

# AKARA CAPITAL ADVISORS PRIVATE LIMITED

## DIRECTORS' REPORT

Dear Members,

Your Director's take pleasure in presenting the Directors' report on the business and operations of the Company along with summarized financials for the financial Year ended March 31, 2022.

### **1. Financial Results:**

The Company's financial performance for the financial Year ended March 31, 2022 is summarized below:

Particulars	For the year ended March 31, 2022 (in INR)	For the year ended March 31, 2021 (in INR)
Total Income	49,43,17,280.00	21,20,81,896.00
Expenditure	43,61,73,132.00	18,46,30,627.00
Profit/(Loss) before tax	5,49,95,504.00	2,74,51,269.00
Less: <u>Tax Expenses</u>		
Current Tax	1,73,13,251.00	71,84,520.00
Previous Year Tax	0.00	0.00
Deferred Tax charge	(55,64,899.00)	18,56,091.00
Profit /(Loss) for the year after taxation	4,32,47,152.00	1,84,10,658.00

### **2. State of the Company's Affairs:**

Your Company was incorporated on 11<sup>th</sup> February, 2016 with the Registrar of Companies, Delhi. The Company is engaged in the activities of Finance and is registered with Reserve Bank of India as an NBFC and there is no change in the nature of business of the company during the year under review.

During the Financial Year ended March 31, 2022, your Company earned a revenue of INR 49,43,17,280.00 (Rupees Forty Nine Crores Forty Three Lakhs Seventeen Thousand Two Hundred and Twenty Eight Only) and incurred expenditure of INR 43,61,73,132.00 (Forty-Three Crores Sixty One Lakhs Seventy Three Thousand One Hundred and Thirty-Two Only). However, during the previous financial year ended March 31, 2021, your Company earned INR 21,20,81,896.00 (Rupees Twenty-One Crores Twenty Lakhs Eighty-One Thousand Eight Hundred and Ninety-Six only) and incurred an aggregate expenditure of INR 18,46,30,627.00 (Eighteen Crores Forty-Six Lakhs Thirty Thousand Six Hundred and Twenty-Seven only).

For the financial year ended March 31, 2022, the company made net profit of INR 4,32,47,152.00 (Four Crores Thirty Two Lakhs Forty Seven Thousand One Hundred and Fifty Two Only) and the year ended 31<sup>st</sup> March, 2021 the company made net profit of INR 1,84,10,658.00 (One Crore Eighty-Four Lakh Ten Thousand Six Hundred and Fifty Eight Only).

### **3. Dividend:**

Although the Company has earned profit, the Board of Directors of your Company, after considering holistically the relevant circumstances and keeping in view the Company's Dividend Distribution Policy,



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has decided that it would be prudent, not to recommend any dividend for the financial year ended March 31, 2022.

#### **4. Transfer to Reserves:**

During the financial year the Company has carried forward Profit & Loss balance of INR 4,32,47,152.00 (Four Crores Thirty Two Lakhs Forty Seven Thousand One Hundred and Fifty Two Only) - to surplus during the year and in accordance with the provision of Section 45-IC of the Reserve Bank of India Act, 1934 the company has transferred to statutory Reserve 20% profit after tax i.e. an amount of INR 1,09,99,100.00 (Rupees One Crore Nine Lakhs Ninety-Nine Thousand One Hundred Only)

#### **5. Change in the nature of business, if any:**

There has been no change in the nature of business of the Company during financial year under review.

#### **6. Material changes and commitments, if any, affecting the financial position of the Company occurred between the end of the financial year and the date of the report:**

There have been no material changes and/or commitments occurred subsequent to the close of the financial year of the Company to which the balance sheet relates i.e., March 31, 2022 and up to the date of signing of this report, which might affect the financial position of the Company.

#### **7. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

There have been no order, whatsoever, passed or issued by any regulators, courts or tribunals, which might affect the going concern status and company's operations in future.

#### **8. Risk Management Policy, development and its implementation:**

The Company's Risk Management Policy with a robust supporting risk management framework facilitates identification and assessment of new risks and review of presently identified risks. The process is based on identified risks and the risk events or factors which require regular assessment and quick response. Based on the probability & impact of the risk, the requisite controls and action plans have been designed and implemented. The Key Risk Indicators have been identified to measure the adequacy, effectiveness and efficiency of these, controls and action plans.

#### **9. Internal Control Systems:**

The Company's internal control systems are geared towards ensuring adequate internal controls commensurate with the size and needs of the business, with the objective of efficient conduct of operations through adherence to the Company's policies, identifying areas of improvement, evaluating the reliability of Financial Statements, ensuring compliances with applicable laws and regulations and safeguarding of assets from unauthorized use.

#### **10. Directors' Responsibility Statement:**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

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- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a 'going concern' basis; and
- e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- 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.

