



Advik

Capital Limited

(formerly known as Advik Industries Limited)



34th

ANNUAL REPORT



Advik Capital Limited

CORPORATE OVERVIEW

04	Advik Capital At A Glance
05	Message from Chairman
06	Corporate Information

STATUTORY REPORTS

07	Notice of AGM
13	Directors Report
20	Corporate Governance
39	Annexures to Directors Report

FINANCIAL STATEMENTS

53	Standalone
54	Independent Auditor's Report
60	Balance Sheet
61	Statement of Profit & Loss
62	Cash Flow Statement
63	Notes

76	Consolidated
77	Independent Auditor's Report
83	Balance Sheet
84	Statement of Profit & Loss
85	Cash Flow Statement
86	Notes

100	Annexure- AOC-1
101	Attendance Slip
102	Proxy Form
103	AGM Route Map

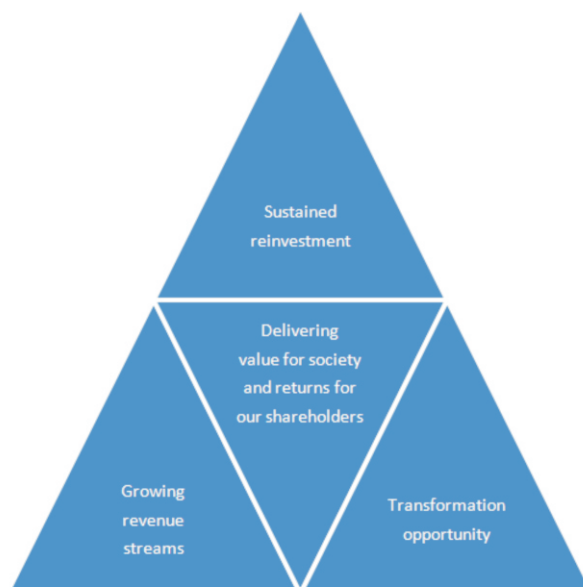


Delivering value for society and returns for our shareholders

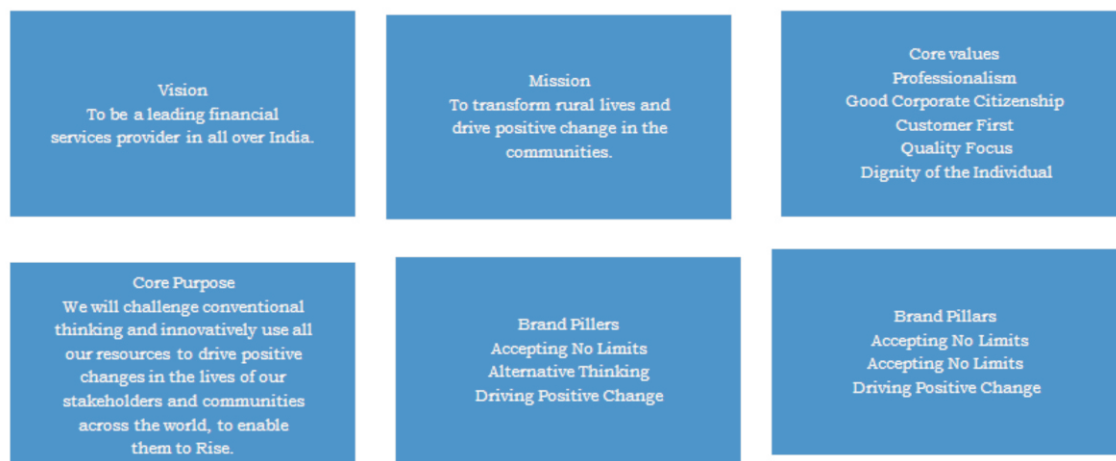
In our eventful and exciting journey of 34 years, we have reached many milestones each milestone we reached has been the starting point of the next phase and a new beginning.

At Advik Capital, our constant and tireless endeavor has been to reach further, aim higher and living upto our own expectations, surpassing them and setting ourselves yet higher targets and goals.

In the fast emerging and burgeoning NBFC space, growth is more or less given for all players. What differentiates long-term and sustainable growth is the quality of growth. And it is precisely this - not just growth per se, but quality growth that is what makes Advik Capital distinct and different. It is the vision and value systems of Advik Capital underlined by a deep-rooted belief of the founders in the philosophy of trusteeship along with the passion has resulted in steady growth and expansion every year.



