



**2018-19**

# ANNUAL REPORT

**ALANKIT LIMITED**

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**CORPORATE INFORMATION**

**Board of Directors**

|                           |                      |
|---------------------------|----------------------|
| Mr. Alok Kumar Agarwal    | Chairman             |
| Mr. Ankit Agarwal         | Managing Director    |
| Mr. Yash Jeet Basrar      | Independent Director |
| Mr. Shyam Kishore Lal     | Independent Director |
| Mr. Ashok Shantilal Bhuta | Independent Director |
| Mrs. Preeti Chadha        | Director             |

**Board Committee**

**AUDIT COMMITTEE**

|                           |          |
|---------------------------|----------|
| Mr. Yash Jeet Basrar      | Chairman |
| Mr. Ashok Shantilal Bhuta | Member   |
| Mrs. Preeti Chadha        | Member   |

**NOMINATION & REMUNERATION COMMITTEE**

|                           |          |
|---------------------------|----------|
| Mr. Yash Jeet Basrar      | Chairman |
| Mr. Alok Kumar Agarwal    | Member   |
| Mr. Ashok Shantilal Bhuta | Member   |

**STAKE HOLDER RELATIONSHIP COMMITTEE**

|                           |          |
|---------------------------|----------|
| Mr. Yash Jeet Basrar      | Chairman |
| Mr. Ashok Shantilal Bhuta | Member   |
| Mrs. Preeti Chadha        | Member   |

**MANAGEMENT COMMITTEE**

|                        |          |
|------------------------|----------|
| Mr. Ankit Agarwal      | Chairman |
| Mr. Alok Kumar Agarwal | Member   |
| Mr. Yash Jeet Basrar   | Member   |
| Mrs. Preeti Chadha     | Member   |

**CSR COMMITTEE**

|                        |          |
|------------------------|----------|
| Mr. Yash Jeet Basrar   | Chairman |
| Mr. Ankit Agarwal      | Member   |
| Mr. Alok Kumar Agarwal | Member   |

**RISK MANAGEMENT COMMITTEE**

|                           |          |
|---------------------------|----------|
| Mr. Ashok Shantilal Bhuta | Chairman |
| Mr. Yash Jeet Basrar      | Member   |
| Mr. Shyam Kishore Lal     | Member   |

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mrs. Milli Mehta

**REGISTERED OFFICE:**

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

**CORPORATE OFFICE**

"Alankit House" 4E/2, Jhandewalan Extension, New Delhi -110055

Phone:+91-11-42541234/904, Fax:+91-11-2355 2001

Website: www.alankit.in Helpdesk:investor@alankit.com

**STATUTORY AUDITORS**

M/s B.K Shroff & Co., Chartered Accountants, (FRN: 302166E)

**REGISTRAR & SHARE TRANSFER AGENT**

Alankit Assignments Limited

"Alankit Heights" 3E/7, Jhandewalan Extension, New Delhi-110055,

Tel: +91-011-42541234

**DIRECTORS' REPORT**

To,  
The Members,  
**ALANKIT LIMITED**  
New Delhi

Your Directors take pleasure in presenting the 30<sup>th</sup> 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, 2019.

**PERFORMANCE OF THE COMPANY****FINANCIAL RESULTS**

( ₹ in Lacs)

| Particulars                                 | Stand Alone     |                 | Consolidated    |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | 31.03.2019      | 31.03.2018      | 31.03.2019      | 31.03.2018      |
| Net Sales/Income from Operations            | 12302.04        | 10443.03        | 13012.15        | 10510.17        |
| Other Income                                | 694.53          | 290.13          | 785.73          | 382.15          |
| <b>Total Income</b>                         | <b>12996.57</b> | <b>10733.16</b> | <b>13797.88</b> | <b>10892.48</b> |
| Profit before Depreciation & Tax            | 2413.86         | 2894.70         | 2607.69         | 2922.88         |
| Depreciation                                | (368.96)        | (353.94)        | (447.72)        | (354.26)        |
| <b>Profit before Tax</b>                    | <b>2044.90</b>  | <b>2540.76</b>  | <b>2159.97</b>  | <b>2575.62</b>  |
| Provision for current year income-tax       | (440.78)        | (608.24)        | (465.57)        | (606.39)        |
| Earlier Year Taxes                          | 20.61           | -               | 20.61           | -               |
| Mat Credit Receivable                       | 56.66           | -               | 71.91           | 1.33            |
| Deferred Tax                                | (365.13)        | 202.60          | (388.13)        | 203.61          |
| <b>Net Profit after tax</b>                 | <b>1316.26</b>  | <b>2135.12</b>  | <b>1398.80</b>  | <b>2174.17</b>  |
| <b>Net Profit after tax and adjustments</b> | <b>1316.26</b>  | <b>2135.12</b>  | <b>1398.80</b>  | <b>2174.17</b>  |
| EPS* (Basic)                                | 0.92            | 1.49            | 0.98            | 1.52            |
| (Diluted)                                   | 0.92            | 1.49            | 0.98            | 1.52            |

**REVIEW OF OPERATIONS**

Your Company has recorded a satisfactory overall growth in revenues to Rs. 12302.04 lakhs as compared to Rs. 10443.03 lakhs in the previous year, an increase of 17.80%.