## **11. Public Deposits:**

During the year under review, the Company has not accepted any deposits from the public within the meaning of Companies Act, 2013 and rules made there under.

## **12. Statutory Auditors:**

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, M/s Suri & Sudhir, Chartered Accountants, (FRN-000601N), Delhi were appointed as Statutory Auditors of the Company for the period of 5 years starting from 01/04/2017 to 31/03/2022 in the Annual General Meeting of the Company held in 2017 and their term has been expired. Further, they have given their consent for the re-appointment of another term of 5 years from the financial year 2022-23 to financial year 2026-27 in the ensuing Annual General Meeting

Board's explanation and Comments on Auditors report: The Notes on Accounts read with the Auditors Report are self-explanatory and therefore do not require any further comments or explanations as the Auditor's Report given by auditors of the Company doesn't contain any qualification, reservation, or adverse remarks.

The Statutory Auditors in their report for the financial year ended March 31, 2022 does not refer about any fraud.

## **13. Cost Auditor:**

As per the Section 148(1) of the Companies Act, 2013 the provisions of maintenance of cost records are not applicable on the Company for the Financial Year 2022-22.

## **14. Secretarial Auditor:**

The Company was not required to appoint any Secretarial Auditor in terms of the applicable provisions of section 204 of the Companies Act, 2013 read with relevant rules framed there under during the period under review. Therefore, no secretarial audit report is required to be obtained.

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## **15.Particulars of Energy Conservation, Technology Absorption and Foreign Exchange earnings and outgo:**

The disclosure under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 relating to foregoing matters are as follows.

### **a. Conservation of Energy:**

Since the Company does not own any manufacturing facility, the particulars relating to conservation of Energy and technology absorption in the above rules are not applicable.

### **b. Technology Absorption:**

The Company is not involved in any activity relating to technology absorption.

### **c. Foreign Exchange Earning & Outgo: (in INR)**

The Foreign Exchange earnings & outgo during the year was as follows:

Particulars	2021-22	2020-21
Foreign Exchange Income	-	-
Foreign Exchange Expenditure	-	-

## **16.Corporate Social Responsibility (CSR):**

The provisions pertaining to the Corporate Social Responsibility ("CSR") in terms of the section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 were not applicable to the Company for the financial year ended March 31, 2022.

## **17.Extract of the Annual Return:**

MCA vide Notification dated 05.03.2021 (effective from same date) has substituted Rule 12 of Companies (Management and Administration), Rules, 2014 and have done away with the requirement of filing the Extract of the annual return in Form MGT-9.

## **18.Contracts or Arrangements Made with Related Parties Referred to in Sub-Section (1) of Section 188 of the Act**

The Company had entered into the related party contract with EQX Analytics Private Limited in the earlier year(s). The related party transactions took place at arm's length basis in the ordinary course of business. The Contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 are furnished in Annexure -I and is attached to this Report.

## **19.Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act, 2013:**

The Company has not entered into any transaction of or given, whether within the prescribed limit or beyond the limit, any loan, guarantee or investments under section 186 of the Companies Act, 2013. Accordingly, no disclosure is required to be made by the Company in this regard.

## **20.Share Capital:**

Share capital of the Company is INR 400,00,00,000/- divided into 40,00,00,000 equity shares of INR 10/- each. The Paid-up share capital of the Company is INR 2,11,19,05,190/- divided into 21,11,90,519 equity shares of INR 10/- each as on 31<sup>st</sup> March 2022. During the financial year 2021-22, the paid up capital of the company has been changed and the company obtained the necessary RBI approval.





# AKARA CAPITAL ADVISORS PRIVATE LIMITED

Akara Capital Advisors Private Limited is a wholly owned subsidiary of Morus Technologies Pte. Ltd. Further, the company has no subsidiary or joint ventures or associate companies.

**a. Sweat Equity shares:**

The Company has not issued any sweat equity shares during the financial year under review.

**b. Issue of further Share Capital:**

The Company has issued 15,21,21,416 equity Shares of INR 10 each during the Financial Year under review and has issued 15,21,21,416 equity shares of INR 10 each to M/s. Morus Technologies PTE LTD through Rights Issue.

**c. Buy back of Shares:**

During the year under review, the Company has not made any offer to buy back its shares.