INDUSTRY OVERVIEW



Financial capital

The financial capital to drive our business includes strong parent support and a credible reputation among investors.

Operational expertise

We design our products and services in line with our customers' changing financial aspirations. We converge the capabilities of our people and technology architecture to operate at optimal level.

People

Our people represent our strongest competitive advantage. The focus is on attracting, nurturing and inspiring teams to apply their expertise to serve our diverse clients, within the boundaries of our risk appetite and compliance requirements.

Stakeholder relationships

We foster enduring relationships with our clients, capital providers, regulators and other stakeholders to remain commercially and socially relevant. These relationships underpin our legitimacy as an organization, our reputation and the trust that stakeholders have reposed in us forming the basis on which we compete and win.

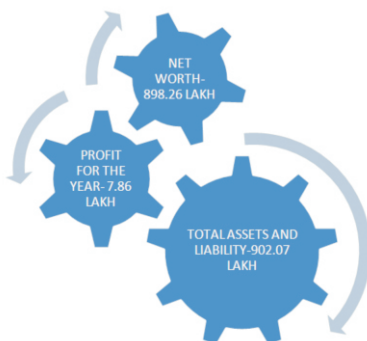


ADVIK CAPITAL AT A GLANCE

Advik Capital Limited (formerly known as Advik Industries Limited) is one of the emerging non-deposit taking non-banking finance Company (NBFC) registered with Reserve Bank of India, New Delhi, bearing Registration No. **B-14.00724**. In addition of this, the Company is a listed entity and trading its equity shares at Bombay Stock Exchange (BSE Limited). The BSE security code of the Company is **539773**.

The Company is carrying on the Business of investing funds, assisting the financial accommodation by way of loans/advances to industrial concerns and undertaking the business of leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire or all kinds of plant and machinery.

During the year, with the approval of members of the Company and Reserve Bank of India, Registrar of Companies, NCT Delhi & Haryana and BSE Limited, Company have changed its name from “**Advik Industries Limited**” to “**Advik Capital Limited**” w.e.f. 07/07/2017.



Mission & Vision

Advik Capital is looking to the future with confidence, driven by a clear mission and strategy. The Company's Code of Conduct ensures that all its employees, suppliers and vendors respect human rights not only among themselves, but also within communities in which they operate. Advik Capital Limited has instituted a set of policies, codes, and guidelines to govern its employees. This mechanism includes directors, senior executives, officers, employees (whether permanent, fixed-term or temporary), and third parties including suppliers and business partners associated with Advik Capital. The well-defined policy lists tenets on ethical business conduct, definitions and the framework for reporting concerns. Offering all worldwide the best of our product in terms of quality, efficacy and safety to satisfy all their financial needs and desires, in their infinite diversity. Trust is our cherished intangible that creates tangible outcomes. We have helped a large number of first-time borrowers, with no or limited credit history, but a strong commitment to realize their dreams. Our customers have reposed their faith in the ability of Advik Capital to help elevate their quality of life.

CHAIRMAN AND MANAGING DIRECTOR'S STATEMENT

Advik Capital Limited is a truly great company that produces outstanding results year after year and provides the kind of value that shareholders dream of. Over the years, thanks to superb Management, top class employee commitment and outstanding leadership of its management team, your Company has come to be known as one of the growing diversified non-banking financial companies of India.

Its ability to deliver outstanding operational, financial and shareholder performance, quarter upon quarter — backed by high standards of analytics, risk management, technology and customer service — is now appreciated by the existing Customers of the Company.

The Company's performance as detailed in this report is very robust in tandem with our history of more than three decades: quality growth. In the business of lending, striking the balance between growth and quality is of paramount importance. We at Advik Capital are committed to the same, evident from our long track record. It has been a journey where our resilience and capabilities were tested time and again. It is worth sharing with all of you that every time our resolve got stronger.

It is our aspiration to be a leader in our business segment that we operate in and be acknowledged as a trusted provider of leadership alone to creating much larger societal value in an exemplary fashion. This vision to put 'Nation First' with the credo of 'Sab Saath Badhein' inspires us to integrate sustainability as a bedrock of our corporate strategy as we shape an inspired Indian NBFC of tomorrow.

we have made a spectacular start to our Golden Period in Financial Market. In a market full of volatility, uncertainty, complexity and ambiguity, these achievements are indeed commendable.

Any company is as good as its human resource and it is no different at Advik Capital. The Company has been served by one of the most dedicated and competent core team, along with a strong resource, personnel responsible to propel the Company towards its mission and vision each day. Learning and unlearning on a daily basis remains the main plank of the human resource development.

