



A. K. CAPITAL SERVICES LTD.

BUILDING BONDS

ANNUAL REPORT
2018–2019

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CORPORATE INFORMATION

Mr. Subhash Chandra Bhargava

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

Mr. Vikas Jain

Whole-time Director
(DIN: 07887754)

Mr. A. K. Mittal

Managing Director
(DIN: 00698377)

Mr. Khimji Shamji Pandav

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

Mr. Subhash Chander Madan

Independent Director
(DIN: 00785025)

Mrs. Anshu

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

Ms. Aditi Mittal

Non-Executive Director
(DIN: 00698397)

Mr. Raghubinder Rai Bajaj

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

Mr. Ashish Agarwal

Whole-time Director
(DIN: 08064196)

CHIEF FINANCIAL OFFICER

Mr. Mahesh Bhootra

COMPANY SECRETARY

Mr. Tejas Davda

STATUTORY AUDITORS

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

BANKERS

Andhra Bank
Bank of India
Bank of Maharashtra
HDFC Bank Limited
Punjab National Bank
Syndicate Bank
The Federal Bank
Union Bank of India

REGISTRAR AND SHARE TRANSFER AGENT

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

CORPORATE IDENTIFICATION NUMBER

L74899MH1993PLC274881

REGISTERED OFFICE

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

DIRECTORS' REPORT

To,

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

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

FINANCIAL HIGHLIGHTS:

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

Standalone financial highlights

(₹ in Lakhs except per share data)

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

FINANCIAL PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

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

Consolidated financial highlights:

(₹ in Lakhs except per share data)

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

CONSOLIDATED FINANCIAL PERFORMANCE

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

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

NOTES ON FINANCIAL STATEMENTS

Standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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

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

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

DIVIDEND

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

The payment of the final dividend is subject to the approval of the members at the ensuing Annual General Meeting and shall be paid to those members whose names appear in the Register of Members as on Friday, August 23, 2019. The Register of Members and Share Transfer Books will remain closed from Saturday, August 24, 2019 to Saturday, August 31, 2019 (both days inclusive). The Annual General Meeting of the Company is scheduled to be held on Saturday, September 28, 2019.

TRANSFER TO GENERAL RESERVES

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

PUBLIC DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS BY THE COMPANY

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. Followed the applicable accounting standards in preparation of the annual financial statements for the Financial Year 2018-19;
- ii. Have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the Financial Year 2018-19 ended on that date;
- iii. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;
- iv. Prepared the annual accounts on a 'going concern basis';
- v. Laid down proper internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively; and
- vi. Devised proper systems to ensure compliance with the provisions of all applicable laws and that the systems are adequate and are operating effectively.

INTERNAL FINANCIAL CONTROLS

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

RISK MANAGEMENT

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

- i. orderly and efficient conduct of business, including adherence to Company's policies and procedures;
- ii. safeguarding of all our assets against loss from unauthorized use or disposal;
- iii. prevention and detection of frauds and errors;
- iv. accuracy and completeness of accounting records;

- v. timely preparation of reliable financial information; and
- vi. compliance with applicable laws and regulations.

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

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the Financial Year 2018-19 with related parties were in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company had obtained prior approval of the Audit Committee for all the related party transactions during the Financial Year 2018 -19 as envisaged in Regulation 23(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Audit Committee had given prior omnibus approval under Regulation 23(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for related party transactions that are foreseen and of repetitive nature during the period under review and the required disclosures are made to the committee on quarterly basis.

All related party transactions that were entered during the financial year ended March 31, 2019 were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted.

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

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

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

<http://www.akgroup.co.in/docs/POLICY%20ON%20MATERIALITY%20AND%20DEALING%20WITH%20RELATED%20PARTY%20TRANSACTIONS-201709141443080587733.pdf>

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

STATUTORY AUDITORS AND AUDITOR'S REPORT

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

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

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

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors or Secretarial Auditor of the Company have not reported any fraud to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013 including rules made thereunder.

REQUIREMENT FOR MAINTENANCE OF COST RECORDS

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

SUBSIDIARIES

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

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

MATERIAL SUBSIDIARIES

Pursuant to the provisions of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, including amendments thereto, the Company has one material subsidiary namely, A. K. Capital Finance Limited (Formerly known as "A. K. Capital Finance Private Limited").

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

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

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

APPOINTMENT DURING THE FINANCIAL YEAR

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

RESIGNATION SINCE LAST ANNUAL GENERAL MEETING

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

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

RETIREMENT BY ROTATION

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

The requisite agenda for appointment of Ms. Aditi Mittal is incorporated in the notice of Annual General Meeting.

COMPOSITION OF THE BOARD

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

KEY MANAGERIAL PERSONNEL

The following persons are the Key Managerial Personnel's (KMP's) of the Company as per the provisions of Section 203 of the Companies Act, 2013 as on March 31, 2019:-

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

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they fulfill the criteria of Independence prescribed both under Section 149 of the Companies Act, 2013 and the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DECLARATION FROM DIRECTORS AND PRACTISING PROFESSIONAL

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

M/s. C. B. Jain & Associates, Practising Company Secretaries have also certified that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by SEBI or Ministry of Corporate Affairs or any such statutory authority. The said certificate is attached in the Corporate Governance Report, which forms part of this Annual Report.

PERFORMANCE EVALUATION

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

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

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

MEETINGS OF THE BOARD

Regular meetings of the Board are held to discuss and decide on various business policies, strategies, financial matters and other businesses. During the year under review, the Board met five times. The details of the Board Meetings and the attendance of the Directors at the meetings are provided in the Corporate Governance Report, which forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days.

BOARD COMMITTEES

MANDATORY COMMITTEES

The Board of Directors has four Mandatory Committees, viz.

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

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

NON-MANDATORY COMMITTEES

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

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

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

NOMINATION AND REMUNERATION POLICY

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

CORPORATE SOCIAL RESPONSIBILITY

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

http://www.akgroup.co.in/docs/Policy-CSR_Policy-201708221314314005332.pdf

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

WHISTLEBLOWER POLICY AND VIGIL MECHANISM

Pursuant to Section 177 of the Companies Act, 2013 and rules made thereunder and as per Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a Whistle Blower Policy ('Vigil Mechanism') for reporting genuine concerns over happening of instances of any irregularity, unethical practice and/or misconduct involving the directors, employees and stakeholders. The Policy may be accessed on the Company's website at the link:

<http://www.akgroup.co.in/docs/Whistle%20Blower%20Policy%20and%20Establishment%20of%20Vigil%20Mechanism-201906261818425065205.pdf>

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

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

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

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

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

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

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

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

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

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

ACHIEVEMENTS

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS AND COURTS

There is no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future during the Financial Year 2018-19.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, usage of alternate sources of energy and investments for energy conservation, wherever required have been taken. The Company makes all efforts towards conservation of energy, protection of environment and ensuring safety.

The Company recognizes the significance of robust IT infrastructure in the current era, where it is crucial to offer clients faster and more efficient services. Towards this end, the Company makes a sizeable investment each year to ensure adoption of best technologies that can streamline operations, brings in efficiency and enable to provide better customer service to make the Company more competitive in the market.

Your Company has no foreign exchange earnings during the Financial Year 2018-19. The information on foreign exchange outgo is furnished in the "Notes to the Financial Statements" which forms part of this Annual Report.