



**Date: 17.10.2016**

**To  
The Bombay Stock Exchange Ltd.  
PJ Towers,  
Dalal Street, Fort,  
Mumbai – 400 001**

**Sub: Submission of Annual Report**

Dear Sir,

With reference to the above mentioned subject, please find enclosed Annual Report as approved and adopted in the Annual General Meeting of the Company pursuant to Regulation 34(1) of SEBI (LODR) Regulations, 2015.

Kindly acknowledge the receipt of the same.

Thanking you,

**For India Finsec Limited**

**Gopal Bansal  
Managing Director & Compliance Officer**

**2015-2016**

**ANNUAL REPORT**



**INDIA FINSEC LIMITED**

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### IMPORTANT COMMUNICATION TO MEMBERS

As a responsible corporate citizen, the Company welcomes and supports the **“Green Initiative”** initiated by the Ministry of Corporate Affairs, Government of India (MCA), by its recent circulars, enabling electronic delivery of documents including the annual report, quarterly, half yearly results to shareholders at their e-mail addresses previously registered with the depository participants (DPs)/company/registrars and share transfer agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses to help us in the Endeavour to save trees and protect the planet. Those holding shares in Demat form can register their e-mail address with their concerned DP. Those shareholders who hold shares in physical form are requested to register their e-mail addresses with our registrar, **“Skyline Financial Services Private Limited”**, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.



## CHAIRMAN'S MESSAGE

Dear Stakeholders,

The Financial year 2015-2016 was a mixed bag of offerings for NBFCs. The last budget had nothing much to offer to the NBFC sector. But, this year the Union Budget has cheered the NBFC sector by offering 5% deduction in respect of provision for bad and doubtful debts, FDI will be allowed beyond the 18 specified NBFC activities in the automatic route in other activities which are regulated by financial sector regulators and full-filled the long standing demand and additional options to banking companies and financial institutions, including NBFCs, for reversal of input tax credits with respect to non-taxable services. Also, NBFCs were not allowed deduction under Income tax Act for NPA provisions. The boost to housing sector would be benefiting the housing finance companies. Meanwhile, the move to hike foreign investment limit in Indian stock exchanges will improve competitiveness of stock exchanges and speed up adoption of technology and global practices. The move to strengthen ARCs would be strongly benefitted them, allowing them to raise more capital and funds.

One of the main risks for all financial institutions, banks and NBFC is rising of Non-Performing Assets of the Company/ Banks. The present environment did not really encourage the NBFCs to accept mortgages on real estate as for the enforcement of security interests in immovables, they had to take the help of judiciaries. On the other hand, banks had the privilege of the SARFAESI which is powerful weapon with regards to recovery of loans against immovables. But now, the extension of SARFAESI to NBFC having asset of Rs. 500 crore, has changed the direction of lending for the NBFCs. We are looking forward the same benefit to small NBFC also in near future. Project finance and working capital loans are something that the NBFCs have not explored much mainly due to the difficulties associated with the enforcement of immovables and floating charges. But due to the extension of SARFESI now, it enable the NBFCs to explore these areas. This will also act as booster for those NBFCs which are engaged in the business of loan against properties (LAP). Your Company (India Finsec Limited) has shown a remarkable growth in providing LAP (Loan against Properties). During the year, it has widen its products like personal loan, Inter Corporate Deposits, IPO Funding, Funding against Shares and Securities and Loan against Properties (LAP).

Moreover, financial year 2015-2016 was the historic period for the **India Finsec Limited** ('the Company'). It has migrated from SME platform to Main Board i.e. BSE. This move excites the Company to grow more and achieve the threshold for graduating to the next level. The Company has also acquired a subsidiary i.e. **"IFL Enterprises Limited"** during the financial year. IFL Enterprises Limited mainly deals in providing financial consultancy. This will not only help our Company to expand its activities in its core area but also helps in exploring other business line. It will enhance the brand image of the Company.

In monetary terms, the Company has also performed outstanding, the net profit of the Company has increased from Rs. 2,49,034/- to Rs. 55,58,346/- during the financial year ended March 31, 2016. This is a remarkable profit for the Company. We are confident that, this figure will come in seven figures in next financial year.

Lastly, I would like to thank each shareholder and stakeholder for their support and trust on us and on the Company. It would not be possible without your investment, trust and time that you have devoted in the Company. We always try to fulfill all your expectations that you have with the Company and in future we will maximize our shareholder's wealth with complete dedication. I promise to all my shareholders/ stakeholders that your company will soon reach new highs in the coming years.



*Gopal Bansal,  
Chairman & Managing Director*

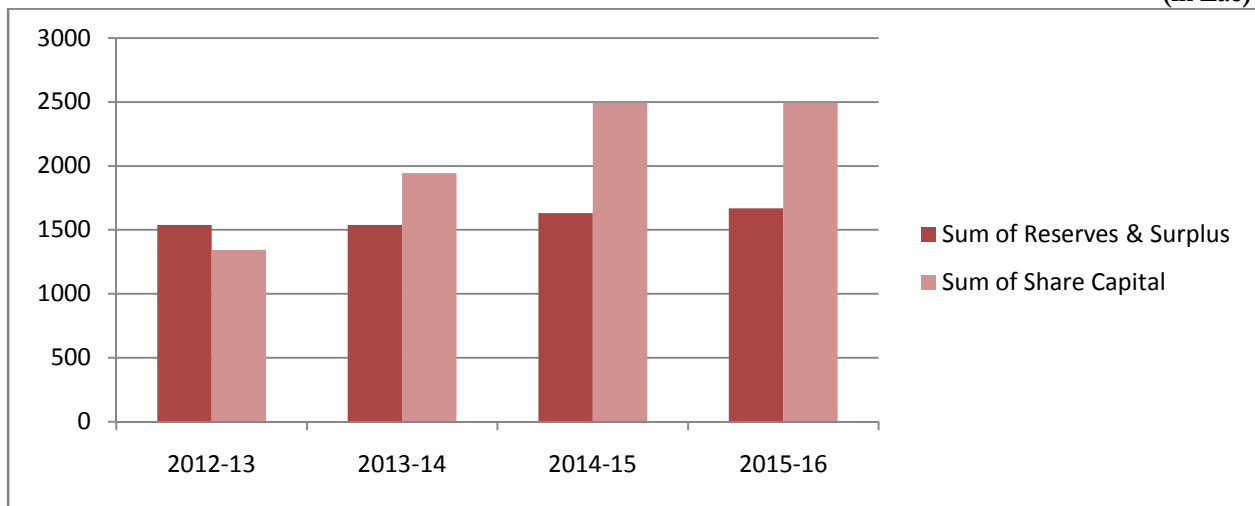
## FINANCIAL HIGHLIGHTS OF THE COMPANY

### Four Years Highlights

Particulars	(Rs. in Lac)			
	2012-2013	2013-2014	2014-2015	2015-2016
Sales & Other Income (Revenue)	483.105	680.948	325.838	723.909
Total Expenses	472.982	678.601	323.348	668.326
Profit after tax	10.122	2.346	2.490	55.583
Reserves & Surplus	1538.081	1539.709	1630.366	1669.351
Capital Employed	2894.89	3495.59	4135.20	4182.31
Share Capital	1344.172	1944.172	2494.172	2494.172
Book Value per Shares (Rs.)	21.44	17.92	16.54	16.69