## 21. Number of meetings of the Board of Directors:

During the period under review, the Board of Directors of the Company met 25 times. The intervening gap between any two board meetings was within the period prescribed by the Companies Act, 2013 ('Act') and the Articles of Association ('AoA') of the Company. Proper quorum was present at all the Board meetings held. The Board meetings held during the year are mentioned below

<u>S. No.</u>	<u>Date of the Board Meeting</u>	<u>No. of Directors required to attend the BM</u>	<u>No. of Directors attended the BM</u>
1.	14th May, 2021	4	3
2.	25th June, 2021	4	3
3.	24th July, 2021	4	3
4.	21st August, 2021	4	4
5.	09th September, 2021	4	4
6.	15th September, 2021	4	4
7.	24th September, 2021	4	4
8.	29th September, 2021	4	4
9.	22nd October, 2021	4	4
10.	02nd November, 2021	4	4
11.	09th November, 2021	4	4
12.	25th November, 2021	4	4
13.	07th December, 2021	4	4
14.	23rd December, 2021	4	4
15.	25th January, 2022	4	4
16.	03rd February, 2022	4	4
17.	11th February, 2022	4	4
18.	22nd February, 2022	4	4
19.	24th February, 2022	4	4
20.	01st March, 2022	5	5
21.	08th March, 2022	5	5
22.	16th March, 2022	5	5
23.	22nd March, 2022	5	5
24.	29th March, 2022	5	5
25.	31st March, 2022	5	5

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## 22. Annual General Meeting/ Extra-Ordinary General Meeting:

During the financial year 2021-22, following are the details of the Annual General Meeting ("AGM") and Extra-Ordinary General Meeting ("EGM"):

Sr. No	Type of Meeting	Date of AGM/ EGM	Total Number of Members	Number of Members present
1.	AGM	28 <sup>th</sup> September, 2021	2	2
2.	EGM	25th June, 2021	2	2
3.	EGM	28th February, 2022	2	2

## 23. Directors and Key Managerial Personnel:

### Board of Directors as on 31<sup>st</sup> March, 2022

The following directors are holding office:

Sr. No.	DIN	Name	Designation	Date of Appointment
1	01587360	Mr. Tushar Aggarwal	Director	11/02/2016
2	03598173	Mr. Satish Chandra Sinha	Director	25/07/2016
3	06867269	Ms. Shruti Aggarwal	Director	11/02/2016
4	01309312	Mr. Radhakrishnan Ramachandrayyer	Independent Director	03/02/2021
5	09345384	Mr. Vijuy Ronjan	Independent Director	24/02/2022

### Key Managerial Personnel

Sr. No.	PAN	Name	Designation	Date of Appointment
1	BBXPP6320D	Paveet Dahiya	Company Secretary	30/03/2018

Ms. Paveet, Company Secretary of the Company resigned with effect from 1st August, 2022 and Ms. Sonia Thakur was appointed as the Company Secretary of the Company with effect from 03rd August, 2022.

## 24. Changes in Directors and Key Managerial Personnel:

During the year under review, Mr. Vijuy Ronjan was appointed as an Additional Director of the Company in the Board meeting held on 24<sup>th</sup> February, 2022 and was regularized in the Extra Ordinary General Meeting of the Company dated 28th February, 2022.

## 25. Managerial Remuneration:

The Company being a private limited company, therefore, the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

## 26. Disclosure as per 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 & Redressal) Act, 2013. Internal



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Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

Following is the summary of sexual harassment complaints received and disposed-off during the financial year ended March 31, 2021:

- a. No. of Complaints received : Nil
- b. No. of Complaints disposed-off: Nil
- c. No. of cases pending: Nil

## **27. Compliance with Secretarial Standard**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

During the year under review the Company have complied all the secretarial standards issued by the Institute of Company Secretaries of India.

## **28. Declaration of Independent Directors**

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company. However, the Company has appointed Mr. Radhakrishnan Iyer and Mr. Vijay Ronjan as the Independent Director of the Company and the required declarations have been obtained from them.

## **29. Company's Policy relating to Directors Appointment, Payment of Remuneration and Discharge of their Duties**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

## **30. Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

## **31. Disclosure of Composition of Audit Committee and Providing Vigil Mechanism**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

## **32. Particulars of Employees**

During the year none of the employees are in receipt of remuneration of more than INR One Crore and Two Lakhs, or employed for the part of the year under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## **33. Adequacy of Internal Financial Control**

The details in respect of adequacy of internal financial controls with reference to the Financial Statement as mentioned in Annexure of Auditor Report with respect to section 143 of the Companies Act, 2013.



# AKARA CAPITAL ADVISORS PRIVATE LIMITED

## 34.Registration as a Systemically Important Non-Deposit taking NBFC

The Company has been registered with the Reserve Bank of India as a Non-Banking Financial Institution (Non-Deposit taking). In terms of provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the Company is categorised as a "Systemically Important Non-Deposit taking Non-Banking Financial Company". The Company has not accepted public deposits during the year under review. The company is fulfilling all requirement as per the guidelines issued by RBI.

