under Ind AS

Reconciliations of total equity as at 31 March 2019 and 1 April 2018

(Rs in Lakhs)

	Note	31 March 2019	1 April 2018
Equity as per Previous Indian GAAP		14,951.12	13,133.44
Effect of measuring financial instruments at fair value through profit and loss (FVTPL)	I	401.12	758.81
Fair Value change on equity instruments through Other Comprehensive Income (FVTOCI)	I	371.75	380.05
Remeasurement of Defined benefit obligation	II	(0.20)	-
Ind AS Adjustments (transition date) - Tax of earlier year	III	-	82.43
		15,723.79	14,354.74

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
e. Reconciliation of total comprehensive income for the year ended 31 March 2019

		(Rs in Lakhs)	
	Note	31 March 2019	
I	Net profit as per previous Indian GAAP		2,416.34
	Effect of measuring financial instruments at fair value	I	(357.69)
	Fair valuation of employee stock options as per Ind AS 102		5.77
	Remeasurement of Defined benefit obligation	II	(1.58)
	Ind AS Adjustments (transition date) - Tax of earlier year	III	(82.43)
	Profit after tax as per Ind AS		1,980.40
II	Other comprehensive income		-
	Fair Value change on equity instruments through Other Comprehensive Income	I	(8.31)
	Remeasurement gains/losses on defined benefit plan		1.38
	Other Comprehensive income as per Ind AS		(6.93)
III	Total Comprehensive income as per Ind AS (I+ II)		1,973.47

Explanations for reconciliation of Consolidated Balance Sheet and Consolidated Statement of Profit and loss and other Comprehensive income as previously reported under IGAAP to Ind AS

I Investments

Investments are recorded at amortized cost compared to being at cost under Previous GAAP

As per IND AS such investments are recorded at fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVTOCI)

II Remeasurements of defined benefit plans

Under the Previous GAAP, remeasurements i.e. actuarial gains and losses on the net defined benefit liability were recognised in the statement of profit and loss. Under Ind AS-19 Employee Benefits, actuarial gains and losses are recognised in other comprehensive income and not reclassified to statement of profit and loss.

III Tax Adjustments

Tax adjustments include Income tax of earlier year given effect in respective year .

48 Prior Year Comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

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

Place : Mumbai

Date : 27 June 2020

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



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