Alankit

Health & Wealth, We Manage Both

Annual Report 2017-2018

Alankit Limited



www.alankit.in

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CORPORATE INFORMATION

Board of Directors

Mr. Alok Kumar Agarwal	Chairman
Mr. Ankit Agarwal	Managing Director
Ms. Preeti Chadha	Whole Time Director & Company Secretary
Mr. Praveen Kumar Bansal	Whole Time Director
Mr. Yash Jeet Basrar	Independent Director
Mr. Pradip Kumar Banerji	Independent Director
Mr. Ashok Shantilal Bhuta	Additional Director (Independent)
Mr. Shyam Kishore Lal	Independent Director

Board Committee

AUDIT COMMITTEE

1. Mr. Yash Jeet Basrar	- Chairman
2. Mr. Ashok Shantilal Bhuta	- Member
3. Ms. Preeti Chadha	- Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

1. Mr. Yash Jeet Basrar	- Chairman
2. Ms.Preeti Chadha	- Member
3. Mr. Pradip Kumar Banerji	- Member
4. Mr.Shyam Kishore Lal	- Member

NOMINATION AND REMUNERATION COMMITTEE

1. Mr. Yash Jeet Basrar	- Chairman
2. Mr. Alok Kumar Agarwal	- Member
3. Mr. Ashok Shantilal Bhuta	- Member

MANAGEMENT COMMITTEE

1. Mr. Ankit Agarwal	- Chairman
2. Mr. Alok Kumar Agarwal	- Member
3. Mr. Yash Jeet Basrar	- Member
4. Ms.Preeti Chadha	- Member

CSR COMMITTEE

1. Mr. Yash Jeet Basrar	- Chairman
2. Mr. Alok Kumar Agarwal	- Member
3. Mr. Ankit Agarwal	- Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Preeti Chadha

REGISTERED OFFICE

205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055

CORPORATE OFFICE

4E/2, Jhandewalan Extension, New Delhi-110055
Phone:+91-11-4254 1234/2354 1234, Fax: +91-11-2355 2001
Website: www.alankit.in Help desk : investor@alankit.com

STATUTORY AUDITORS

M/s Maheshwari Rajiv & Co., Chartered Accountants, (Firm Registration No: 007115N), Up to 21st July, 2018
M/s. B. K. Shroff & Co, Chartered Accountants,(Firms Registration No. 302166E) w.e.f 31st July,

REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignments Limited
3E/7, Jhandewalan Extension, New Delhi,-110055
Tel: 91-11-42541234

DIRECTORS' REPORT

To,
The Members,
Alankit Limited
New Delhi

Your Directors take pleasure in presenting the 29th Annual Report on the business and operations of the Company, along with the summary of standalone and consolidated financials prepared in accordance with IND-AS for the year ended March 31, 2018.

PERFORMANCE OF THE COMPANY

FINANCIAL RESULTS

Amount in ₹ "Lakhs except EPS"

PARTICULARS	Stand Alone		Consolidated	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Net Sales/Income from Operations	10443.03	8,494.58	10510.17	8,508.16
Other Income	290.13	170.85	373.27	170.85
Total Income	**10733.16**	**8,665.43**	**10883.44**	**8,679.01**
Profit before Depreciation & Tax	2894.70	2,173.72	2922.43	2,175.79
Less: Depreciation	353.94	145.79	354.26	145.91
Profit before Tax	**2540.76**	**2,027.93**	**2568.17**	**2,029.88**
Less: Provision for current year Income-tax	608.24	507.10	615.09	507.34
Less: MAT Credit Receivable	-	-	(1.33)	-
Less: Deferred Tax	(202.60)	194.88	(201.05)	194.86
Net Profit after tax	**2135.12**	**1,325.95**	**2155.46**	**1,327.68**
Net Profit after tax and adjustments	**2135.12**	**1,325.95**	**2155.46**	**1,327.68**
EPS* (Basic)	1.49	0.93	1.51	0.93
(Diluted)	1.49	0.93	1.51	0.93

