

DIRECTORS' REPORT

To,
The Members,
ALANKIT LIMITED
NEW DELHI

Your Directors take pleasure in presenting the 32nd 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, 2021.

FINANCIAL HIGHLIGHTS

The Financial results of the Company for the year under review along with figures for the previous year are as follows:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Net Sales/Income from Operations	10319.69	12969.35	11501.10	15612.24
Other Income	110.31	520.34	344.04	739.27
Total Income	10430.00	13489.69	11845.14	16351.51
Profit before Depreciation & Tax	1658.43	2466.25	1896.65	2776.44
Depreciation	(349.65)	(396.27)	(439.24)	(525.12)
Profit before Tax	1308.78	2069.98	1457.41	2251.32
Provision for current year income-tax	(379.32)	(637.01)	(427.48)	(689.41)
Earlier Year Taxes	101.01	(14.76)	98.34	(15.19)
Mat Credit Receivable	Nil	Nil	0.34	1.04
Deferred Tax	(24.41)	(149.59)	(21.19)	(151.96)
Net Profit after tax and adjustments	1006.06	1268.62	1107.42	1395.80
EPS* (Basic)	0.70	0.89	0.77	0.98
(Diluted)	0.70	0.89	0.77	0.98

STANDALONE

During the year, your Company recorded total revenue of **Rs. 10430.00 lakhs** as compared to **Rs. 13489.69** lakhs in previous year. The Profit after tax for the year stood at **Rs.1006.06** lakhs as against previous year's **Rs.1268.62 lakhs**.

CONSOLIDATED

During the year, consolidated revenue was **Rs. 11845.14** lakhs as compared to **Rs. 16351.51** lakhs in previous year. The Profit after Tax for the year stood at **Rs.1107.42** lakhs as against the previous year's **Rs.1395.80** lakhs.

DIVIDEND

Based on the Company's performance for FY 2020-21, the Board of Directors has recommended final dividend of Re. 0.20 per equity share having a face value of Re. 1/- each.

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.

TRANSFER 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 authorized Share Capital of the company is Rs. 20 Crores divided into 20 Crores Equity shares of Face Value of Re 1 each. The paid up Equity Share Capital as at March 31, 2021 stood at Rs. 14,29,58,100. 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, 2021 none of the Directors of the Company holds 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 REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is provided in a separate section and forms an integral part of this 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

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the Evaluation of the working of its various Committees. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

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 2020-21.

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/policies. The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review are set out as a part of this Annual report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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.

We ensure that we evolve and follow the corporate governance guidelines and best practices diligently, not just to boost long term shareholder value-but also to respects the rights of minority. We consider it our inherent responsibility to disclose timely and accurate information regarding the operations and performance, leadership and governance of the company.

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 is required to sign 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. The CFO has given the Certificate to fulfill the SEBI Listing Regulations, 2015 requirement.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

As on March 31, 2021, the Company has Four (4) Wholly Owned Subsidiaries and One (1) Subsidiary. There is no associate or Joint Venture within the meaning of Section 2(6) of the Companies Act, 2013. 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.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company <https://www.alankit.in/investorcorner>.

MATERIAL SUBSIDIARY

Alankit Forex India Limited is a material subsidiary of the Company as per the thresholds laid down under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 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/policies.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company is having an adequate 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 other material changes and commitment occurred which would affect the financial position of the company after the closure of the financial year 2020-21 till the date of this report.

DECLARATION AND STATEMENT ON COMPLIANCE OF CODE OF CONDUCT 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.

It is also stated that Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

BOARD MEETINGS

The details of the Number of meetings of the Board held during the Financial Year 2020-21 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. Ankit Agarwal (DIN: 01191951), retires as Managing 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 and the Board also recommends his re-appointment.

Mr. Yash Jeet Basrar (DIN: 00112857), Non-Executive Independent Director of the Company, aged 74 years whose present term of office is 5 years from 04th July, 2019 to 3rd July, 2024 but his continuation w.e.f. 7th September, 2021 requires approval of members in the ensuing Annual General Meeting as being more than 75 years of age. The Board recommends his appointment, which is subject to the approval of members in the ensuing Annual General Meeting.

Ms. Khushboo Arora resigned from the position of Company Secretary and Compliance Officer of the Company w.e.f. 02nd April 2021 and Ms. Ritu Tomar was appointed as Company Secretary and Compliance Officer of the Company with effect from 8th April, 2021.

Ms. Ritu Tomar is an associate member of Institute of Company Secretaries of India and B.com from Delhi University. She has experience in handling all Listed Compliances, as well as all corporate Laws. Ms. Ritu Tomar is not related with the Promoters, Directors and Key Managerial Personnel of the Company and their relatives.

Mr. Perminder Singh Saini, a Cost Accountant by profession resigned from the post of Chief Financial Officer (“CFO”) on 08th June, 2020 owing to personal reasons.

Mr. Gaurav Maheshwari was appointed as the Chief Financial Officer (“CFO”) of the company w.e.f. 15th September, 2020.