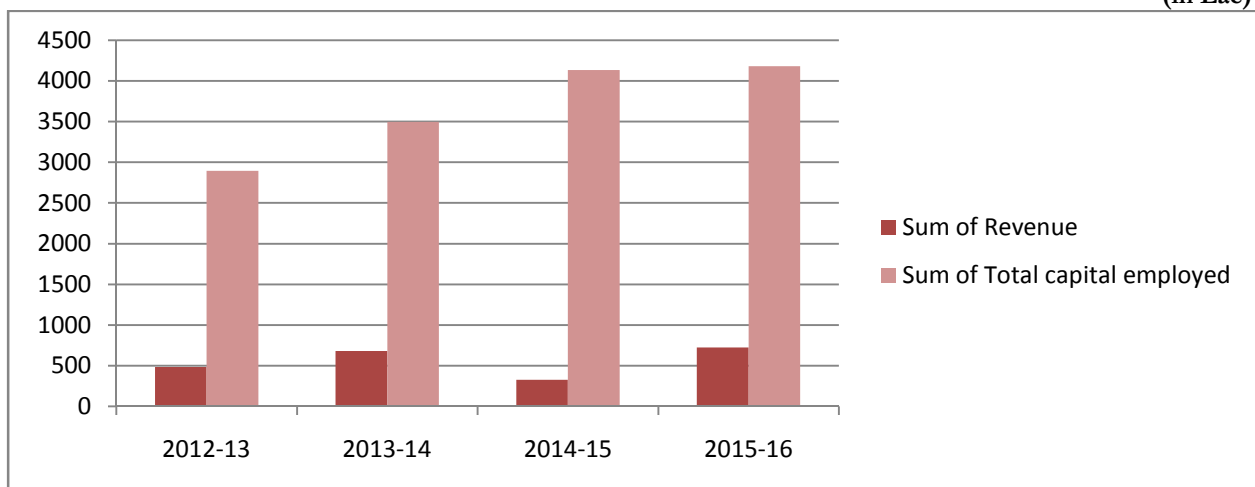
### Reserves and Share Capital

(in Lac)



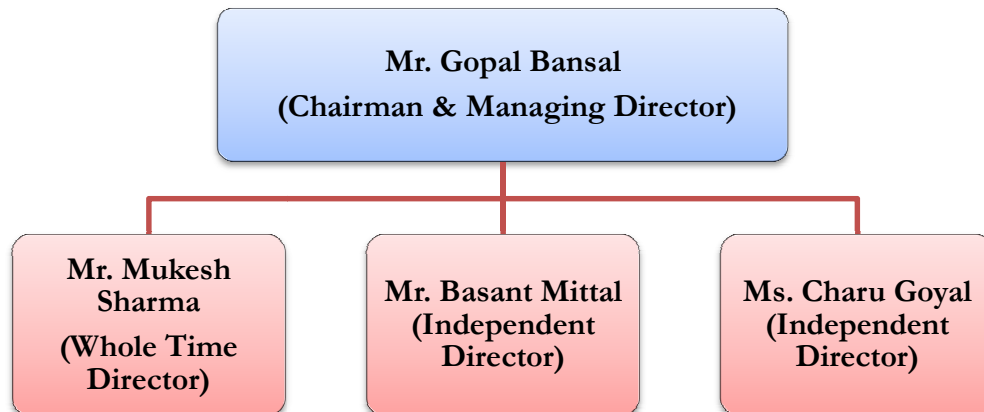
### Revenue and Capital Employed

(in Lac)