REVIEW OF OPERATIONS

Your Company has recorded a satisfactory overall growth in revenues to ₹ 10443.03 lakhs as compared to ₹ 8494.58 Lakhs in the previous year, an increase of 22.94%

Standalone:

During the year, your Company recorded the total income of ₹ 10733.16 lakhs as compared to ₹ 8,665.43 Lakhs in the previous year. It is indeed a matter of pride that the Profit after Tax (PAT) was ₹ 2135.12 Lakhs in comparison to a PAT of ₹ 1,325.95 Lakhs in the preceding year.

Consolidated:

During the year, your Company recorded the total income of ₹ 10883.44 increased from ₹ 8,679.01 Lakhs in previous year. Profit after Tax was increased to ₹ 2155.46 Lakhs from ₹ 1,327.68 Lakhs.

DIVIDEND

Your company declared interim dividend of 20% on equity share of ₹ 1 each. The same was distributed to shareholders

on 26th February, 2018. The board proposed the same should be taken as final Dividend for the F.Y. 2017-18.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

The company is not required to transfer any amount to the Investor Education and Protection Fund in terms of Section 125 of the Companies Act, 2013.

TRANSFERS TO RESERVES

The Company has transferred ₹ 999.49 Lakhs in General Reserve from retained earnings.

PUBLIC DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with Chapter V of the Act is not applicable.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS

There have been no significant and materials orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

MANAGEMENT DISCUSSION AND ANALYSIS

Discussion on financial performance with respect to the operational performance, has been covered in the Board's Report.

Alankit Forex India Limited (Previously known as Alankit Life Care Limited) which is a wholly owned Subsidiary of the Company has received an approval from RBI for operation of Full Fledged Money Changers.

Full Fledged Money Changers (FFMCs) are authorised by the Reserve Bank to deal in foreign exchange for specified purposes, to widen the access of foreign exchange facilities to residents and tourists while ensuring efficient customer service through competition. FFMCs are authorised to purchase foreign exchange from residents and non-residents visiting India and to sell foreign exchange for certain approved purposes. The Company received name approval from Registrar of Companies, Ministry of Corporate Affairs on 03rd July, 2018 to change the name from existing name Alankit Life Care Limited to Alankit Forex India Limited, which will reflect the main objects of the Company.

The Alankit Limited has sold its 49% stake in Alankit Technologies Limited to GTID Solutions Development Private Limited**.** The said disposal would result into company falling into subsidiary category of Alankit Limited from wholly owned subsidiary category.

GTID is engaged in the business of development of Aadhaar enabled system, services, solutions and hardware (Includes Smart PoS, Smart Tab/Mobile which are integrated IRIS STQC-UIDAI compliance / certified) to enable its Fintech solutions to cater GST business requirement in India either its own or through its various associates. Company will be able to sell smart POS etc which will increase the business of the company.

During the year, Alankit Limited has made investment in Verasys Technologies Private Limited thus making it subsidiary of Alankit Limited. Verasys Technologies Private Limited got approval from Controller of Certifying Authority (CCA) on 23rd July, 2018 to act as Certifying Authority under the Information Technology Act of India, 2000 licensed to issue digital signature certificates. Verasys will offer various solutions to Indian consumers, with a large user base among Individuals, Corporates, Banks, Government Organizations and several small and medium businesses. It will help in variety of other services including Tax filing Services, Digital Signing Solutions, Digital Certificate Authentication System and Trusted Time Stamping Services.

The another subsidiary of Alankit Limited i.e. Euro Global Brokers Limited has filed an application to RBI to obtain Certificate of Registration as a NBFC P2P Company which is still under process. P2P is an abbreviation for Peer to Peer Lending. It can be defined as a practice of lending money to individuals or businesses through online services that match lenders with borrowers. The overhead cost for these companies are generally low and the services provided by them are cheap as compared to Traditional Financial Institutions. These P2P companies are profitable for both the lender and the borrower as lenders can earn higher returns and borrowers can borrow at lower interest rates. All P2P

Lending will be regulated by Reserve Bank of India.