Mr. Gaurav Maheshwari is a qualified Chartered Accountant (C.A) from Institute of Chartered Accountants of India and Bachelor in Commerce from MJP Rohilkhand University having varied experience of more than 5 years in financial reporting, financial planning, budgeting, forecasting, IND AS compliance, Statutory Audits, Internal Audits, Tax Audits, Stock Audits.

He has a proven ability of handling finance functions, Preparation & Finalization of Monthly/Annual Balance Sheet, Coordinating with Banks for Debt financing, Loan restructuring and Fund management, Review monthly Audit schedules and support internal and external Audit requirements etc. Mr. Gaurav Maheshwari is not related with the Promoters, Directors and Key Managerial Personnel of the Company and their relatives.

AUDITORS

STATUTORY AUDITORS

The reports of the Statutory Auditors, M/s B.K. Shroff & Co., Chartered Accountants on the standalone and consolidated financial statements of the Company for the financial year 2020-21 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 2020-21 and there is no qualification, adverse remark or disclaimer given by the Auditors in their Report.

SECRETARIAL AUDITORS

The Company appointed M/s N. C. Khanna, Practicing Company Secretaries to conduct the Secretarial Audit for the financial year 2020-21 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.

AUDITOR'S STATEMENT

During the year under review, neither the statutory auditors nor the secretarial Auditors 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

Alankit Limited is listed on both the premier exchanges of the Country i.e. National Stock Exchange of India (NSE) and Bombay Stock Exchange of India (BSE). Alankit Limited has managed to become an eminent name in the E-governance Sector.

With 19 regional offices spread nationwide and a total of over 8000 business locations. Alankit has carved a niche for itself in the market. The Company has achieved several notable milestones to ornate its journey of well-defined vision steered skillfully into practice.

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 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:

- Installation of LED lights in all the offices nationwide.
- Implementing energy conservation schemes.
- Awareness programs 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 Earnings: Nil

Foreign exchange Outgo: Rs. 1,75,80,493/-

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. Mrs. Preeti Chadha | - | Member |

NOMINATION AND REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

MANAGEMENT COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- | | | |
|------------------------------|---|----------|
| 1. Mr. Yash Jeet Basrar | - | Chairman |
| 2. Mr. Ashok Shantilal Bhuta | - | Member |
| 3. Mr. Ankit Agarwal | - | Member |

RISK MANAGEMENT COMMITTEE

- | | | |
|------------------------------|---|----------|
| 1. Mr. Ashok Shantilal Bhuta | - | Chairman |
| 2. Mr. Yash Jeet Basrar | - | Member |
| 3. Mrs. Meera Lal | - | Member |

RELATED PARTY TRANSACTIONS

The Company has formulated and put in place policy on materiality of related party transactions and also a policy on dealing with related party transactions with the Company. For Related Party Transactions, please refer note no. 32 of Financial Statements of the Company para 13 of Annexure-A to the Auditor's report for the financial year 2020-21. The information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form No. AOC-2 and the same forms part of this report.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

Details of Loans, Guarantees or investments covered under section 186 of the Companies Act, 2013 are provided in the notes to the Financial Statements.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 (10) of the Companies Act, 2013.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances and to provide adequate safeguards against victimization of persons who may use such mechanism. The Whistle Blower Policy has been posted on the website of the Company at www.alankit.in/policies.

NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company www.alankit.in/policies.

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 2020-21:

No. of Complaints received: **Nil**

No. of Complaints disposed of: **Nil**

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors/ Secretarial Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed there under.

RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness.

The risk management framework is reviewed periodically by the Board, Audit Committee and Risk Management Committee.

EXTRACT OF THE ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2020-21 is given in Annexure III in the prescribed Form No. MGT-9, which is a part of this report. The same is available on www.alankit.in/AnnualReturn.

APPRECIATION

Your Directors take this opportunity to express their grateful appreciation for the continued support and co-operation received from our esteemed employees, customers, vendors, dealers, investors, business associates and bankers during the year. Your Directors also place on record their appreciation and gratitude to all the Departments of Government of India, Central Government, State Government, Tax Authorities, Reserve Bank of India, Ministry of Corporate Affairs, Financial Institutions, Stock Exchanges and other governmental/ Semi governmental bodies and look forward to their continued support in all future endeavors.

Your Directors deeply regret the loss of lives due to COVID-19 pandemic impact. They are immensely grateful for every person who risked his life and safety to fight this pandemic bravely.

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilization of the Company's resources for sustainable and profitable growth.

Inspired by this Vision, driven by Values and powered by internal Vitality, we look forward to delivering another year of value adding growth.

BY ORDER OF THE BOARD OF DIRECTORS

For **ALANKIT LIMITED**

YASH JEET BASRAR
INDEPENDENT DIRECTOR

PREETI CHADHA
DIRECTOR

DATE: 14.08.2021

PLACE: New Delhi