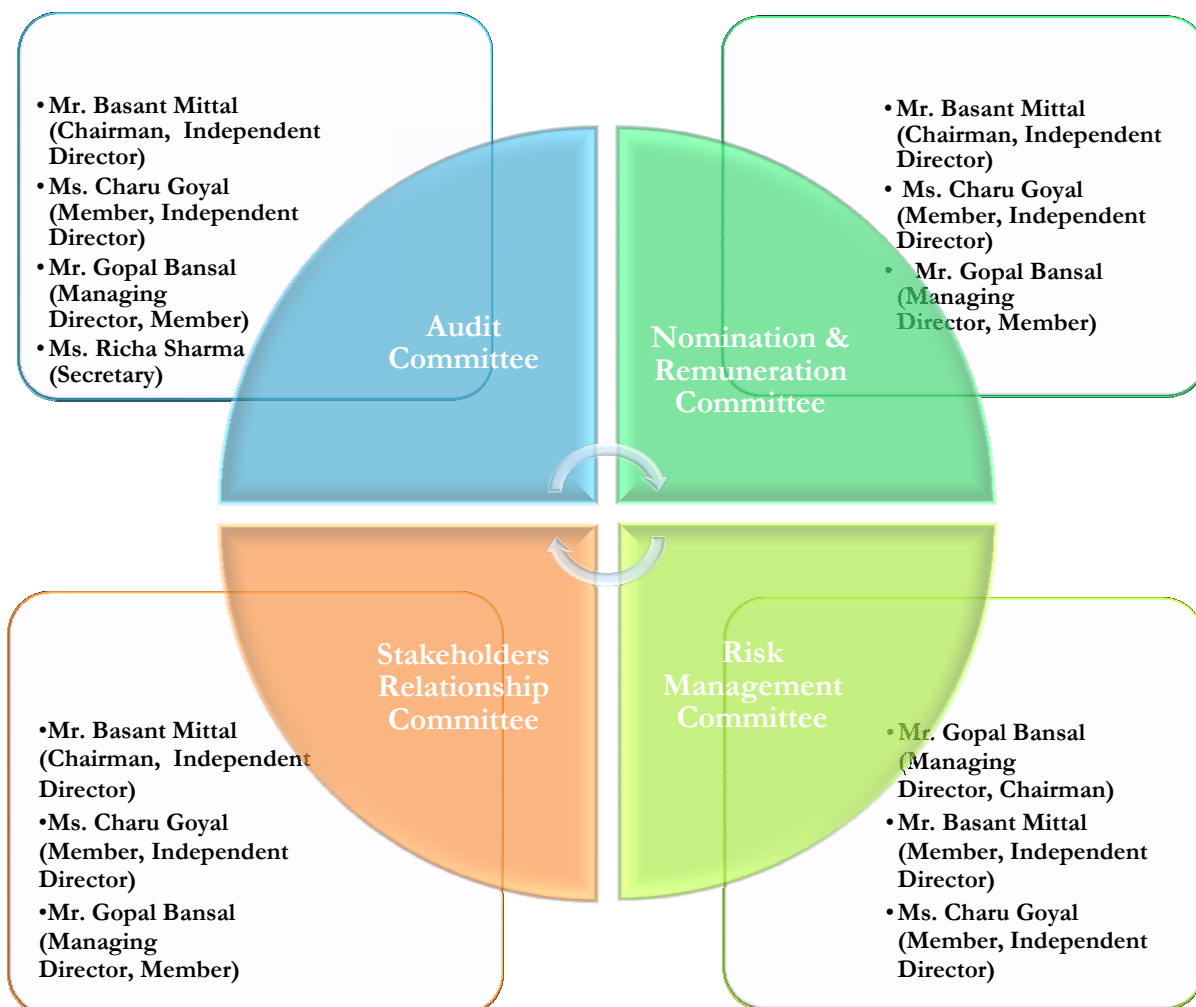


## COMPANY INFORMATION

### BOARD OF DIRECTORS



### COMMITTEES





## **COMPANY SECRETARY**

Ms. Richa Sharma

## **CHIEF FINANCIAL OFFICER (CFO)**

Mr. Manoj Kumar Gupta

## **AUDITORS**

### *Statutory Auditor*

**M/s V. N. Purohit & Co.**  
**(Chartered Accountants)**

Address: 214, New Delhi House,  
2<sup>nd</sup> Floor, 27, Barakhamba Road,  
New Delhi-110001  
Tel: 011-43596011

E-mail Id: [vnpsdelhi@vnpsaudit.com](mailto:vnpsdelhi@vnpsaudit.com)

### *Secretarial Auditor*

**Ms. Rachna Bhasin,**  
**(Practicing Company Secretary)**

Address: M-3/21, First Floor, Model Town,  
Phase-III, New Delhi-110009,  
Contact No. 9971052919  
E-mail Id: [csrachna@gmail.com](mailto:csrachna@gmail.com)

## **SHARES LISTED AT**

**Bombay Stock Exchange Limited**

## **DEPOSITORIES**

**National Securities Depository  
Limited (NSDL)**  
**Central Depository Services (India)  
Limited (CDSL)**

## **REGISTRAR & SHARE TRANSFER AGENT**

**M/s Skyline Financial Services Private  
Limited**

Address: D-153 A, I Floor, Okhla Industrial  
Area, Phase-1, New Delhi-110020,  
Tel: 011-64732681  
E-mail Id: [admin@skylinerta.com](mailto:admin@skylinerta.com)

## **BANKERS**

**HDFC Bank**  
**Punjab National Bank**

## **REGISTERED OFFICE**

**India Finsec Limited**  
(CIN:-L65923DL1994PLC060827)  
D-16, First Floor, Above ICICI Bank,  
Prashant Vihar, Sector-14, Rohini, New  
Delhi-110085  
Contact No: - 011-45805612, 09350655363,  
Email: - [indiafinsec@gmail.com](mailto:indiafinsec@gmail.com)  
Website: - [www.indiafinsec.com](http://www.indiafinsec.com)

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**IFL Enterprises Limited- *Subsidiary of India Finsec Limited***



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**BOARD OF DIRECTORS  
OF  
“IFL ENTERPRISES LIMITED”**

**Mr. Gopal Bansal, *Director***  
**Mr. Mukesh Sharma, *Director***  
**Ms. Charu Goyal, *Independent Director***  
**Mr. Basant Mittal, *Independent Director***





## BOARD'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the **Twenty Second Annual Report** of the Company with the Audited Financial Statements and the Auditor's Report of your Company for the year ended **31st March, 2016**.

### 1. COMPANY BACKGROUND

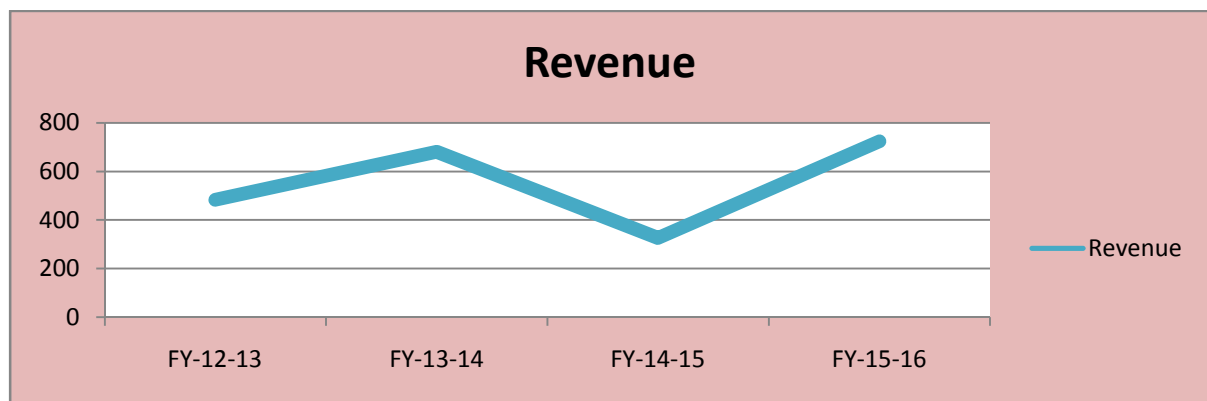
India Finsec Limited ("the Company") is a RBI registered Non-Banking Financial Company ("NBFC"). The registered office of the Company is situated at D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, Delhi-110085. The Company was incorporated on August 10, 1994. The Company has its Equity Shares listed at BSE Limited.

### 2. BUSINESS OVERVIEW

The Company is engaged in the business of financing, Inter Corporate Deposits, Personal Loans, IPO funding, funding against shares and securities and Long against Property (LAP) to the individuals and Body Corporate.

**Your Company has performed remarkably well with Net Profit of Rs. 55,58,346/- as on March 31, 2016 as compared to Net Profit of Rs. 2,49,034/- for the year ended March 31, 2015.**

Despite facing the stiff competition, the Company registered substantial growth in terms of its revenue from business operations. Your Company has been able to achieve substantial market share, steady price for its products by taking up newer challenges and was able to achieve 21 times increase in its revenue as compared to last year.



### STATEMENT OF AFFAIRS

The Company's Performance during its Twenty Second years of Operations is summarized below:

### FINANCIAL RESULTS

Particulars	Financial year ended(in Rs.)			
	Standalone		Consolidated	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Total Income	7,23,90,991.00	3,25,83,836.00	7,63,12,931.00	0.00
Total Expenditure	6,43,57,023.00	3,22,23,437.00	6,64,06,248.00	0.00
Profit/(Loss) before tax	80,33,968.00	3,60,398.00	99,06,684.00	0.00
Profit/(Loss) after tax	55,58,346.00	2,49,034.00	60,21,427.00	0.00
Paid- up Share Capital	24,94,17,150.00	24,94,17,150.00	24,94,17,150.00	0.00
Reserves and Surplus	16,69,35,081.00	16,30,36,613.00	17,21,76,957.00	0.00



### **3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of the Regulation 34(2)(e) of SEBI( Listing Obligations and Disclosure Requirements)Regulations, 2015, the Management's Discussion and Analysis is set out in the Annual Report.

