



# AMRAPALI CAPITAL AND FINANCE SERVICES LIMITED

25<sup>th</sup> Annual Report

F.Y. 2018-19

## Inside this Report

Contents	Page No.
Corporate Information	1
Directors' Report and Annexures	2
Management Discussion and Analysis Report	21
Independent Auditors' Report	23
Balance sheet	27
Profit and Loss Account	29
Cash Flow Statement	30
Notes to Financial Statement	32
Notice to Shareholders	46



## **Corporate Information**

### **Amrapali Capital and Finance Services Limited**

**CIN: L65910DN1994PLC000362**

#### **BOARD OF DIRECTORS**

Mr. Chirag Thakkar	Managing Director
Mr. Alkesh Patel	Non -Executive Director
Mrs. Bhumi Patel	Non -Executive Director
Mr. Shankar Bhagat	Independent Director
Ms. Urshita Patel	Independent Director

#### **KEY MANAGERIAL PERSONNEL**

Ms. Rushika Parekh	Company Secretary And Compliance Officer
Mr. Baldev Manubhai Patel	Chief Financial Officer

#### **REGISTERED OFFICE**

Shop No. 3, Ground Floor, Ashoka Complex, B/H. Woodland Hotel, Naroli Creoss Road Silvassa - 396230

**Tel No.** +91-26-0263 3291

**Email:** grievances@amrapali.com;

**Web:** www.amrapali.com

#### **CORPORATE OFFICE**

19, 20, 21 3rd Floor, Narayan Chambers, Behind Patang Hotel, Ellisbridge, Ashram Road, Ahmedabad - 380 009

**Tel No.** +91-79- 2657 5105/06

**Fax No.** +91-79-2657 9169

#### **STATUTORY AUDITORS**

**M/s Doshi Maru & Associates**  
Chartered Accountants (FRN:0112187W)  
217/218, Manek Centre, P.N Marg, Jamnagar-  
361001(Gujarat) India

#### **SECRETARIAL AUDITOR**

**Ms. Payal Dhamecha**  
Practicing Company Secretary  
S/1, 2<sup>nd</sup> Floor, Olway House, Nr. Navneet House, Gurukul  
Ahmedabad-380052.

#### **REGISTRAR & SHARE TRANSFER AGENT**

##### **Satellite Corporate Services Private Limited**

Unit No. 49, Bldg No.13-A-B, 2nd Floor, Samhita Commercial Co-Op. Soc. Ltd. Off Andheri Kurla Road, MTNL Lane, Sakinaka, Mumbai - 400 072; **E-mail:** service@satellitecorporate.com; **Tel no.**022 -28520461-62

#### **BANKERS**

Allahabad Bank

#### **COMMITTEES**

##### **AUDIT COMMITTEE**

Ms. Urshita Patel	Chairperson
Mr. Alkesh Patel	Member
Mr. Shankar Bhagat	Member

##### **STAKEHOLDER'S GRIEVANCE & RELATIONSHIP COMMITTEE**

Ms. Urshita Patel	Chairperson
Ms. Bhumi Patel	Member
Mr. Chirag Thakkar	Member

##### **NOMINATION AND REMUNERATION COMMITTEE**

Ms. Urshita Patel	Chairperson
Ms. Bhumi Patel	Member
Mr. Shankar Bhagat	Member

## DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company"), along with the audited financial statements, for the financial year ended March 31, 2019.

### Financial Highlights:

(` in Lakhs)

Particulars	F.Y. 2018-19	F.Y. 2017-18
Revenue From Operations	396387.58	(3123.23)
Other Income	443.43	597.86
<b>Total Income</b>	<b>396831.02</b>	<b>(2525.37)</b>
Less: Total Expenses before Depreciation, Finance Cost and Tax	396591.19	(3154.13)
<b>Profit before Depreciation, Finance Cost and Tax</b>	<b>239.83</b>	<b>628.76</b>
Less: Depreciation	49.77	60.35
Less: Finance Cost	111.79	506.52
<b>Profit Before Tax</b>	<b>78.26</b>	<b>61.89</b>
Less: Current Tax	18.2	13.45
Less: Deferred tax Liability (Asset)	2.19	2.03
<b>Profit after Tax</b>	<b>57.87</b>	<b>46.41</b>

