

BOARDS' REPORT

To the Members,

Your Directors are pleased to present the **Third Annual Report** of your Company alongwith the Audited Financial Statements for the financial year ended March 31, 2019.

FINANCIAL RESULTS

The financial performance of the Company for the year ended March 31, 2019 is summarised below:

(₹. in lacs)		
Particulars	2018-19	2017-18
Total income	10,247.53	9,490.72
Total expenditure	9,750.30	7,329.75
Profit before taxation	497.23	2,160.97
Less: Provision for taxation		
- Current tax	253.48	811.90
- Deferred tax asset	(90.48)	(11.56)
Net profit after taxes	334.23	1,360.63
Transfer to statutory reserve fund pursuant to Section 45-IC of the Reserve Bank of India Act, 1934	(66.67)	-
Surplus in the statement of profit and loss	267.56	1,360.63
Balance brought forward from previous period	1,339.60	(21.03)
Balance carried to balance Sheet	1,607.17	1,339.60
Earnings per share (Face Value ₹10/- each)		
Basic (₹.)	0.46	1.86
Diluted (₹.)	0.46	1.86

RESULTS FROM OPERATIONS

A detailed discussion on the business performance and future outlook is included in the Management Discussion and Analysis which forms part of the Directors' Report.

DIVIDEND

Considering your Company's launch of holiday finance business, future strategy and plans, your Directors consider it prudent to conserve resources and hence, do not recommend any dividend on equity shares for the financial year under review.

SHARE CAPITAL

Authorised Share Capital

During the year under review, the authorised share capital of the Company was increased from ₹20,00,00,000/- (Rupees Twenty Crore Only) to ₹1,00,00,00,000/- (Rupees Hundred Crore Only) by passing an Ordinary resolution in the Annual General Meeting held on July 31, 2018.

Issued, Subscribed and Paid-up Share Capital

During the year under review, pursuant to the Order dated 02 August, 2018 passed by the Hon'ble NCLT sanctioning the Scheme of Arrangement between Cox & Kings Limited and

Cox & Kings Financial Service Limited, the Company issued 5,88,54,454 fully paid equity shares of ₹10/- each on October 30, 2018 to the shareholders of Cox & Kings Limited in the ratio of 3:1 as per the said Scheme of Arrangement.

Subsequent to the above mentioned allotment, the issued, subscribed and paid-up share capital of the Company stands increased to ₹72,85,44,540/- divided into 7,28,54,454 equity shares of face value of ₹10/- each. The Company's equity share capital has been listed on the National Stock Exchange of India Limited (NSE) and BSE Limited on April 11, 2019. The shares are traded on BSE and NSE and have not been suspended from trading.

The Company has neither issued any shares with differential voting rights nor granted any stock options or any sweat equity during the year under review.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS

The provisions of Section 186 of the Companies Act ("the Act") pertaining to investment and lending activities is not applicable to the Company since the Company is an NBFC duly registered with the Reserve Bank of India. The details of loan given and investments made during the financial year are furnished in the Notes to the financial statements.

SUBSIDIARIES AND ASSOCIATES

As on March 31, 2019, the Company do not have any subsidiary, associate or a joint venture company. The disclosure pursuant to the provisions of Section 197(14) of the Act is not applicable to the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, along with relevant documents are available on the website of the Company at www.ckfsl.com.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee and in light of your Company's philosophy of being a responsible corporate citizen, the Board of Directors adopted a CSR Policy which lays down the principles and mechanism for undertaking various projects / programs for the Company's CSR activities.

However, disclosure in terms of Section 134(3)(o) and Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, with respect to CSR activities undertaken by the Company during the year under review have not been provided as the same are not applicable to the Company. The Company was incorporated in December, 2016 and as stipulated under Section 135 of the Act, your Company is yet to complete three financial years, hence the question of calculating two per cent of the average net profit of the Company made during three immediately preceding financial years does not arise.

The Company, being a responsible organization, recognizes its social responsibility to contribute towards the activities for the benefit and development of the Society and from next year onwards, it endeavours to contribute to the social activities in the best possible manner.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

Information on the operational and financial performance, among others, are given in the Management Discussion and Analysis which is annexed to this report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal financial controls with reference to financial statements as designed and implemented by the Company are adequate. The internal financial control procedure adopted by the Company is adequate for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. Further, the statutory auditors have verified the systems and processes

and confirmed that the internal financial controls over financial reporting are adequate and such controls are operating effectively.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

In terms of the provisions of the Act, the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the RBI Master Directions, the Board of Directors adopted a Related Party Transaction Policy to ensure proper approval and reporting of transactions of the Company with its related parties.