### **4. DIVIDEND**

The Board of Directors of the Company has decided not to declare any dividend for the financial year under consideration.

### **5. TRANSFER TO GENERAL RESERVES**

As the company has not declared any dividend, therefore, the Company has not proposes to carry any sum to the General Reserves of the Company for the period under consideration.

### **6. CHANGES IN THE NATURE OF BUSINESS**

The Company is engaged in the business of Financing, Inter Corporate Deposits, advancing personal loans, funding of IPO, funding against shares and securities, loan against properties to individuals & companies etc. But, during the year, the main focus of the Company was on the business of Loan against Property (LAP).However, there has been no change in the nature of business during the year under review by the Company.

### **7. MATERIAL CHANGES AND COMMITMENTS**

The members of the Company in the Extraordinary General Meeting (EGM) held on Monday, February 15, 2016 has reappointed Mr. Gopal Bansal as Managing Director and Mr. Mukesh Sharma as Whole Time Director for further period of five years commencing from January 16, 2016 to January 15, 2021.

There is no material change which may affect the financial position of the Company between the financial year and up to the date of this report.

### **8. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by 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 2015-16.The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

### **9. PUBLIC DEPOSITS**

During the year under review, the company has not accepted any deposit under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 1975.

### **10. AUDITORS**

#### **STATUTORY AUDITOR**

At the Annual General Meeting held on Tuesday, September 29, 2015, M/s V.N. Purohit & Co. Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2018. In terms of the first provision to section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s V.N. Purohit & Co. Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders.

#### ***Auditor's Report***

The Auditor's Report for financial year ended 2016, does not contain any qualification, reservation or adverse remarks. All Observations made in the Independent Auditors' Report and Notes forming part of the Financial Statements are self explanatory and do not call for any further comments and also, there is no incident of fraud requiring reporting by the auditors under section 143(12) of the Companies Act, 2013 during the year. The Auditor's report is enclosed with the financial statements in this Auditor's Report.



### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Rachna Bhasin (CP No.: 12952, ACS: 23539), Practicing Company Secretaries, to undertake the secretarial audit of the Company for the Financial Year 2015-2016.

#### ***Secretarial Audit Report***

The Secretarial Audit Report for the financial year ended March 31, 2016 does not contain any qualification, reservation or adverse remark. A copy of Secretarial Audit Report as provided by Company Secretary in Practice has been annexed with the Report. **(Annexure-I)**

### **INTERNAL AUDITOR**

Pursuant to provisions of Section 138 read with rules made there under, the Board has appointed Ms. Richa Sharma, as an Internal Auditor of the Company, to check the internal controls and functioning of the activities of the Company and also recommends way of improvement. She has provided Internal Audit Report of the Company for the financial year ended March 31, 2016. The Internal audit is carried out quarterly basis and the report is placed in the Audit Committee Meeting and Board Meeting for their consideration and direction.

## **11. SHARE CAPITAL**

### **A. ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS**

The Company has not issued any equity shares with differential rights so no disclosure is required as per Rule 4(4) of the Companies (Share Capital and Debentures) Rules 2014.

### **B. ISSUE OF SWEAT EQUITY SHARES**

The Company has not issued sweat equity shares, so no disclosure is required as per Rule 8(13) of the Companies (Share Capital and Debentures) Rules 2014.

### **C. ISSUE OF EMPLOYEE STOCK OPTIONS**

The Company has not issued employee stock options, so no disclosure is required as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules 2014.

### **D. PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARE BY EMPLOYEES OR BY TRUSTEE FOR THE BENEFIT OF EMPLOYEES**

The Company has not made any provision for purchase of its own share by employees or by trustee for the benefit of employees so no disclosure is required as per Rule 16(4) of the Companies (Share Capital and Debentures) Rules 2014.

### **E. ISSUE OF SHARES ON PREFERENTIAL BASIS**

The Company has not issued any share on preferential basis during the year.

## **12. LISTING FEES**

The Company has paid the Annual Listing Fees to the Bombay Stock Exchange Limited (BSE) for the financial year ended March 31, 2016.

## **13. EXTRACT OF THE ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of the Annual Return in **Form No.MGT – 9** as '**Annexure-II**' has been enclosed with the Board's Report.

## **14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of conservation of energy, technology absorption, foreign exchange and outgo are as follows:



#### A. CONSERVATION OF ENERGY

Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, regarding conservation of energy are not applicable.

#### B. TECHNOLOGY ABSORPTION

Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, regarding Technology absorption are not applicable.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There has been no expenditure and/or earning in foreign exchange.

### 15. POLICIES

During the year the Board of Directors of the Company has approved and adopted the following policies:

- Policy on Preservation of Documents and Archives Management as per Regulation 9 and 30(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Policy for Disclosure of events/ information and Determination of materiality as per Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Policy on Materiality of Related Party Transactions as per Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Such Policies are available on the website of the Company i.e. <http://www.indiafinsec.com/corporate-governance/>

#### *Risk Management Policy*

The Company has implemented a Risk Management Policy duly approved by the Board of directors and the same is available on the website of the Company i.e. <http://www.indiafinsec.com/corporate-governance/>.

### 16. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED

During the financial year 2015-16, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### 17. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to provision of Section 135 of the Companies Act, 2013, every company having a Net Worth of Rupees Five Hundred Crore (Rs.500 Crore) or more or Turnover of Rupees Thousand Crore (Rs.1000 Crore) or more or Net Profit is Rupees Five Crore (Rs.5 Crore) or more during any financial year, is required to constitute a Corporate Social Responsibility Committee ("CSR Committee") of the Board. But this provision is not applicable on our company; because in any previous financial year (including 2015-2016) our company has not reached this limit.

### 18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company was duly constituted in accordance with the provisions of the Companies Act, 2013. As on the date of report, the Board of Director's consists of the following members:

S. No.	Name of Director	Designation	DIN	Date of Appointment
1	Mr. Gopal Bansal	Managing Director	01246420	16.01.2016
2	Mr. Mukesh Sharma	Whole Time Director	00274217	16.01.2016
3	Mr. Basant Mittal	Independent Director	06462662	28.12.2012
4	Ms. Charu Goyal	Independent Director	06464406	28.12.2012

#### A. DIRECTORS

There is no appointment, resignation or any other changes in the directors of the Company. But Mr. Gopal Bansal and Mr. Mukesh Sharma has re-appointed as Managing Director and Whole Time Director for further five years during the year.



#### **B. WHOLE TIME DIRECTOR**

Mr. Mukesh Sharma retires by rotation and being eligible has offered himself for reappointment.

#### **C. CHIEF FINANCIAL OFFICER**

There is no appointment, resignation or any other changes in the position of the Chief Financial Officer of the Company.

#### **D. COMPANY SECRETARY & COMPLIANCE OFFICER & INTERNAL AUDITOR**

There is no appointment, resignation or any other changes in the position of the Company Secretary of the Company.