### BUSINESS OVERVIEW:

#### Financial performance:

During the financial year 2018-19 the revenue from operation stood at ` 396387.58 Lakhs as compared to a total loss of ` (3123.23) Lakhs in the previous financial year 2017-18. The main reasons of increase in the revenue is due to brokerage income and trading in Gold, Silver, Bonds and shares in the financial year 2018-19. The other income of the Company stood as ` 443.43 Lakhs in the financial year 2018-19 as compared to ` 597.86 Lakhs in financial year 2017-18. Further, during the financial year 2018-19, the total expenses have increased from ` 2587.26 lakhs to ` 396752.75 lakhs. The Net Profit after Tax for the financial year stood at ` 57.87 Lakhs in comparison to that of ` 46.41 Lakhs in previous year 2017-18 i.e. increase in profit by 24.69% as compared to previous year.

#### Dividend:

With a view to conserve and save the resources for future prospects of the Company, the Directors have not declared any dividend for the financial year 2018-19.

#### Transfer to General Reserve:

The Directors do not propose the transfer of any amount to General Reserve. Full amount of net profit is carried to Reserves & Surplus Account of the Company.

#### Change in Nature of Business:

During the year, the Company has not changed its business or object and continues to be in the same line of business as per the main object of the Company. However, company also amended its main object clause to include the commodity and commodity related business activities including commodity warehousing, processing and consumption. The main object clause for adding such business was approved by the members in the extra ordinary general meeting held on December 26, 2018.

#### Share Capital:

During the year under review, there were no changes in the share capital of the Company.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### Constitution of Board:

As on the date of this report, the Board comprises of the following Directors;

Name of Director	Category Cum Designation	Date of Appointment at current Term & designation	Total Directorship <sup>2</sup>	No. of Committee <sup>1</sup>		No. of Shares held as on March 31, 2019
				in which Director is Members	in which Director is Chairman	
Mr. Chirag Thakkar	Chairman & Managing Director	January 13, 2016	3	1	-	1440100 Equity Shares
Mrs. Bhumi Patel	Non-Executive Director	March 18, 2016	2	2 <sup>^</sup>	-	-
Mr. Alkesh Patel	Non-Executive Director	March 23, 2015	1	1	1 <sup>*</sup>	-
Mr. Shankar Bhagat	Independent Director	September 30, 2014	3	2	3	-



Ms. Urshita Patel	Independent Director	December 26, 2018	2	2	2	-
-------------------	----------------------	-------------------	---	---	---	---

<sup>1</sup> Committee includes Audit Committee and Shareholders' Grievances Committee across all Public Companies.

<sup>2</sup> Excluding Section 8 Company & struck of Companies

<sup>^</sup> Resigned as Member from Audit Committee w.e.f. December 27, 2018.

\*Resigned as Chairperson from Stakeholder Relationship & Grievance Committee w.e.f. December 27, 2018.

The composition of Board complies with the requirements of the Companies Act, 2013 ("Act"). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from requirement of having composition of Board as per Regulation 17 of Listing Regulations.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

None of the Director of the Company is serving as a Whole-Time Director in any Listed Company and is holding position of Independent Director in more than 3 Listed Company and none of the Director of the Company is holding position as Independent Director in more than 7 Listed Companies. None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164 (2) of the Companies Act, 2013.

#### Board Meeting

The Board of the Company regularly meets to discuss various Business opportunities. Additional Board meetings are convened, as and when required to discuss and decide on various business policies, strategies and other businesses.

During the year under review, Board of Directors of the Company met 11 times on May 03, 2018; May 26, 2018; July 17, 2018; August 31, 2018; September 14, 2018; November 14, 2018; November 26, 2018; December 27, 2018; January 22, 2019; February 15, 2019 and March 21, 2019.

The details of attendance of each Director at the Board Meetings are given below:

Name of Director	Date of Original Appointment	Date of Cessation	Number of Board Meetings Eligible to attend	Number of Board Meetings attended
Mr. Chirag Thakkar	April 1, 2010	-	11	10
Mrs. Bhumi Patel	March 18, 2016	-	11	11
Mr. Alkesh Patel	March 23, 2015	-	11	11
Mr. Shankar Bhagat	June 17, 2013	-	11	11
Ms. Urshita Patel	December 26, 2018	-	04	04

The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

#### Independent Directors:

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has 2 (Two) Non-Promoter Non-Executive Independent Directors in line with the act. A separate meeting of Independent Directors was held on March 21, 2019 to review the performance of Non-Independent Directors and Board as whole and performance of Chairperson of the Company including assessment of quality, quantity and timeliness of flow of information between Company Management and Board.