The Company has an adequate system of internal controls to ensure that transactions are properly authorised, recorded, and reported, apart from safeguarding its assets. The internal control system is supplemented by well-documented policies, guidelines and procedures and reviews carried out by the Company's internal audit function, which submits reports periodically to the Management and the Audit Committee of the Board.

In order to foster an improved internal control culture in the Company, wherein every employee is fully aware of all the major risk/ controls faced in his / her work sphere and assumes responsibility for the controls performed therein, in relation to that the CFO of the Company has given compliance certificate to the Board of Directors in compliance with the Regulation 17(8) of the Listing Regulations.

Business Outlook

In order to diversify business and reduce risk, your company has invested in Verasys Technologies Private Limited and Alankit Forex India Limited. Verasys Technologies Private Limited is Certifying Authority (CA) providing Digital Signature whereas Alankit Forex India Limited is FFMC. Your Company further focuses on increasing productivity through optimal utilization of all the tangible and intangible resources.

Industry Structure and Developments

As your company is mainly in E-Governance services and E-Governance products in both Sate and Centre government under various schemes promoting public/private Participation in order to promote E-Governance in the country. Since your company have rich experience in providing and implementing various E-Governance project which will going to help your company managing and implementing various projects

Risk and Concern

Company's business largely depend on the Government policy towards e-governance, thus, hence company revenue growth depends on government's policy of implementing e-governance project. However, your company has a well laid down Risk Management System. Risk management is part of our culture across the Company. Effectively managing risk is the responsibility of all employees. Mangers are accountable for allocating required resources to successfully mange the risks they own. Ensuring we have an efficient risk management system in place is key to developing our business and achieving our objectives.

Human Resource

Your Company firmly believes that the personal development of individual employee contributes to the stable and sustainable growth of the company as a whole. Your company encourages employees to utilize their strengths, and provides opportunities for them to use their skills and to develop their abilities.

The Company is providing an equal opportunity to all the employees to utilize their full potential and grow with the organization. Our employees are the foundation of our success, and we believe in sharing our success with them. We reward their outstanding work in many ways, like providing competitive pay, giving instant reward and recognition for path-breaking contribution.

There are no major changes in the business segments of the company as compared in the previous Annual Report.

LISTING WITH STOCK EXCHANGES

Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE). The Company is regular in paying Annual Listing Fees and custodian fees to both the depositories.

EVALUATION OF PERFORMANCE OF BOARD OF DIRECTORS

The Directors of your Company are in a fiduciary position, empowered to oversee the management functions with a view to ensure its effectiveness and enhancement of stakeholders' value.

Independent Directors are appointed keeping in view their diverse skills and experience as to provide strategic direction, guidance and constructive support to the management. The Board of Directors is at the core of your company's corporate governance practice and oversees how the management serves and protects the long term interests of the stakeholders.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory, secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews undertaken by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2017-18.

Accordingly, pursuant to Section 134(3) (c) Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;

b) they 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 profits of the Company for that period;

c) they have 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;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

CORPORATE GOVERNANCE

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 (hereinafter "Listing Regulations"), a Report on Corporate Governance along with Compliance Certificate issued by Statutory Auditors of the Company is attached as Annexure and forms integral part of this Report (hereinafter "Corporate Governance Report")

CFO CERTIFICATION

The Chief Financial Officer has duly given a certificate to the board as contemplated in Regulation 17(viii) of the listing agreement.

