



POLICY ON DEALING WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationship or transaction vis-à-vis the Company.

Particulars of contracts or arrangements with related parties in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 is attached as part of this report vide Annexure 6.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company, during the year has not given any loans or guarantees or provided security to any person or other body corporate attracting the provisions of Section 186 of the Companies Act, 2013.

VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has established a vigil mechanism for directors and employees to report genuine concerns. The policy is available on the Company's website.

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 captioned Act and Rules made thereunder. There was no complaint of harassment, reported during the year.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 read with applicable Rules are not applicable to the Company as it does not fall under the threshold limit.

ACKNOWLEDGEMENT

Your Directors thank the Company's Bankers and The India Cements Limited, for their continued support. The Directors also thank the customers for their continued association. They are also thankful to the shareholders for their understanding.

For and on behalf of the Board

Place : Chennai
Date : 07.08.2019

V. MANICKAM
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE ECONOMY

The World economy, after a strong recovery in 2017 with GDP growth of 3.7% in 2017, witnessed a slowdown in 2018, notably in the second half of last year. As per IMF estimates, during 2018, global growth softened to 3.6% mainly due to slower expansion in the second half of 2018 caused by US-China trade tensions, macro-economic stress and financial tightening.

INDIAN ECONOMY

At the beginning of last year the Indian economy was expected to sustain a GDP growth of 7.2%. While the economy started on a brisk note with a healthy GDP growth of over 8% in the first quarter, the growth momentum slackened in the following quarters resulting in the GDP slipped to 5 year low of 5.8%. The Indian economy continued to remain as one of the fastest growing major economies, but, however the slow down in last year was traced to factors like declining growth in private consumption, increase in fixed investments and muted exports.

While the Indian economy has got over the structural reforms such as demonetization and GST undertaken between 2016 and 2018, which in turn have started to bear fruits, there were two recent developments which have affected the sentiments of both investors and consumers in FY19 – the liquidity crunch in NBFCs and shutting down of one of the major airlines operating in the country. The Indian economy with its strong fundamentals is expected to overcome these hurdles and regain the growth momentum sooner than later.

OUTLOOK

The Travel and Tourism industry is witnessing unprecedented growth due to increasing disposable incomes, larger awareness and further travel has become more accessible and affordable in the recent past. This trend is expected to continue in the years to come. IMF has projected that India is expected to grow at 7.3% in FY 20 and 7.5% in FY21. With the larger role India is playing in the global market resulting in increased travel requirement, Travel and Tourism industry is expected to benefit considerably.

COMPANY BUSINESS

The Company is a RBI registered Authorized Dealer Category-II for money changing and one of the Principal Agents of overseas money transfer entities for international inbound money transfer business.

In money changing, the Company provides an array of products and services including buying and selling of foreign currency notes, issuance of travellers' cheques and outward telegraphic remittances, including outbound remittances towards student fees, tour remittances etc. and also extends to forex prepaid cards.

The Company's strength is its service, its brand image and number of allied products being made available to its valuable customers.

OPPORTUNITIES AND THREATS

India is now one of the fastest growing outbound tourism markets in the world, second only to China. The United Nations World Tourism Organization estimates that India will account for 50 million outbound tourists by 2020. Hence, this augurs well for the Company business as this will give a boost to Company's Money changing business. Further, the increased support given by the Government for improving travel and tourism industry in India augurs well for the companies operating in this segment, including the company.

Travel and Tourism industry in India faces temporary challenges due to suspension of operations of one of the India's largest air carriers, causing industry wide apprehension. The industry is also facing challenges from restrictions imposed by banks in servicing certain segments of clients.

OPERATING AND FINANCIAL PERFORMANCE

This along with the segment wise performance has been covered in detail in the Directors' Report.

RISKS AND CONCERNS

Company has laid down a detailed risk management policy, customer identification and acceptance procedure. Credit procedure envisaged by the Company's credit policy ensures identification of the operational and business risk while entering into any transactions with the prospective customers. The financial risks involved are evaluated through a well laid down procedure.

Exchange rate volatility is an industry wide phenomenon and to mitigate this risk, the Company hedges its liability by taking forward covers from the banking system. The inherent business risks of the Company are covered through insurance.

The company's business is also subjected to a regulatory framework established by RBI & FIU, which calls for periodical reporting to guard the inherent risks associated with the Money Exchange & Money Transfer business activities. Thus, there are regulatory controls in addition to the self control on the operations of the Company which warrant continuous upgrading of its controls systems to mitigate different forms of risks.

INTERNAL CONTROL SYSTEM

The Company has already put in place an elaborate Internal Control and Internal Audit systems. The system ensures adequate periodical checks and balances are exercised. Continuous monitoring by the Internal Audit team of these checks and balances due to the inherent risks associated with the nature of Company's activities, ensures compliance of the regulatory framework of RBI & FIU. The Audit team is suitably guided and updated by the Audit Committee of the various regulatory requirements from time to time.

The Company has put in place a strict credit policy for extending credit to its corporate customers. The same is continuously monitored and reviewed periodically for any updations to ensure funds at Company's disposal are being judiciously utilised and efficiently managed vis-à-vis the business requirements.

The Management Discussion and Analysis explaining the objectives of the Company, the opportunities and threats, the outlook for the future, the risks and concerns have to be read with the meaning of relevant applicable laws and regulations. The actual performance may differ materially from those explained herein above. As in any other business the performance of the Company is totally dependent on the market conditions of demand and supply, the volatility in exchange rate, the Government policy & regulations, the economy of the country and other factors.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company being in the services sector, human resource play a critical role in the performance of the company. Sustained growth of the Company depends on customer satisfaction and to ensure this the Company has ensured that all the employees receive continuous training and are incentivised suitably based on the performance. The overall number of employees on the rolls of the company as at the end of the year under review was 90.

On behalf of the Board

V. MANICKAM
CHAIRMAN

Place : Chennai

Date : 07th August 2019