The ultimate aim is to serve the customers in the most efficient manner, the key to sustainability and scalability. The opportunity that we get while serving

the key customer base is enormous. It is a huge market characterized by excellent entrepreneurs across the segment and the size of the business units we deal with. It will not be an exaggeration to mention that, we draw our inspiration from their hard work and resilience despite the fact that they have to face numerous challenges for their survival and growth.

This enthusiasm to take every challenge as an opportunity has played a vital role in laying the foundation of this Company.

We are committed to our mission of excellence through endeavors and start this new financial year 2019-20 with the same spirit and enthusiasm.

We are aware of the fact that we have miles to go and promises to keep and firmly believe that together we can and we will.

I am pleased to report that, to move into the future, our primary focus will be on growth and for that the board members of the Company have decided to broaden and to diversify the business activities and operations in the area of forex market as a money changer, Gold Loan, House Loan and Vehicle Loan and made the application to RBI for approval. All the proposed activities are profitable for the Company and responsibly provide attractive returns over the long term for our shareholders.

I would like to thank and congratulate all my colleagues and Board of Directors for their dedication, innovation and hard work. By creating new benchmarks in the businesses we operate in, our team is delivering on our mission to generate sustainable value for our stakeholders and India. These efforts also help us to deliver inclusive growth and make life better for everyone.

I would like to place on record my sincere appreciation to the Board of Directors for their guidance. I would like to express my gratitude to all our stakeholders for their continuing faith in Advik Capital Limited.

Yours Truly

Virender Kumar Agarwal

Chairman / Managing Director



Corporate Information

Board of Directors

Executive Chairman/Managing Director

Mr. Virender Kumar Agarwal

Executive Director

Mr. Shakul Kumar Agarwal - Whole-time Director

Directors (Non-Executive)

Mr. Hemant Agarwal - Independent

Mrs. Latika Bansal - Independent

Mr. Vineet Gupta - Independent

Mrs. Manju Agarwal - Promoter

Other KMPs

Rishab Kumar Agarwal - CFO

Ritika Priyam - Company Secretary & Compliance Officer

Auditors

Statutory Auditors

M/s Garg Anil & Co.

Chartered Accountants

New Delhi

Secretarial Auditors

M/s A.K. Verma & Co.

Company Secretaries

New Delhi

Bankers

Kotak Mahindra Bank

Registrar and Share Transfer Agents

Skyline Financial Services Private Limited

D-153A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110 020

Tel: 011- 40450193-94-95-96-97

Email: info@skylinerta.com

Registered Office

Plot No. 84, Khasra No. 143/84, Ground Floor,

Extended Lal Dora, Kanjhawla Delhi- 110081

Corporate Identification Number (CIN)

L65100DL1985PLC022505

Website :

Website : www.advikgroup.com/ail

Phone No : 011-25952595

E-mail : Info@advikgroup.com

Help Line : 91-9136311500

NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the members of **ADVIK CAPITAL LIMITED (FORMERLY KNOWN AS ADVIK INDUSTRIES LIMITED)** will be held on Friday the 27th day of September, 2019 at Registered office of the Company at Plot No. 84, Khasra No. 143/84, Ground Floor, Extended Lal Dora, Kanjhawla, Delhi-110081 at 12:30 PM to consider and 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, 2019 and the reports of the Board of Directors and Auditors thereupon; and (b) the Audited (Consolidated) Financial Statements of the Company for the Financial Year ended March 31, 2019 and the report of Auditors thereon and in this regard, pass the following resolutions as **Ordinary Resolutions**:

- (a) **"RESOLVED THAT** the Audited (Standalone) Financial Statements of the Company for the Financial Year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby received, considered and adopted."
- (b) **"RESOLVED THAT** the Audited (Consolidated) Financial Statements of the Company for the Financial Year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby received, considered and adopted."

2. To appoint Mr. Shakul Kumar Agarwal, who is longest serving member of the Board and who is liable to retire by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, **Mr. Shakul Kumar Agarwal (DIN: 03590891)**, who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

3. **Increase in the Remuneration of Mr. Virender Kumar Agarwal, Managing Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in partial modification to the resolution passed by the shareholders of the Company in their Annual General Meeting held on 26th September, 2017 and pursuant to Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under or any amendment or, modifications thereof and after notifying all the directors then present in India about the meeting and about the resolution, by specific notice approval of members of the Company through Special Resolution, be and is hereby accorded to Increase the Basic Salary of Mr. Virender Kumar Agarwal, Managing Director of the Company, from Rs. 1,00,000/- (Rupees One lakhs) to Rs 1,50,000/- (One Lakh Fifty Thousand Only)."