### **19. REMUNERATION OF KEY MANAGERIAL PERSONNEL**

Mr. Gopal Bansal (Managing Director) the Key Managerial Personnel of the Company be paid Gross monthly remuneration of Rs.70,000/- (Rupees Seventy Thousand Only) subject to the increment as decided by the Board of Directors of the Company from time to time on the basis of his performance and policy of the Company.

Mr. Mukesh Sharma (Whole Time Director) the Key Managerial Personnel of the Company be paid Gross monthly remuneration of Rs. 20,000/- (Rupees Twenty Thousand Only) subject to the increment as decided by the Board of Directors of the Company from time to time on the basis of his performance and policy of the Company.

Mr. Manoj Kumar Gupta (Chief Financial Officer), the Key Managerial Personnel of the Company be paid Gross monthly remuneration of Rs. 80,000/- (Rupees Eighty Thousand Only) subject to the increment as decided by the Board of Directors of the Company from time to time on the basis of his performance and policy of the Company.

Ms. Richa Sharma (Company Secretary), the Key Managerial Personnel of the company be paid Gross monthly remuneration of Rs. 20,000/- (Rupees Twenty Thousand Only) subject to the increment as decided by the Board of Directors of the Company from time to time on the basis of her performance and policy of the Company.

### **20. DECLARATION BY THE INDEPENDENT DIRECTOR**

The Company has received declarations from all the Independent Directors (Mr. Basant Mittal and Ms. Charu Goyal) of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Listing Regulations.

### **21. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 and independence of judgment thereby safeguarding the interest of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process. The Board of Directors reviewed all the laws applicable on the company, prepared by the company and taking steps to rectify instances of non-compliances.

### **22. NUMBER OF MEETINGS OF THE BOARD**

The Board of Directors duly met **24 (Twenty Four)** times during the year, in respect of which notices were given and the proceedings were recorded and signed. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

### **23. COMMITTEES AND THEIR MEETINGS**

#### **AUDIT COMMITTEE**

The Company has an Audit Committee comprising Mr. Basant Mittal (Independent Director), Ms. Charu Goyal (Independent Director), Mr. Gopal Bansal (Managing Director) and Ms. Richa Sharma (Secretary of the Audit Committee). The terms of reference of the Audit Committee inter alia include overseeing financial reporting process,



reviewing the financial statements and recommending appointment of Auditors. All the recommendations made by Audit Committee were accepted.

During the year 5 (Five) Audit Committee Meetings were held.

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

The Company has a Nomination & Remuneration Committee of Directors in compliance with provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee's scope of work includes nominate the directors as per their qualifications, experience and positive attributes, deciding on remuneration and policy matters related to remunerations of Directors and laying guidelines for remuneration package or compensation and

The Committee comprises Mr. Basant Mittal (Independent Director), Ms. Charu Goyal (Independent Director) and Mr. Gopal Bansal (Managing Director).

During the year 2 (Two) Nomination and Remuneration Meetings were held.

#### ***Nomination and Remuneration Policy***

The details of Nomination and Remuneration Policy are covered in the Corporate Governance Report. It is hereby affirmed that the remuneration paid is as per Remuneration Policy of the Company. The Nomination & Remuneration Policy is attached with this report as an ***Annexure III***.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Company has a Stakeholder Relationship Committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices /annual reports, etc.

The Committee comprises Mr. Basant Mittal (Independent Director), Ms. Charu Goyal (Independent Director) and Mr. Gopal Bansal (Managing Director).

During the year 4 (Four) Stakeholders Relationship Committee Meetings were held.

#### ***Details of establishment of Vigil Mechanism/Whistle Blower Policy for Directors and Employees***

The Company has a well framed vigil mechanism/whistle blower policy for its directors and employees. The company believes on the honesty, integrity, ethics, transparency and good conduct for its professional environment and provides such kind of environment to its employees and directors and always encourages its team to follow such standards in their activities. The directors, employees and other team members are free to report on the issues which require genuine concern. An Audit Committee of the Board of directors has the responsibility to review the functioning of vigil mechanism and the same has been performed by the committee periodically.

This policy is explained in corporate governance report and also posted on the website on <http://www.indiafinsec.com/corporate-governance/> under Corporate Governance section.

#### **RISK MANAGEMENT COMMITTEE**

The Board of Directors has constituted a Risk Management Committee to minimize or mitigate the risk involved in the business activities of the Company.

The Committee comprises Mr. Basant Mittal (Independent Director), Ms. Charu Goyal (Independent Director) and Mr. Gopal Bansal (Managing Director).

During the year 3 (Three) Risk Management Committee Meetings were held.

#### **24. DETAILS OF SUBSIDIARY/JOINT VENTURE/ ASSOCIATE COMPANIES**

The Company does not have any Joint Venture/Associate Companies but has one Subsidiary i.e. **"IFL Enterprises Limited"**.

During the year, investment of Rs. 1,41,62,685/- was made in a subsidiary i.e. IFL Enterprises Limited. During the year IFL Enterprises Limited reported sales of Rs. 33,76,071/- and Profit after Tax (PAT) Rs. 12,94,046/- as compared to Rs. 3,007/- last year.

#### **25. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**





The performance and financial position of “IFL Enterprises Limited” (Subsidiary) for the financial year 2015-2016 are mentioned below:

Particulars	Period ended 31.03.2016 (In Rs.)	Period ended 31.03.2015 (In Rs.)
Revenue from Operations	33,76,071.00	6,73,750.00
Other Income	5,45,869.00	1,21,221.00
Expenses for the period	20,49,226.00	7,90,620.00
Profit/(Loss) before tax from continuing operations	18,72,714.00	4,351.00
Current Income Tax for the period	5,55,701.00	1,344.00
Deferred Tax	22,968.00	0.00
<b>Profit/(Loss) for the period</b>	<b>12,94,046.00</b>	<b>3,007.00</b>

The Particulars of Subsidiaries, Associates and Joint Ventures read with Companies (Accounts) Rules, 2014 are attached herewith in Form AOC – 1 as **Annexure-IV**.

## 26. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statement provided in this Annual Report.

## 27. PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES

The Company has entered into any contract and arrangements with related party and complied with the provisions of section 188 of the Companies Act, 2013. Details of Such Contracts and Arrangements are enclosed as **Annexure-V** in Form AOC-2.

## 28. CORPORATE GOVERNANCE CERTIFICATE

The Company believes that the essence of Corporate Governance lies in the phrase “Your Company”. It is “Your” Company because it belongs to you-“the Shareholders”. The Chairperson and Directors are “Your” fiduciaries and trustees. Their objective is to take the business forward in such a way that it maximizes “Your” long term value. Besides adhering to the prescribed Corporate Governance practices as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company also endeavors to share information with its stakeholders openly and transparently on matters which have a bearing on its economic and reputational interest. The Corporate Governance Report is a part of this Annual report.

A certificate from Secretarial Auditors of the company regarding the compliance of the conditions of Corporate Governance by the Company as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also attached to this Annual Report.