**STANDALONE**

During the year, your Company recorded total income of Rs.12,996.57 Lakhs as compared to Rs 10733.16 Lakhs in previous year. The Profit after tax for the year stood at Rs.1,316.26 Lakhs as against previous year profit after tax of Rs.2,135.12 Lakhs.

**Consolidated:**

During the year, your Company recorded total income of Rs.13,797.88 Lakhs as compared to Rs 10892.48 lakhs in previous year. The Profit after Tax for the year stood at Rs.1,398.80 Lakhs as against the previous year profit after tax of Rs 2,174.17 Lakhs.

**DIVIDEND**

Your Company declared an interim Dividend of 20% on equity shares of Re. 1 each on 20.03.2019. The Board proposed the same to be taken as Final Dividend for the F.Y. 2018-19.

**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.

Pursuant to Regulation 39(4) and Secretarial Standard-3 on Dividend, we have sent intimation to physical and demat shareholders to claim the unclaimed dividend since F.Y. 2014-15.

**TRANSFERS TO RESERVES**

The Company has not transferred any sum to 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.

**SHARE CAPITAL**

The paid up Equity Share Capital as at March 31, 2019 stood at Rs.14.29 crores. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

**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**

This is an elaborate review giving a thorough perspective on the operational and financial analysis of the varied elements of the company with the objective to put across the management's thought process about the company's overall financial and operational performance in the Financial Year 2018-19.

**E-Sign Service Provider**

The subsidiary of the Company Verasys Technologies Private Limited which is Certifying Authority under Section 21 of the IT Act, 2000, is now also empaneled as eSign Service Provider (ESP) to provide eSign Service based on Aadhar which is a great move for the Company.

### **Pan Centres**

The income tax department has brought in a new rule without which you will not be able to get any tax refunds. So far the requirement was only to link your PAN (Permanent Account Number) with Aadhaar card to file income tax returns (ITR).

Currently your company has pan India network of 6120 TIN/PAN centers. With advent of GST, our target is to double our presence in near future.

### **Business Outlook**

Alankit Limited is focused on its vision and committed to fulfilling its mission through ensuring consistent delivery of quality products, unsurpassed service and premium value to its esteemed customers. It also aims to work diligently as a team with high standards of integrity, across borders as well as emerge as a winner in the marketplace in all aspects of its business.

### **Industry Structure and Developments**

As your company is mainly in E-Governance services and E-Governance products in both state 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 be going to help your company managing and implementing various projects.

### **Financial Review**

Your Company's standalone revenue from operations for the year stood at Rs. 12302.04 lakhs, reflecting a 17.80% increase on YOY basis.

### **Risk Concern**

Your Company's risk framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, operational, and legal and compliance risks to achieve its key business objectives. Risk Management at Alankit seeks to minimize the adverse impact of these risks, thus, enabling the Company to leverage market opportunities effectively and enhance its long-term competitive advantage. The focus of risk management is to assess risks and deploy mitigation measures. This is done through periodic review meetings of the management.

### **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 (BSE) and National Stock Exchange of India Limited (NSE). The Company is regular in paying Annual Listing Fees to both the stock exchanges.

### **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 2018-19.

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 SOCIAL RESPONSIBILITY**

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The role of the committee is to review the CSR Policy, approve activities to be undertaken by the Company towards CSR mainly in education sector, and monitor implementation of projects and activities undertaken by the Company towards CSR.

The CSR Policy of the Company is available on the website [www.alankit.in](http://www.alankit.in). Further details about the initiatives taken by the Company on CSR during the year under review have been appended to the Annual Report.

**CORPORATE GOVERNANCE**

As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this 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.

Pursuant to Regulation 33 (2) (a) the CFO has duly signed the Certificate of the Company certifying that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

**SUBSIDIARIES**

As on March 31, 2019, 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. 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.

The wholly-owned subsidiaries have approved the Scheme of Arrangement inter-se pursuant to which Europlus Financial Services Limited and Euro Global Brokers Limited are proposed to be merged into Alankit Technologies Limited. Alankit Technologies Limited continues to be the wholly-owned subsidiary of the Company.