"RESOLVED FURTHER THAT the above said remuneration is Increased w.e.f. 1st July, 2019 to the remaining term of his appointment."

"RESOLVED FURTHER THAT the other terms and conditions of appointment of Mr. Virender Kumar Agarwal, Managing Director shall be the same as approved by the shareholders of the Company in their Annual General Meeting held in 2017."

4. To re-appoint M/s A. K. Verma & Co., Company Secretaries (**Registration No., Unique Code- S1997DE019500**), New Delhi as Secretarial Auditor of the Company for the Financial Year 2019-2020 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions of the Act and pursuant to relevant provisions of Article of Association of the Company, consent of the members be and is hereby accorded to re-appoint M/s A. K. Verma & Co., Company Secretaries

(Registration No., Unique Code- S1997DE019500), New Delhi as Secretarial Auditor of the Company for Financial Year 2019-2020.”

By the order of the Board

ADVIK CAPITAL LIMITED

(formerly known as Advik Industries Limited)

Virender Kumar Agarwal

Managing Director/Chairman

Din: 00531255

Add: H-107, Aravali Kunj, Plot No.44, Sector-13,

Rohini, Delhi-110085

Date: 10-08-2019

Place: New Delhi

NOTES:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item nos. from 4 and 5 of the Notice set out above is annexed herewith.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
3. Proxy form in MGT-11 duly filled up and executed must be received at the Registered Office of the company not less than 48 hours before the time fixed for the meeting. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share Capital of Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours (Sunday is included in computation of 48 hours) before the commencement of the Meeting. A Proxy Form is annexed to this report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
4. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or Depository Participant(s). Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
5. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip at the Registration Counter at the AGM.
6. The Register of Members and Share Transfer Books shall remain closed from **21st September, 2019 to 27th September, 2019** (both days inclusive).
7. Members desiring any further information on the business to be transacted at the meeting should write to the company at least 15 days before the date of the meeting so as to enable the management to keep the information, as far as possible, ready at the meeting.
8. Members are requested to notify the company their change of address, if any, to Registered office of the Company.
9. Members are requested to bring their attendance slip and copy of the Annual Report with them at the Annual General Meeting.
10. All correspondence relating to shares may be addressed to the Registered Office of the company.
11. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
12. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.

13. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
14. Members may kindly note that **NO 'Gifts'** will be distributed at the Annual General Meeting.
15. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under **Note No. 21.**
16. Members desiring any information/clarification on the Accounts are requested to write to the Company in advance at least seven (7) days before the meeting so as to keep the information ready at the time of Annual General Meeting.
17. As per provisions of the Companies Act, 2013 facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registered Office of the Company.
18. Members holding shares in physical mode are required to submit their Permanent Account Number (PAN) and bank account details to the Company/Skyline Financial Services Private Limited, if not registered with the Company as mandated by SEBI.
19. SEBI has decided that securities of listed companies can be transferred only in dematerialized form 5th December 2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form. Skyline Financial Services Private Limited (RTA) has stopped accepting any fresh lodgment of transfer of shares in physical form w.e.f. 1st April 2019. Members are advise to take necessary action regarding the same.
20. The relevant details of Directors seeking appointment/ re-appointment as required under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed.
- 21. Voting Through Electronic Means:**
- a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- b) The facility for voting through Ballot Paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through Ballot Paper.
- c) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- d) The Company shall also provide facility for voting through polling paper which shall be available at the meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the meeting.
- e) The Company is providing facility for voting by electronic means to its members to enable them to cast their votes through such voting. The Company has engaged the services of Central Depository Service Limited ("CDSL") as the Authorized Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting).
- f) The Board of Directors of the Company has appointed **Mr. Ashok Kumar Verma, Partner of A. K. Verma & Co, a Practicing Company Secretary**, New Delhi as Scrutinizer to scrutinize the voting through Ballot Paper and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- g) The cut-off date for the purpose of voting (including remote e-voting) is **19th September, 2019.**
- h) Remote e-voting facility will be available during the following period:
- | |
|--|
| Commencement of remote e-voting |
| Tuesday, 24th September, 2019, 9:00 a.m. |
| End of remote e-voting |
| Thursday, 26th September, 2019, 5:00 p.m. |