## 29. BRIEF RESUME

As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company provides a brief resume of Mr. Mukesh Sharma, Whole Time Director (DIN:00274217) of the company who is re-appointed in the Annual General Meeting.

## 30. HUMAN RESOURCES

The Company strongly believes that in a service industry like banking and finance, it is only through people and their contributions that most of the objectives like offering products to various customer groups and servicing the poor can be achieved. Your Company believes in spreading the risk, and financing of Loans, Inter Corporate Deposits, and Funding of IPO etc. The Management has a healthy relationship with the officers and the Employee.

## 31. PARTICULARS OF EMPLOYEES

None of the employees of the Company were in receipt of remuneration in excess of limits as prescribed under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are mentioned below:

**(A) Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016**

1. Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase in remuneration during the financial year, Ratio of remuneration of Directors to the Median Remuneration of employees.

Name of the Director/ and KMP	Designation	Remuneration (Rs. in Lac) 2015-2016	Increase (%)	Ratio of Director's Remuneration to Median remuneration
Mr. Gopal Bansal	Managing Director	4.73	180.00	1.08:1
Mr. Mukesh Sharma	Whole Time Director	2.40	0.00	0.55:1
Mr. Manoj Kumar Gupta	CFO	8.73	0.00	N.A.
Ms. Richa Sharma	Company Secretary	1.96	0.00	N.A.

2. Median remuneration of the Company for all its employees is Rs. 4,35,865/- for the financial year 2015-2016.  
3. The Percentage increase in median remuneration of employees in the Financial Year: 18.27%  
4. Number of permanent employees on the rolls of the Company: 16 (As at 31st March, 2016).  
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Managerial Personnel	Employees other than Managerial Personnel
Increase in salary	Increase in salary
180.00	0.00

6. Affirmation Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel is as per the remuneration policy of the Company.

**32. SEXUAL HARRASEMENT**

During the Financial Year, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**33. DIRECTOR'S RESPONSIBILITY STATEMENT**

In accordance with Clause (c) of Sub-Section (3) of Section 134 of the Companies Act, 2013, the Board of Directors of the company informed the members that:

- (A) in the preparation of the annual accounts for the financial year ended March 31, 2016, 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 and loss 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 devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively .

**34. FUND UTILIZATION**

The Company came up with an Initial Public Offering ('IPO' or 'ISSUE') in June 2013. The equity shares were listed on the Bombay Stock Exchange Limited (BSE) SME platform on June 10, 2013. The IPO was floated for





60,00,000 Equity shares of Rs. 10/-each at par aggregating to Rs. 600 Lac. Pursuant to the special resolution passed by the members of the Company on dated September 27, 2014, IPO Proceeds will be utilized for the objects other than those mentioned in the prospectus filed with BSE. IPO funds will be utilized for meeting working capital requirements.

### **35. PREVENTION OF INSIDER TRADING**

The Company has a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and certain designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

### **36. PRUDENTIAL NORMS & DIRECTIONS OF RBI FOR NBFCS**

Your company has complied with all the requirements prescribed by the Reserve Bank of India and has filed the required returns.

### **37. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTOR INTER –SE**

None of the Directors are related to each other.

### **38. CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to members of the Board and all employees in the course of day to day business operations of the company. The Code has been placed on the Company's website [www.indiafinsec.com](http://www.indiafinsec.com). The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

### **39. CAUTIONARY NOTE**

The statements forming part of the Board's Report may contain certain forward looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

### **40. ACKNOWLEDGEMENT**

The Board expresses its sincere gratitude to the shareholders, bankers and clients for their continued support. The Board also wholeheartedly acknowledges with thanks the dedicated efforts of all the staff and employees of the Company.

**By the Order of the Board  
For India Finsec Limited**

**Date: 30.05.2016  
Place: Delhi**

Sd/-  
**Gopal Bansal**  
Managing Director  
DIN-01246420

Sd/-  
**Mukesh Sharma**  
Whole Time Director  
DIN-00274217



*(Annexure-I)*

## SECRETARIAL AUDIT REPORT

(Form No. MR-3)

For the financial year ended 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
**The Members,**  
**India Finsec Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **India Finsec Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **India Finsec Limited** ("the Company") for the financial year ended on 31/03/2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;-NOT APPLICABLE
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;-NOT APPLICABLE
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -NOT APPLICABLE
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -NOT APPLICABLE
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- NOT APPLICABLE
- (vi) Income Tax, Act 1961.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- (ii) The Listing Agreements ["Listing Regulations" as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] entered into by the Company with Bombay Stock Exchange.



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and no dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Date: 30-05-2016**  
**Place: New Delhi**

**Sd/-**  
**Rachna Bhasin**  
**Company Secretary in Practice**  
**ACS No.- 23539**  
**C P No.- 12952**



**ANNEXURE A' TO THE SECRETARIAL AUDIT REPORT**

To,  
The Members,  
**India Finsec Limited**  
D-16, First Floor, Above ICICI Bank,  
Prashant Vihar, Sector-14, Rohini,  
New Delhi-110085

**Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Date: 30-05-2016**  
**Place: New Delhi**

**Sd/-**  
**Rachna Bhasin**  
**Company Secretary in Practice**  
**ACS No.- 23539**  
**C P No.- 12952**



(Annexure-II)

**Form No. MGT-9**

**Extract of Annual Return as on the financial year ended on 31.03.2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION & OTHER DETAILS:**

i.	CIN	L65923DL1994PLC060827
ii.	RegistrationDate	10.08.1994
iii.	NameoftheCompany	India Finsec Limited
iv.	Category/Sub-CategoryoftheCompany	Company Limited by Shares/ Indian Non-Government Company
v.	AddressoftheRegisteredofficeandcontactdetails	D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085 Telephone No.- 9350655363/ 011-45805612 Email:- <a href="mailto:indiafinsec@gmail.com">indiafinsec@gmail.com</a> Website:- <a href="http://www.indiafinsec.com">www.indiafinsec.com</a>
vi.	Whetherlistedcompany	Yes (Listed at BSE Limited)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Skyline Financial Services Private Limited D-153A, First Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 Telephone No. 011- 011-26812682, 83, 011-64732681 to 88 Website- <a href="http://www.skylinerta.com">www.skylinerta.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Providing Finance (Long & Short Term)	64920	47.60
2	Dealing in Shares & Securities	64920	52.40

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1.	IFL Enterprises Limited D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085	U67100DL2009PLC186958	Subsidiary	64.66	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share capital Breakup as percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% Changed during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	2415015	0	2415015	9.68	2415015	0	2415015	9.68	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	4537050	0	4537050	18.19	4537050	0	4537050	18.19	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0