The Company has received necessary declaration from each independent director under Section 149 (7) of the act that they meet the criteria of independence laid down in Section 149 (6) of the act.

#### Information on Directorate:

During the year under review, there was no change in constitution of the Board of Directors except Ms. Urshita Patel has been appointed as Independent Director with effect from December 26, 2018 for 5 years by the members in the extra ordinary general meeting held on December 26, 2018.

In accordance with the provisions of the Articles of Association and Section 152 of the Companies Act, 2013, Mr. Alkesh Patel, Non Executive Director of the Company retires by rotation at the ensuing annual general meeting. He, being eligible, has offered himself for re-appointment as such and seeks re-appointment. The Board of Directors recommends his re-appointment as such on the Board

Further, in accordance with Section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. Accordingly the present term of Mr. Shankar Bhagat, Independent Directors of the Company, who were appointed as Independent Directors of the Company for a period of 5 year w.e.f. September 30, 2014, is expiring on September 30, 2019. Based on the recommendation by Nomination and Remuneration Committee and Board of Directors of the Company, re-appointment of Mr. Shankar Bhagat as Independent Directors is proposed at the ensuing Annual General Meeting for the approval of Members by way of Special Resolutions.

In accordance with the provisions of the Articles of Association and Section 197 read with Schedule V of the Companies Act, 2013, the remuneration of Mr. Chirag Thakkar, Managing Director of the Company was revised to be ` 50,000 (Rupees Fifty Thousand) upto the balance period of appointment, at the ensuing annual general meeting.

The relevant details, as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment/ appointment as Director are also provided in Note No. 17 of the Notice convening the 25<sup>th</sup> annual general meeting.

#### Key Managerial Personnel:

In accordance with Section 203 of the Companies Act, 2013, the Company has Mr. Chirag Thakkar who is acting as Managing Director of the Company. Further, Mr. Baldev Patel and Ms. Rushika Parekh are acting as Chief Financial Officer and Company Secretary respectively.

**Performance Evaluation:**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act.

- The performance of the board was evaluated by the board, after seeking inputs from all the directors, on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.
- The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.
- The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

Separate meeting of independent director and Non-executive Director was held to evaluate the performance of non-independent directors, performance of the board as a whole and performance of the chairman, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent director was done by the entire board, excluding the independent director being evaluated.

**Directors' Responsibility Statement:**

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a) In preparation of annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) The Directors had 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 profit or loss of the Company for that year;
- c) The Directors had 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) The Directors had prepared the annual accounts for the year ended March 31, 2019 on going concern basis.
- e) The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**COMMITTEES OF BOARD**

The Board of Directors, in line with the requirement of the act, has formed various committees, details of which are given hereunder.

**A. Audit Committee:**

The Company has formed audit committee in line with the provisions Section 177 of the Companies Act, 2013. Audit Committee meeting is generally held for the purpose of recommending the half yearly and yearly financial result. Additional meeting is held for the purpose of reviewing the specific item included in terms of reference of the Committee. During the year under review, Audit Committee met (Two) times viz on May 26, 2018 and November 14, 2018.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2018-19	
		Eligible to attend	Attended
Shankar Bhagat*	Chairman*	2	2
Alkesh Patel	Member	2	2
Bhumi Patel^	Member^	2	2
Urshita Patel#	Chairperson#	0	0

\*Resigned as Chairperson and re-designated as Member w.e.f. December 27, 2018.

^Resigned as Member w.e.f. December 27, 2018.

#Appointed as Chairperson w.e.f. December 27, 2018.

The Statutory Auditors of the Company are invited in the meeting of the Committee wherever requires. Chief Financial Officer of the Company is a regular invitee at the Meeting.

Recommendations of Audit Committee, wherever/whenever given, have been accepted by the Board.

**Vigil Mechanism:**

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at [www.amrapali.com](http://www.amrapali.com).