SUBSIDIARIES

As on March 31, 2018, the company has five Subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, the company has prepared consolidated financial statements of the Company, which form part of this Annual Report. Further, a statement containing the salient features of the Financial Statements of Subsidiary Companies in prescribed Format AOC-1 is annexed herewith as In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the company and its Subsidiaries are available on the website of the Company.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company is having an Internal Financial Control system, commensurate with the size, scale and complexity of its operations. The internal control systems, comprising of policies and procedures are designed to ensure sound management of your Company's operations, safe keeping of its Assets, optimal utilization of Resources, reliability of its financial information and compliance. Based on the report of Internal Audit function, corrective actions are undertaken in the respective areas and thereby strengthen the controls. During the Financial year, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments which affected the financial position of the Company which occurred

between the end of the financial year to which the financial statements relate and the date of this report.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors of your Company have given Declaration confirming that they meet the criteria of Independence as prescribed both under the Companies Act, 2013 and the Listing Regulations.

BOARD MEETINGS

The Board of Directors duly met **Four (4)** times respectively on **30h May, 2017, 09th August, 2017, 14th November, 2017 and 10th February, 2018** in respect of which proper notices were given and the proceedings were properly recorded.

DIRECTORS

The Board consists of executive and non-executive Directors including independent Directors, who have wide and varied experience in different disciplines of corporate functioning. Mrs. Preeti Chadha retires as Director to meet the requirement of Section 152 of the Companies Act, 2013 and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.

Mr. Pravin Kumar Bansal was appointed as Whole Time Director designated as Executive Director of the Company for a period of one year with effect from 1st November, 2017. Pursuant to Section 110 of the Companies Act, 2013 read with the rules made there under and Regulation 44 of SEBI (LODR) Regulations, 2015, approval of the shareholders of the Company was obtained by means of postal ballot and e-voting on the Special Resolution for his appointment proposed in the Postal Ballot Notice dated 14.11.2017, result of which along with scrutinizer's report was declared on 19th December, 2017.

Mr. Ashok Shantilal Bhuta, Practicing Chartered Accountant who is having diversified experience in the areas of corporate law matters, direct and indirect taxes, corporate governance, statutory and internal audit was appointed as an Additional Director designated as Non-Executive and Independent Director of the Company on 30th May, 2018 subject to the approval of shareholders of the Company in the ensuing Annual General Meeting of the Company.

Mr. Pravin Kumar Bansal who was earlier appointed from 01st November, 2017 for upto one year has been re-appointed as a Whole-Time Director of Company by the Board of Directors for one more year which will be effective from 01st November, 2018 subject to the approval of Shareholders of the Company in the ensuing Annual General Meeting of the Company.

AUDITORS

STATUTORY AUDIT

The reports of the Statutory Auditors, Maheshwari Rajiv & Co., on the standalone and consolidated financial statements of the Company for the financial year 2017-18 form part of this Annual Report. The Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Statutory Auditors have submitted a unmodified opinion on the audit of financial statements for the financial year 2017-18 and there is no qualification, adverse remark or disclaimer given by the Auditors in their Report.

As per Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Maheshwari Rajiv & Co., Chartered Accountants, New Delhi (FRN 007115NR) was appointed as the Statutory Auditors of the Company for an initial term of 5 years at its 27th Annual General Meeting i.e. from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company.

M/s. Maheshwari Rajiv & Co., Chartered Accountants, New Delhi (Firm Registration No: 007115NR) vide their letter dated 21st July, 2018 have resigned from the position of Statutory Auditors of the Company due to their pre-occupation elsewhere, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 31st July, 2018, as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) of the Companies Act, 2013, have appointed M/s. B. K. Shroff & Co., Chartered Accountants, New Delhi (Firms Registration No. 302166E), to hold office as the Statutory Auditors of the Company till the conclusion of 29th AGM to fill the casual vacancy caused by the resignation of M/s. Maheshwari Rajiv

& Co., Chartered Accountants, New Delhi (Firm Registration No: 007115NR) subject to the approval by the members at the 29th Annual General Meeting of the Company.