Subtotal(A)(1):-	6952065	0	6952065	27.87	6952065	0	6952065	27.87	0
<b>2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>6952065</b>	<b>0</b>	<b>6952065</b>	<b>27.87</b>	<b>6952065</b>	<b>0</b>	<b>6952065</b>	<b>27.87</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0
<b>2. Non Institutions</b>									
a) Bodies Corp.									
(i) Indian	6862000	0	6862000	27.51	7573349	0	7573349	30.36	+711349
(ii) Overseas	0	0	0	0	0				
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh and Rs. 2 Lakh on 31.03.2016	2426000	61000	2487000	9.97	2018651	2035700	4054351	16.26	+1567351
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh and Rs. 2 Lakh on 31.03.2016	692000	7118650	7810650	31.32	790000	5143950	5933950	23.79	-1876700
c) Others(HUF)	830000	0	830000	3.33	428000	0	428000	1.72	-402000
<b>Sub-total(B)(2)</b>	<b>10810000</b>	<b>7179650</b>	<b>17989650</b>	<b>72.13</b>	<b>10810000</b>	<b>7179650</b>	<b>17989650</b>	<b>72.13</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>10810000</b>	<b>7179650</b>	<b>17989650</b>	<b>72.13</b>	<b>10810000</b>	<b>7179650</b>	<b>17989650</b>	<b>72.13</b>	<b>0</b>
C.Shares heldby Custodianfor GDRs&ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total(A+B+C)</b>	<b>17762065</b>	<b>7179650</b>	<b>24941715</b>	<b>100</b>	<b>17762065</b>	<b>7179650</b>	<b>24941715</b>	<b>100</b>	<b>0</b>

(i) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Fidelo Foods Pvt Ltd	4537050	18.19	0	4537050	18.19	0	0
2.	Mukesh Sharma	1292540	5.18	0	1292540	5.18	0	0
3.	Gopal Bansal	349500	1.40	0	349500	1.40	0	0
4.	Damodar Sharma	82250	0.33	0	82250	0.33	0	0
5.	Manoj Sharma	678475	2.72	0	678475	2.72	0	0
6.	Arvind Kumar Bansal (Karta of Arvind Kumar Bansal HUF)	12250	0.05	0	12250	0.05	0	0
	<b>Total</b>	<b>6952065</b>	<b>27.87</b>	<b>0</b>	<b>6952065</b>	<b>27.87</b>	<b>0</b>	<b>0</b>

(ii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	Fidelo Foods Private Limited	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4537050	18.19	4537050	18.19
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	4537050	18.19	4537050	18.19
Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2.	Mukesh Sharma	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1292540	5.18	1292540	5.18
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	1292540	5.18	1292540	5.18
Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3.	Gopal Bansal	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	349500	1.40	349500	1.40
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	349500	1.40	349500	1.40
Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4.	Damodar Sharma	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	82250	0.33	82250	0.33
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	82250	0.33	82250	0.33
Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5.	Manoj Sharma	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	678475	2.72	678475	2.72
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	678475	2.72	678475	2.72
Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6.	Arvind Kumar Bansal(Karta of Arvind Kumar Bansal HUF)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	12250	0.05	12250	0.05
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	12250	0.05	12250	0.05

(iii) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs)

Sr. no	Name of Shareholder	Shareholding at the beginning of the year (as on 01.04.2015)		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01.04.2015-31.03.2016)	
		No. of shares at the beginning (01-04-2015/ end of the year (31-03-2016)	% of total shares of the company				No. of shares	% of total shares of the company
1	La Mancha Enterprises Private Limited	0	0	01.04.2015				
				01.05.2015	88000	Purchase	88000	0.35
				04.12.2015	2000000	Purchase	2088000	8.37
		2088000	8.37	31.03.2016				
2	MaaSharda Distributors Private Limited	2000000	8.02	01.04.2015				
				-	-	-	-	-
		2000000	8.02	31.03.2016				
3	Jagtarni Traders Private Limited	1500000	6.01	01.04.2015				
				-	-	-	-	-
		1500000	6.01	31.03.2016				
4	AutoliteAgencies Private Limited	124000	0.5	01.04.2015				
				01.05.2015	8000	Purchase	132000	0.53
				15.05.2015	16000	Purchase	148000	0.59
				22.05.2015	32000	Purchase	180000	0.72
				29.05.2015	8000	Purchase	188000	0.75
				26.06.2015	8000	Purchase	196000	0.79
				31.07.2015	40000	Purchase	236000	0.95
				07.08.2015	8000	Purchase	244000	0.98
				14.08.2015	8000	Purchase	252000	1.01
				21.08.2015	8000	Purchase	260000	1.04
				28.08.2015	8000	Purchase	268000	1.07
		25.09.2015	688000	Purchase	956000	3.83		
		956000	3.83	31.03.2016				
5	Tia Enterprises Private Limited	0	0	01.04.2015				
				07.08.2015	38000	Purchase	38000	0.15
				21.08.2015	64000	Purchase	102000	0.41
				28.08.2015	80000	Purchase	182000	0.73
				04.09.2015	120000	Purchase	302000	1.21
				11.09.2015	30000	Purchase	332000	1.33
				25.09.2015	40000	Purchase	372000	1.49
				30.09.2015	40000	Purchase	412000	1.65
				23.10.2015	100000	Purchase	512000	2.05
		06.11.2015	2000	Purchase	514000	2.06		
		514000	2.06	31.03.2016				
6	Yamini Investments Co. Ltd.	230000	0.92	01.04.2015				
				-	-	-	-	-
		230000	0.92	31.03.2016				
7	ShriParasram Holdings Pvt.Ltd.	198000	0.79	01.04.2015				
				10.04.2015	144000	Purchase	342000	1.37
				01.05.2015	8000	Purchase	350000	1.4
				22.05.2015	-8000	Sale	342000	1.37
				29.05.2015	-8000	Sale	334000	1.34
				14.08.2015	-258000	Sale	76000	0.3
				21.08.2015	-8000	Sale	68000	0.27
				28.08.2015	-8000	Sale	60000	0.24
				18.12.2015	15689	Purchase	75689	0.3
		31.12.2015	10	Purchase	75699	0.3		
		08.02.2016	80040	Purchase	155739	0.62		



				31.03.2016	51610	Purchase	207349	0.83
		207349	0.83	31.03.2016				
8	Yogesh Bansal	43000	0.17	01.04.2015				
				14.08.2015	128000	Purchase	171000	0.69
		171000	0.69	31.03.2016				
9	Mahesh Kumar Kumawat	0	0	01.04.2015				
				16/10/2015	70000	Purchase	70000	0.28
				23/10/2015	30000	Purchase	100000	0.4
				13/11/2015	30000	Purchase	130000	0.52
				27/11/2015	10000	Purchase	140000	0.56
				18/12/2015	20000	Purchase	160000	0.64
				08/02/2016	10000	Purchase	170000	0.68
		170000	0.68	31.03.2016				
10	Rekha Sharma	20000	0.08	01.04.2015				
				14.08.2015	130000	Purchase	150000	0.6
		150000	0.6	31.03.2016				

(iv) Shareholding of Directors and Key Managerial Personnel

Sr. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	Mr. Gopal Bansal Managing Director	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	349500	1.40	349500	1.40
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	349500	1.40	349500	1.40
2	Mr. Mukesh Sharma Whole Time Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1292540	5.18	1292540	5.18
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	1292540	5.18	1292540	5.18
3	Mr. Basant Mittal Independent Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0
4	Ms. Charu Goyal Independent Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	20000	0.08	20000	0.08
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0