**B. Stakeholder's Grievance & Relationship Committee:**

The Company has constituted Stakeholder's Grievance & Relationship Committee mainly to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. During the year under review, Stakeholder's Grievance & Relationship Committee met 4 (Four) times viz on May 03, 2018, July 17, 2018, November 14, 2018 and January 22, 2019.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2018-19	
		Eligible to attend	Attended
Alkesh Patel*	Chairman*	3	3
Chirag Thakkar	Member	4	4
Bhumi Patel	Member	4	4
Urshita Patel <sup>#</sup>	Chairperson <sup>#</sup>	1	1

\*Resigned as Chairperson w.e.f. December 27, 2018

<sup>#</sup>Appointed as Chairperson w.e.f. December 27, 2018

During the year, the Company had not received any complaints from the Shareholders. There was no complaint pending as on March 31, 2019.

**C. Nomination and Remuneration Committee:**

The Company has formed Nomination and Remuneration committee in line with the provisions of Section 178 of the Companies Act, 2013. Nomination and Remuneration Committee meetings are generally held for identifying the persons who are qualified to become Directors and may be appointed in senior management and recommending their appointments and removal. During the year under review, Nomination and Remuneration Committee met 5 (Five) times viz on August 31, 2018; September 14, 2018; November 14, 2018; November 26, 2018; March 21, 2019.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2018-19	
		Eligible to attend	Attended
Shankar Bhagat*	Chairman*	5	5
Alkesh Patel <sup>^</sup>	Member <sup>^</sup>	4	4
Bhumi Patel	Member	5	5
Urshita Patel <sup>#</sup>	Chairperson <sup>#</sup>	1	1

\*Resigned as Chairperson and re-designated as Member w.e.f. December 27, 2018

<sup>^</sup>Resigned as Member w.e.f. December 27, 2018

<sup>#</sup>Appointed as Chairperson w.e.f. December 27, 2018.

**Nomination and Remuneration Policy:**

Nomination and Remuneration Policy in the Company is designed to create a high performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors and Key Managerial Personnel. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at [www.amrapali.com](http://www.amrapali.com) and is annexed to this Report as **Annexure - A**.

**Remuneration of Director:**

The details of remuneration paid during the financial year 2018-19 to Managing Director of the Company is provided in Form MGT-9 which is the part of this report, given as **Annexure - B** to this Report.

**PUBLIC DEPOSIT**

The company has not accepted any deposits from the public. Hence, the directives issued by the Reserve Bank of India & the Provision of Section 73 to 76 of the Company Act, 2013 or any other relevant provisions of the Act and the Rules there under are not applicable.

**PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS & SECURITY**

Details of Loans, Guarantees, Investments and Security covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed to this Report as **Annexure - B**.

**CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is annexed to this Report as **Annexure - C** to this Report.

**DISCLOSURE OF REMUNERATION:**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules will be available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company and the same will be furnished on request.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as an **Annexure - D**, which forms part of this Report.

**MATERIAL CHANGES AND COMMITMENT:**

There are no material changes and commitments, affecting the financial position of the Company, have occurred between the ends of financial year of the Company i.e. March 31, 2019 to the date of this Report.

**SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

To foster a positive workplace environment, free from harassment of any nature, we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate.

During the year under review, there were no incidences of sexual harassment reported.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****Conservation of Energy:**

In its endeavor towards conservation of energy, the Company ensures optimal use of energy, avoid wastages and conserve energy as far as possible.

**TECHNOLOGY ABSORPTION**

The Company has not carried out any research and development activities.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Earnings & Outgo during the year are as under:

**Earnings** - Nil

**Outgo - Royalty Expenses** - Nil

**RISK MANAGEMENT**

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an effective internal control system, which ensures that all the assets of the Company are safeguarded and protected against any loss from unauthorized use or disposition.

The Internal Auditors of the Company carry out review of the internal control systems and procedures. The internal audit reports are reviewed by Audit Committee.

The Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company. During the year, such controls were tested and no material discrepancy or weakness in the Company's internal controls over financial reporting was observed.

**CORPORATE GOVERNANCE:**

The Company strives to incorporate the appropriate standards for corporate governance. However, pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore the Company has not provided a separate report on Corporate Governance, although few of the information are provided in this report under relevant heading.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

In terms of Regulation 34, and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a review of the performance of the Company, for the year under review, Management Discussion and Analysis Report, is presented in a separate section forming part of this Annual Report.

**STATUTORY AUDITOR AND THEIR REPORT:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. Doshi Maru& Associates Chartered Accountants, Jamnagar (FRN: 0112187W), were appointed as Statutory Auditors of the Company to hold office till conclusion of the 27<sup>th</sup> Annual General Meeting (AGM) of the company to be held in the calendar year 2021.