During the year under review, all transactions executed by the Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. All transactions with the related parties, during the year under review, were in compliance with the Related Party Transaction Policy. Further, during the year under review, the Company had not entered into transactions with related parties which could be considered to be 'material' in accordance with the then effective Related Party Transaction Policy of the Company.

The particulars as required under the Companies Act, 2013 are furnished in Form AOC - 2 which is annexed as "Annexure A" to this report.

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame and implement the Risk Management Policy for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its efficiency.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

In terms of Section 177(9) and Section 177(10) of the Act and the SEBI Listing Regulations, the Board of Directors adopted a Whistle Blower Policy/Vigil Mechanism inter-alia to provide a mechanism for Directors and employees of the Company to approach the Audit Committee of the Company and to report genuine concerns related to the Company and provide for adequate safeguards against victimization of Director(s) or employee(s) who report genuine concerns under the mechanism.

Details of the Whistle Blower Policy/Vigil Mechanism have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report. The policy is available on the Company's website at www.ckfsl.com.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy on Prevention of Sexual Harassment in line with the requirements of Sexual Harassment

of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, no complaints related to sexual harassment had been received by the Internal Complaints Committee(s).

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

a) APPOINTMENT OF DIRECTORS:

During the year under review, following appointments were made:

1. Mr. V.P.Ravindran Menon (DIN:07072356) was designated as the Whole Time Director for a period of 5 years with effect from March 25, 2019.
2. Ms. Matangi Gowrishankar (DIN: 01518137) was appointed as the Additional Non-Executive Independent Director with effect from August 24, 2018.
3. Mr. Jayesh Shah (DIN: 05011160) was appointed as the Additional Non-Executive Independent Director with effect from December 26, 2018.

b) RETIREMENT BY ROTATION:

In terms of the provisions of Section 152(6) of the Act, Mr. V.P.Ravindran Menon, Whole Time Director (DIN: 07072356) retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment. In accordance with Regulation 36 of the SEBI Listing Regulations and Secretarial Standard – 2 on General Meetings, brief profile of the Directors to be re-appointed is included in the Notice which forms part of this Annual Report.

c) KEY MANAGERIAL PERSONNEL:

During the year under review, Mr. Shailesh Pednekar ceased to be the Chief Financial Officer of the Company w.e.f. January 23, 2019 and Mr. Milind Gandhi was appointed as the Chief Financial Officer of the Company w.e.f. January 24, 2019.

Further, Ms. Manasi Modak was appointed as the Company Secretary & Compliance Officer w.e.f. September 20, 2018.

Pursuant to the provisions of Section 203 of the Act read with the rules made there under, the following employees are the whole time key managerial personnel of the Company:

1. Mr. V.P.Ravindran Menon – Whole Time Director
2. Mr. Milind Gandhi – Chief Financial Officer
3. Ms. Manasi Modak – Company Secretary and Compliance Officer

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have furnished the declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

BOARD AND COMMITTEE MEETINGS

During the year ended March 31, 2019, the Board met 16 (sixteen) times and the gap between two Board Meetings did not exceed 120 days and at least one meeting has been held in each Quarter. Details of the Board Meetings and Meetings of its Committees are furnished in the Corporate Governance Report.

ORDERS PASSED BY REGULATORS/ COURTS/ TRIBUNALS

The Hon'ble NCLT vide its Order dated August 02, 2018 sanctioned the Scheme of Arrangement between Cox & Kings Limited and Cox & Kings Financial Service Limited for the demerger of the forex exchange division of Cox & Kings Limited into Cox & Kings Financial Service Limited w.e.f. April 01, 2017.

POLICIES OF THE COMPANY

The Company is determined in maintaining a good corporate governance practice and has a robust system for smooth and effective functioning of the Board. Various policies have been framed by the Board of Directors as required under the Companies Act, 2013 and SEBI Listing Regulations in order to follow a uniform system of procedures. These policies are periodically reviewed and updated by the Board of Directors of the Company from time to time. Following are some of the major policies adopted by the Company:

1. Code for Insider Trading Policy
2. Corporate Social Responsibility (CSR) Policy
3. Nomination & Remuneration Policy
4. Policy for determining material events or information
5. Policy on Related Party Transactions
6. Whistle Blower Policy
7. Document Retention and Archival Policy
8. Code for Directors and Senior Managerial Personnel

