



A. K. CAPITAL SERVICES LIMITED

BUILDING BONDS

ANNUAL

REPORT

2020-2021

CONTENTS

Corporate Information.....	01
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A. K. CAPITAL SERVICES LIMITED

Directors' Report	02
Management Discussion and Analysis Report	29
Report on Corporate Governance	35

STANDALONE FINANCIAL STATEMENT

Independent Auditors' Report	54
Financial Statements	60

CONSOLIDATED FINANCIAL STATEMENT

Independent Auditors' Report	94
Financial Statements	100



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Subhash Chandra Bhargava

Non-Executive Chairman, Independent Director
(DIN: 00020021)

Mr. A. K. Mittal

Managing Director
(DIN: 00698377)

Mr. Ashish Agarwal

Whole-time Director
(DIN: 08064196)

Mr. Vikas Jain

Whole-time Director
(DIN: 07887754)

Ms. Aditi Mittal

Non-Executive Woman Director
(DIN: 00698397)

Mr. Subhash Chander Madan

Independent Director
(DIN: 00785025)

Mr. Khimji Shamji Pandav

Independent Director
(DIN: 01070944)

CHIEF FINANCIAL OFFICER

Mr. Mahesh Bhootra

COMPANY SECRETARY

Mr. Tejas Davda

STATUTORY AUDITORS

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

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083
Tel: +91-22-49186270 | Fax: +91-22-49186060
e-mail: rnt.helpdesk@linkintime.co.in | Website: www.linkintime.co.in

CORPORATE IDENTIFICATION NUMBER

L74899MH1993PLC274881

REGISTERED AND CORPORATE OFFICE

30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215 Nariman Point, Mumbai – 400 021
Tel: +91-22-67546500 | Fax: +91-22-66100594 | Website: www.akgroup.co.in | E-mail: compliance@akgroup.co.in

DIRECTORS' REPORT

To,

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

The Directors of your Company are pleased to present the 28th Annual Report of the Company, together with the Annual Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2021.

1) FINANCIAL HIGHLIGHTS

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

Standalone Financial Statements:

(INR in Lakhs except earnings per share)

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

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

2) FINANCIAL PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

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

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

Consolidated Financial Statements:

(INR in Lakhs except earnings per share)

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

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

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

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

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

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

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

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

4) NOTES ON FINANCIAL STATEMENTS

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

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

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

5) CHANGE IN THE NATURE OF BUSINESS

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

6) DIVIDEND

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

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

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

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

7) TRANSFER TO GENERAL RESERVES

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

8) PUBLIC DEPOSITS

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

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

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

10) DIRECTORS' RESPONSIBILITY STATEMENT

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

- Followed the applicable accounting standards in preparation of the Annual Financial Statements for the Financial Year 2020-21;
- Have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the Financial Year 2020-21 ended on that date;
- Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company & for preventing & detecting fraud and other irregularities, if any;
- Prepared the annual accounts on a 'going concern basis';
- Laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- Devised proper systems to ensure compliance with the provisions of all applicable laws and that the systems are adequate and are operating effectively.

11) INTERNAL FINANCIAL CONTROLS

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

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

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

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

12) RISK MANAGEMENT

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

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

13) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

- i. orderly and efficient conduct of business, including adherence to Company's policies and procedures;
- ii. safeguarding of all our assets against loss from unauthorized use or disposal;
- iii. prevention and detection of frauds and errors;
- iv. accuracy and completeness of accounting records;
- v. timely preparation of reliable financial information; and
- vi. compliance with applicable laws and regulations.

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

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

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

14) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

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

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

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

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

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

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

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

16) STATUTORY AUDITORS AND AUDITOR'S REPORT

M/s. PYS & Co. LLP (Firm Registration No. 012388S/S200048), Chartered Accountants, Statutory Auditors of your Company, were appointed in the 24th Annual General Meeting of the Company held on September 16, 2017 as Statutory Auditors of the Company to hold office for a term of five years until the conclusion of the 29th Annual General Meeting to be held in the year 2022. The requirement to place the matter relating to appointment of auditors for ratification by the members at every annual general meeting has been done away by the Companies (Amendment) Act, 2017. Accordingly, no resolution has been proposed for ratification of appointment of statutory auditors at the ensuing Annual General Meeting.

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

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

17) REPORTING OF FRAUDS BY AUDITORS

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

18) REQUIREMENT FOR MAINTENANCE OF COST RECORDS

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

19) SUBSIDIARIES

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

Sr. No. Name of the subsidiaries

- i. A. K. Stockmart Private Limited
- ii. A. K. Capital Corporation Private Limited
- iii. A. K. Wealth Management Private Limited
- iv. A. K. Capital (Singapore) Pte. Ltd.
- v. A. K. Capital Finance Limited
- vi. Family Home Finance Private Limited (Step-down subsidiary).

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

20) MATERIAL SUBSIDIARIES

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

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

https://www.akgroup.co.in/docs/Policy%20for%20Determining%20Material%20Subsidiaries_Final-202106182144300311577.pdf

21) SECRETARIAL AUDIT OF MATERIAL SUBSIDIARIES

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

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

COMPOSITION OF THE BOARD

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

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

RETIREMENT BY ROTATION

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

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

KEY MANAGERIAL PERSONNEL

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

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

23) DECLARATION BY INDEPENDENT DIRECTORS

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

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

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

24) DECLARATION FROM DIRECTORS AND PRACTISING PROFESSIONAL

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

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

25) PERFORMANCE EVALUATION

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

The Evaluation was carried on with the objective of enhancing the effectiveness of the Board. The Nomination and Remuneration Committee formulated the methodology and criteria to evaluate the performance of the Board, its Committee, and each Director.

The evaluation of the performance of the Board, Committees and each Director is based on the approved criteria laid down in the Nomination and Remuneration Policy of the Company.

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

26) MEETINGS OF THE BOARD

Regular meetings of the Board are held to discuss and decide on various business policies, strategies, financial matters and other businesses. During the year under review, the Board met four times. The details of the Board Meetings and the attendance of the Directors at the meetings are provided in the 'Report on Corporate Governance', which forms part of this Annual Report.

27) BOARD COMMITTEES:

MANDATORY COMMITTEES

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

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Stakeholders' Relationship Committee
- iv. Corporate Social Responsibility Committee

The details of all the Mandatory Committees along with their composition, terms of reference and meetings held during the year are provided in 'Report on Corporate Governance' forming part of the Annual Report.

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

NON-MANDATORY COMMITTEES

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

- i. Banking and Investment Committee
- ii. Management Committee
- iii. Infrastructure Committee

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

28) NOMINATION AND REMUNERATION POLICY

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

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

29) CORPORATE SOCIAL RESPONSIBILITY

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

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

https://www.akgroup.co.in/docs/CSR%20Policy%20-%20AKCSL_20.05.2021-202107281340166030358.pdf

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

30) WHISTLEBLOWER POLICY AND VIGIL MECHANISM

Pursuant to Section 177(9) of the Act and rules made thereunder and as per Regulation 22 of Listing Regulations, the Company has in place a Whistle Blower Policy ('Vigil Mechanism') for reporting genuine concerns over happening of instances of any irregularity, unethical practice and/ or misconduct involving the directors and employees. The Policy may be accessed on the Company's website at the link given below:

https://www.akgroup.co.in/docs/Whistle%20Blower%20Policy%20and%20Establishment%20of%20Vigil%20Mechanism_organized-202006241657493896679.pdf

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

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

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

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

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

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