The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

**REPORTING OF FRAUD:**

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

**SECRETARIAL AUDITOR AND THEIR REPORT:**



Pursuant to the provisions of Section 204 of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Ms. Payal Dhamecha, Practicing Company Secretary, Ahmedabad to conduct the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report is annexed herewith as **Annexure - E** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks except that as on March 31, 2019, The Company was under obligation to appoint one more Independent director on its Board. The Company has appointed Ms. Urshita Patel as Independent Director w.e.f. December 26, 2018. On appointment of Ms. Urshita Patel as Independent director, and induction of her as a member in Audit Committee as a result board structure was properly duly constituted and the constitution of Audit committee was also properly constituted

**GENERAL DISCLOSURE:**

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of The Companies (Accounts) Rules, 2014 and other applicable provisions of the act and listing regulations, to the extent the transactions took place on those items during the year. Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review;

- (i) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- (ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;
- (iii) Annual Report and other compliances on Corporate Social Responsibility;
- (iv) There is no revision in the Board Report or Financial Statement;
- (v) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- (vi) Information on subsidiary, associate and joint venture companies.

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record their sincere appreciation for significant contributions made by the employees at all levels through their dedication, hard work and commitment, enabling the Company to achieve good performance during the year under review.

Your Directors also take this opportunity to place on record the valuable co-operation and support extended by the banks, government, business associates and the shareholders for their continued confidence reposed in the Company and look forward to having the same support in all future endeavors.

**Registered office:**

Shop No. 3, Ground Floor, Ashoka Complex, B/H.  
Woodland Hotel, Naroli Cross Road,  
Silvassa-396230

By order of the Board of Directors  
For, **Amrapali Capital and Finance Services Limited**

**Place:** Ahmedabad  
**Date:** August 30, 2019

<b>Chirag Thakkar</b>	<b>Alkesh Patel</b>
<b>Managing Director</b>	<b>Director</b>
<b>DIN 01993020</b>	<b>DIN 00189943</b>

## NOMINATION & REMUNERATION POLICY

### Preface:

**Amrapali Capital And Finance Services Limited ("The Company")**, in order to attract motivated and retained manpower in competitive market, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated and recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

### Objective:

The Key Objectives of the Nomination and Remuneration Policy would be:

- 1) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 2) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 3) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

### Definition:

- 1) **"Board"** means Board of Directors of the Company.
- 2) **"Director"** means Directors of the Company.
- 3) **"Committee"** means the Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board.
- 4) **"Company"** means Amrapali Capital And Finance Services Limited.
- 5) **"Independent Director"** means a Director referred to in Section 149(6) of the Companies Act, 2013.
- 6) **Key Managerial Personnel** means:
  - i. Executive Chairman or Chief Executive Officer and/or Managing Director;
  - ii. Wholtime Director;
  - iii. Chief Financial Officer;
  - iv. Company Secretary;
  - v. Such other Officer as may be prescribed under the applicable statutory provisions / regulations.
- 7) **"Senior Management"** means personnel of the Company who occupy the position of Head of any department/ division/ unit.  
Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### Guiding principles:

The guiding principle is to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (including Independent Director) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

- 1) To carry out evaluation of performance of Directors, Key Management Personnel as well as Senior Management Personnel.
- 2) The level and composition of remuneration and the other terms of employment is reasonable and sufficient to attract, retain and motivate executives of the Company shall be competitive in order to ensure that the Company can attract and retain competent Executives.
- 3) To determine remuneration based on Company's size and financial position and trends and practice on remuneration prevailing in the similar Industry. When determining the remuneration policy and arrangements for Directors/ KMP's and Senior Management, the Committee considers pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.
- 4) The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully. The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

### Coverage:

- 1) **Policy on Appointment and Nomination of Directors, Key Managerial Personnel and Senior Management:**
- 2) **Policy on remuneration of Director, KMP and Senior Management Personnel:**
- (A) **Policy on Appointment and Nomination of Directors, Key Managerial Personnel and Senior Management:**
  - 1) **Appointment criteria and qualifications:**
    - i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and KMP and recommend to the Board his / her appointee.
    - ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
    - iii. The Company shall not appoint or continue the employment of any person as Wholtime Director who has attained the age of seventy years.  
*Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.*
    - iv. Any appointment made at Senior Management Level shall be placed before the meeting of the Board of Directors of the Company.
  - 2) **Tenure of Employment:**