**MATERIAL SUBSIDIARY**

Alankit Forex India Limited is a material subsidiary of the Company as per the thresholds laid down under the Listing Regulations. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy was revised effective from April 1, 2019 in line with the amendments made to the Listing Regulations. The Company has put in place a policy for determining material subsidiaries of the Company and uploaded on the Company's website at [www.alankit.in](http://www.alankit.in).

**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 observations were 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**

No material changes and commitments affecting the financial position of your Company have occurred after the closure of the Financial Year 2018-19 till 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 details of the number of meetings of the Board held during the Financial Year 2018-19 forms part of the Corporate Governance Report in respect of which proper notices were given and the proceedings were properly recorded.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Mr. Pravin Kumar Bansal who was appointed as Whole Time Director designated as Executive Director of the Company resigned from the said position w.e.f. 31<sup>st</sup> December, 2018.

Ms. Preeti Chadha resigned from the position of Company Secretary and Whole Time Director of the Company w.e.f. 31<sup>st</sup> March, 2019. She was appointed as Non-Executive Director of the Company w.e.f. 1<sup>st</sup> April, 2019.

Ms. Milli Mehta was appointed as Company Secretary and Compliance Officer of the Company in Board Meeting held on 26<sup>th</sup> May, 2019 and her appointment will be effective from 1<sup>st</sup> June, 2019.

Mr. Shyam Kishore Lal and Mr. Ashok Shantilal Bhuta were re-appointed as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (Five) consecutive years from the expiry of their present term of office i.e. with effect from 26<sup>th</sup> May, 2019 on the Board of the Company subject to the approval of Members at the ensuing Annual General Meeting of the Company.

Mr. Yash Jeet Basrar was re-appointed as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (Five) consecutive years from the expiry of his present term of office i.e. with effect from 4<sup>th</sup> July, 2019 on the Board of the Company subject to the approval of Members at the ensuing Annual General Meeting of the Company.

Mr. Pradip Kumar Banerji has completed his first term on 26.05.2019 and is not reappointed for the second term. Therefore, he ceased to be a Director w.e.f. 26.05.2019.

Mr. Ankit Agarwal was re-appointed as Managing Director of the Company, for a further period of 5 (five) years from the expiry of his present term of office, that is, with effect from 26<sup>th</sup> May, 2019 subject to the approval of Members at the ensuing Annual General Meeting of the Company. The terms and conditions of his re-appointment are mentioned in the notice of Annual General Meeting.

Mr. Santoshi Lal Gupta resigned from the position of Chief Financial Officer of the Company w.e.f. 17.08.2018 and Mr. Perminder Singh was appointed in his place as CFO of the Company to be designated as General Manager- Accounts w.e.f. 14.11.2018.

Mr. Perminder Singh is a qualified Cost and Management Accountant (CMA) from The Institute of Cost Accountants of India & MBA (Finance) having over 18 years of diversified experience in finance, accounts & audit domain. He has Experience in implementation and execution of Profit & Cost center reporting. He has a proven ability of handling finance functions determining financial objectives, designing & implementing systems, policies and procedures to facilitate internal financial control with minimized cost.

## **AUDITORS**

### **STATUTORY AUDITORS**

The reports of the Statutory Auditors, B.K. Shroff & Co., Chartered Accountants on the standalone and consolidated financial statements of the Company for the financial year 2018-19 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 an unmodified opinion on the audit of financial statements for the financial year 2018-19 and there is no qualification, adverse remark or disclaimer given by the Auditors in their Report.

M/s. B.K. Shroff & Co., Chartered Accountants, New Delhi (FRN 302166E) were appointed as the Statutory Auditors of the Company for an initial term of 1 (one) year with your approval at the 29<sup>th</sup> Annual General Meeting i.e. from the conclusion of 29<sup>th</sup> Annual General Meeting till the conclusion of 30<sup>th</sup> Annual General Meeting of the Company to be held in 2019.

On the recommendation of Audit Committee, the appointment of M/s. B.K. Shroff & Co as Statutory Auditors of the Company for the term of five years from the conclusion of ensuing AGM till the conclusion of 35<sup>th</sup> AGM is proposed for ratification of the members. Appropriate resolution for the purpose is appearing in the Notice convening the 30<sup>th</sup> AGM of the Company.

### **SECRETARIAL AUDITORS**

The Company appointed M/s N C Khanna, Company Secretaries to conduct the Secretarial Audit for the financial year 2018-19 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. The Secretarial Audit report is 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.

### **AUDITORS STATEMENT**

During the year under review, neither the statutory auditors nor the secretarial auditor have 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.

### **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.

### **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