The aforementioned policies are available on the website of the Company and can be accessed at www.ckfsl.com.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, your Directors, to the best of their knowledge and ability, hereby confirm that:

- i. In the preparation of annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;

- ii. 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 as at March 31, 2019 and of the profit and loss of the Company for the year ended on that date;
- iii. The Directors 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;
- iv. The Directors have prepared the annual accounts on a "going concern" basis;
- v. The Directors have laid down internal financial controls, which are adequate and operating effectively;
- vi. The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

STATUTORY AUDITORS

M/s. Desai Associates, Chartered Accountants (Firm Registration Number – 102286W) were appointed as the Statutory Auditors of the Company at the Second AGM held on July 31, 2018 to hold office for a period of 4 years i.e. till the conclusion of Fourth Annual General Meeting to be held in the financial year 2020-21.

The Company has received a written consent and certificate of eligibility pursuant to the provisions of Sections 139, 141 and other applicable provisions of the Act and rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) from M/s. Desai Associates, Chartered Accountants. Further, M/s. Desai Associates, Chartered Accountants, have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the SEBI Listing Regulations.

The Auditors' Report for the financial year ended March 31, 2019 on the financial statements of the Company is a part of this Annual Report. The Auditors' Report does not contain any adverse remark, qualification or reservation.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors in its meeting re-appointed CS Dilip Bharadiya, Proprietor of M/s. Dilip Bharadiya and Associates., Practising Company Secretaries

(FCS: 7956) to carry out the audit of secretarial records of the Company. The consent of the Secretarial Auditor to undertake the secretarial audit for the financial year ended March 31, 2019 has been received by the Company.

The Secretarial Audit Report for the financial year ended March 31, 2019 is set out in "Annexure B" to this report. The Secretarial Audit Report does not contain any adverse remark, reservation or qualification.

CORPORATE GOVERNANCE

In compliance with Regulations 17 to 27 and 34 read with Schedule V of SEBI Listing Regulations, as applicable, the Corporate Governance Report is annexed and forms part of the Annual Report. The report is duly certified by the Secretarial Auditors of the Company. A certificate from M/s. Dilip Bharadiya & Associates, Practising Company Secretaries, confirming compliance of conditions of Corporate Governance as prescribed under the SEBI Listing Regulations is annexed to the Corporate Governance Report.

In accordance with the master circular issued by RBI on "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015", the Company has adopted the internal guidelines on Corporate Governance.

EXTRACT OF THE ANNUAL RETURN

In terms of Section 134(3)(a) and Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, the extract of Annual Return as at financial year ended March 31, 2019 in the prescribed Form MGT-9 has been provided at "Annexure C" to this Board's Report and is also available on the website of the Company at www.ckfsl.com.

PARTICULARS OF EMPLOYEES

In terms of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures with respect to the remuneration of Directors, key managerial personnel and employees of the Company have been provided at "Annexure D" to this Board's Report.

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

Your Company being an NBFC and engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not provided in this Board's Report. Your Company is vigilant on the need for conservation of energy.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of foreign exchange earnings and outgo required under Section 134 (3) (m) of the Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are as under:

(In ₹.)

Particulars	F.Y. 2017-18	F.Y. 2018-19
Foreign exchange earnings and outgo		
Earnings	11,408.46	15,764.90
Outgo	3,52,971.32	3,96,741.60

OTHER DISCLOSURES

- During the year under review, the Company has not accepted any deposits which would be covered under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);
- The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;
- The Statutory auditors and the Secretarial auditors of the Company have not reported any instances of fraud or

irregularities as specified under Section 143(12) of the Act read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014;

- The Company does not have any scheme or provision of money for the purchase of or subscription to its own shares by the employees/ Directors or by trustees for the benefit of the employees/ Directors.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the valuable support and co-operation of the Company's Bankers, Government Agencies, Customers, Suppliers, Shareholders, Employees and other statutory authorities, who have reposed their continued trust and confidence in the Company.

For and on behalf of the Board of Directors

Ajay Ajit Peter Kerkar
Director
DIN: 00202891

V. P. Ravindran Menon
Whole Time Director
DIN: 07072356

Place: Mumbai
Date: May 29, 2019

ANNEXURE – A

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has not entered into any transaction with related parties which were not on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The Company has not entered into any material contracts or transactions with related parties during the financial year 2018-19.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 29, 2019

Ajay Ajit Peter Kerkar
Director
DIN: 00202891

Vellattu Puthanveetil Ravindran Menon
Whole Time Director
DIN: 07072356