## 35. Change of status from NBFC-ND-NSI to NBFC-ND-SI

The Company has crossed the asset size of Rs. 500/- Crores as per the provisional financials dated 31st March, 2022 and thus, as per the Master Circular **DNBR (PD) CC.No.055/03.10.119 /2015-16 dated July 01, 2015** and Revised Regulatory Framework for NBFC Circular **DNBR (PD) CC. No. 002/03.10.001/2014-15 dated November 10, 2014** that defines the criteria for NBFC-ND-SI as follows:

*"A non-deposit taking NBFC with an asset size of less than Rs. 500 crore as on balance sheet date might subsequently add on assets before the next balance sheet date due to several reasons including business expansion plan. It is clarified that once an NBFC reaches an asset size of Rs. 500 crore or above, it shall come under the regulatory requirement for NBFCs-ND-SI as stated above, despite not having such assets as on the date of last balance sheet. Therefore, it is advised that all such non-deposit taking NBFCs may comply with RBI regulations issued to NBFC-ND-SI from time to time, as and when they attain an asset size of Rs. 500 crore, irrespective of the date on which such size is attained."*

Thus, henceforth our company be deemed as NBFC-ND-SI.

## 36.Acknowledgements:

The Directors wish to express their gratitude to the business associates, customers, bankers and agencies of union and state government and other stakeholders for their continues support and assistance.

By the Orders of Board of Directors  
For Akara Capital Advisors Private Limited

  
Tushar Aggarwal  
(Director)  
DIN: 01587360  
Add: 6A/2, Raj Narain Road,  
Civil Lines, New Delhi – 110054



  
Shruti Aggarwal  
(Director)  
DIN: 06867269  
Add: 6A/2, Raj Narain Road,  
Civil Lines, New Delhi - 110054



Date: 17<sup>th</sup> August, 2022

Place: New Delhi



# AKARA CAPITAL ADVISORS PRIVATE LIMITED

## Annexure I

### 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: NA

- Name(s) of the related party and nature of relationship:
- Nature of contracts/arrangements/transactions:
- Duration of the contracts / arrangements/transactions:
- Salient terms of the contracts or arrangements or transactions including the value, if any:
- Justification for entering into such contracts or arrangements or transactions
- Date(s) of approval by the Board:
- Amount paid as advances, if any:
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

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

- Name(s) of the related party and nature of relationship: EQX Analytics Private Limited (Parties having Significant influence)
  - Nature of contracts/arrangements/transactions: Memorandum of Agreement (Availing the Line of Credit by Akara for meeting the financial requirements and for further on-lending to the customers as short-term personal loans for salaried individuals and make all reasonable efforts to recover the same and repaid to the EQX Analytics Private Limited)
  - Duration of the contracts / arrangements/transactions: 36 Months
  - Salient terms of the contracts or arrangements or transactions including the value, if any: On Arm Length Basis
  - Date(s) of approval by the Board, if any: 13<sup>th</sup> March 2020 (Through Resolution by Circulation)
  - Amount paid as advances, if any: NIL
- Name(s) of the related party and nature of relationship: Ms. Shruti Aggarwal (Director)
  - Nature of contracts/arrangements/transactions: Remuneration & Reimbursement of Expenses
  - Duration of the contracts / arrangements/transactions: Continuous
  - Salient terms of the contracts or arrangements or transactions including the value, if any: NA
  - Date(s) of approval by the Board, if any: NA
  - Amount paid as advances, if any: NIL
- Name(s) of the related party and nature of relationship: Mr. Satish Chandra Sinha (Director)
  - Nature of contracts/arrangements/transactions: Director Sitting Fees
  - Duration of the contracts / arrangements/transactions: Continuous

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- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:  
NA
- (e) Date(s) of approval by the Board, if any: NA
- (f) Amount paid as advances, if any: NIL
4. (a) Name(s) of the related party and nature of relationship: Mr. Radhakrishnan (Director)  
(b) Nature of contracts/arrangements/transactions: Sitting Fees  
(c) Duration of the contracts / arrangements/transactions: Continuous  
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:  
NA  
(e) Date(s) of approval by the Board, if any: NA  
(f) Amount paid as advances, if any: NIL
5. (a) Name(s) of the related party and nature of relationship: Ms. Paveet (KMP)  
(b) Nature of contracts/arrangements/transactions: Remuneration  
(c) Duration of the contracts / arrangements/transactions: Continuous  
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:  
NA  
(e) Date(s) of approval by the Board, if any: NA  
(f) Amount paid as advances, if any: NIL

By the Orders of Board of Directors  
For Akara Capital Advisors Private Limited

  
Tushar Aggarwal  
(Director)

DIN: 01587360

Add: 6A/2, Raj Narain Road,  
Civil Lines, New Delhi – 110054

  
Shruti Aggarwal  
(Director)

DIN: 06867269

Add: 6A/2, Raj Narain Road,  
Civil Lines, New Delhi - 110054

Date: 17th August, 2022

Place: New Delhi