The Board of Directors at its meeting held on 31st July, 2018, as per the recommendation of the Audit Committee recommended the appointment of M/s. B. K. Shroff & Co., Chartered Accountants, New Delhi (Firms Registration No. 302166E), as Statutory Auditors of the Company to hold office for a period of one year, from the conclusion of the 29th AGM, till the conclusion of the 30th AGM of the Company to be held in the year 2019 subject to the approval of members in the ensuing Annual General Meeting.

STATE OF COMPANY'S AFFAIRS

The present state of Company's affairs is progressive enough viz-a-viz the industry and there is no other development which could result in an adverse situation for the Company in the near future.

AUDITORS' STATEMENT

During the year under review, the statutory auditors nor the secretarial auditor has reported to the audit committee, under section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which need to be mentioned in the Board's report.

SECRETARIAL AUDIT

The Company appointed M/s N C Khanna, Company Secretaries to conduct the Secretarial Audit for the financial year 2017-18 pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 for conducting secretarial Audit and the Secretarial Audit report is being attached with the Directors' Report in Form MR-3 which is self-explanatory and needs no comments. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Company complies with all applicable secretarial standards.

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

A. Conservation of Energy

The Company is engaged in providing e-governance services and e-governance products and such operations do not account for substantial Electricity, Gas & Steam, Power, Water or any other kind of energy consumption. However, the company is taking all possible measures to conserve the energy.

Your company is continuously looking for new ways of conservation of energy and wastes minimization for the protection of environment. The eco-friendly initiatives adopted by your company are:

- Implementing energy conservation schemes.
- Awareness programmes for employees at all levels and for community.
- Promoting the use of alternative fuels and materials.

B. Technology Absorption and Research & Development

Since the Company is not involved in manufacturing activity, hence the research & development and technology absorption is not applicable.

The Company has not incurred any expenditure on Research & Development. Your company has not imported technology during the last 8 years reckoned from the beginning of the financial year.

C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earning: ₹ 67,42,756/-
Foreign Exchange Outgo: ₹ 5,46,97,674/-

PARTICULARS OF EMPLOYEES

None of the employees including managerial personnel draws in excess of the limits prescribed under Section 197(12) of the Companies Act, 2013 read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which needs to be disclosed in the Directors' report.

COMPOSITION OF VARIOUS COMMITTEES OF THE BOARD
The following Committees of the Board were constituted:

AUDIT COMMITTEE

1. Mr. Yash Jeet Basrar	- Chairman
2. Mr. Ashok Shantilal Bhuta	- Member
3. Ms. Preeti Chadha	- Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

1. Mr. Yash Jeet Basrar	- Chairman
2. Ms. Preeti Chadha	- Member
3. Mr. Pradip Kumar Banerji	- Member
4. Mr. Shyam Kishore Lal	- Member

NOMINATION AND REMUNERATION COMMITTEE

1. Mr. Yash Jeet Basrar	- Chairman
2. Mr. Alok Kumar Agarwal	- Member
3. Mr. Ashok Shantilal Bhuta	- Member

MANAGEMENT COMMITTEE

1. Mr. Ankit Agarwal	- Chairman
2. Mr. Alok Kumar Agarwal	- Member
3. Mr. Yash Jeet Basrar	- Member
4. Ms. Preeti Chadha	- Member

CSR COMMITTEE

1. Mr. Yash Jeet Basrar	- Chairman
2. Mr. Alok Kumar Agarwal	- Member
3. Mr. Ankit Agarwal	- Member

RELATED PARTY TRANSACTIONS

For Related Party Transactions, please refer note no. 30 of Financial Statements of the Company and para 13 of Annexure-A to the Auditor's report for the financial year 2017-18.

VIGIL MECHANISM

The Company has framed a Vigil Mechanism for Directors and Employees and they may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of conduct & ethics without fear of reprisal.

DISCLOSURE OF MANAGERIAL REMUNERATION

The Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure to the Report.

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 and 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 financial year 2017-18:

No. of Complaints received: Nil
No. of Complaints disposed off: Nil