	At the End of the year	20000	0.08	20000	0.08
5	Ms. Richa Sharma Company Secretary	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0
6	Mr. Manoj Kumar Gupta CFO	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
- Addition	0	0	0	0
- Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Gopal Bansal	Mr. Mukesh Sharma	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	480350	240000	720350
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0



2.	StockOption	0	0	0
3.	SweatEquity	0	0	0
4.	Commission - as%ofprofit - others,specify...	0 0	0 0	0 0
5.	Others,pleasespecify	0	0	0
6.	Total(A)	480350	240000	720350
	CeilingaspertheAct	Remuneration paid is within the ceiling limits calculated as per Section 198 of the Companies Act, 2013		

B. Remunerationtootherdirectors:

Sl. No.	ParticularsofRemuneration	Name of Directors		Total Amount
		Mr. Basant Mittal	Ms. Charu Goyal	
	<b>IndependentDirectors</b>			
	•Feeforattendingboard committee meetings	26000	26000	52000
	•Commission	0	0	0
	•Others,pleasespecify	0	0	0
	<b>Total(1)</b>	<b>26000</b>	<b>26000</b>	<b>52000</b>
	<b>OtherNon-ExecutiveDirectors</b>			
	•Feeforattendingboard committee meetings	0	0	0
	•Commission	0	0	0
	•Others,pleasespecify	0	0	0
	<b>Total(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total(B)=(1+2)</b>	<b>26000</b>	<b>26000</b>	<b>52000</b>

C. RemunerationtoKeyManagerialPersonnelOtherThan MD /Manager /WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Ms. Richa Sharma, Company Secretary	Mr. Manoj Kumar Gupta, CFO	
1.	GrossSalary (a)Salaryasperprovisions containedinsection17(1) oftheIncome-taxAct, 1961 (b)Valueofperquisitesu/s17(2)Income-taxAct,1961 (c)Profitsinlieuofsalary undersection17(3)Income- taxAct,1961	196440 0 0	960000 0 0	1156440 0 0
2.	StockOption	0	0	0
3.	SweatEquity	0	0	0
4.	Commission - as%ofprofit - others,specify...	0 0	0 0	0 0
5.	Others,pleasespecify	0	0	0
	<b>Total</b>	<b>196440</b>	<b>960000</b>	<b>1156440</b>

VII. PENALTIES/PUNISHMENT/COMPOUNDINGOFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any(give details)
<b>A.Company</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B.Directors</b>					



Penalty					
Punishment			NIL		
Compounding					
<b>C.OtherOfficersInDefault</b>					
Penalty					
Punishment			NIL		
Compounding					

By the Order of the Board  
For India Finsec Limited

Date: 30.05.2016  
Place: Delhi

Sd/-  
Gopal Bansal  
Managing Director  
DIN-01246420

Sd/-  
Mukesh Sharma  
Whole Time Director  
DIN-00274217



(Annexure-III)

## Nomination and Remuneration Policy

Our Policy is on the appointment and remuneration of directors, Key Managerial Personnel and other senior management team for providing equitable remuneration to the directors and to recommend the qualified directors to the Board. The nomination and remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act, 2013. The Policy is also available on the website of the company.

### **Objectives**

This policy is framed with the following objectives:

- ◇ The remuneration of the Whole Time Directors/Executive Directors is fixed by the Remuneration Committee as constituted. The remuneration of Employees other than Whole-time Directors is approved by the Remuneration Committee based on recommendations made to it.
- ◇ To specifies remuneration packages for Whole-time Directors including pension rights and compensation payments.
- ◇ The Non-Executive Directors are not paid any remuneration. They are only entitled to sitting fees for attending Board and Committee Meetings.
  - ◇ To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
  - ◇ The policy also addresses the following items:
    - Committee member qualifications;
    - Committee member appointment and removal;
    - Committee structure and operations; and
    - Committee reporting to the Board.
  - ◇ To formulate the criteria for evaluation of performance of all the Directors on the Board;

### **Constitution of Nomination and Remuneration Committee**

The Board has constituted the “Nomination Committee” of the Board on October 18, 2013 and renamed as “Nomination and Remuneration Committee” on May 30, 2014. This is in line with the requirements under the Companies Act, 2013.

The Committee currently comprises of:-

Name	Designation in Committee	Nature of Directorship
Mr. Basant Mittal	Chairman	Non-Executive Independent Director
Ms. Charu Goyal	Member	Non-Executive Independent Director
Mr. Gopal Bansal	Member	Chairman & Managing Director

The Board has the authority to reconstitute the Committee from time to time.

### **Role and Powers of the Committee**

The Nomination & Remuneration committee has been constituted to recommend/review remuneration of Directors and key managerial personnel based on their performance and defined assessment criteria.

The remuneration policy of our Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

The role and power of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- ◇ Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;



- ◇ Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;
- ◇ Make recommendations to the Board on appropriate criteria for the Directors. Formulate the criteria and framework for evaluation of performance of every director on the Board of the Company.
- ◇ Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.
- ◇ To recommend to the Board, the remuneration packages of the Company's Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- ◇ To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/Deputy Managing/Whole-time/ Executive Directors, including pension rights and any compensation payment;
- ◇ To implement, supervise and administer any share or stock option scheme of the Company;
- ◇ To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

#### **Policy for appointment, term, removal and retirement of Managerial Personnel, Director, KMP and Senior management**

##### *Appointment criteria and qualifications*

- ◇ The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his /her appointment.
- ◇ A person to be appointed as Director, KMP or senior management level 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.
- ◇ The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director/ Independent Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee 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.
- ◇ A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.
- ◇ In case of Independent director shall ensure that he/she possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration , research, corporate governance , technical operations or other disciplines related to the company's business.

##### *Term/ Tenure*

#### ◇ **Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re appointment shall be made earlier than one year before the expiry of term.

#### ◇ **Independent Director**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.



No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in

or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for five years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of five years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

#### *Removal*

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

#### *Retirement*

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

### **Policy relating to Remuneration of Directors, Managerial personnel, KMP and Senior Management**

- ◇ The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
- ◇ The remuneration and commission, if any, to be paid to the Directors, Managing Director and senior management shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
- ◇ Increments to the existing remuneration / compensation, structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
- ◇ Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### *Remuneration to Directors, KMPs and other employees*

The policy on remuneration for KMPs and other employees is as below:-

- ◇ The Remuneration/Compensation/Profit linked Incentive etc. to Directors, Managerial Personnel, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The Remuneration / Compensation / Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ◇ The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- ◇ Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- ◇ If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.





- ◇ If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. f. Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.
- ◇ Increments if declared will be effective from 1st April of each financial year in respect of Managerial Personnel, KMP, Senior Management subject to other necessary approvals from statutory authorities as may be required. Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

#### **Remuneration to Non –Executive/Independent Directors**

- ◇ No monthly remuneration to be paid to Non-Executive/ Independent Director.
- ◇ The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### **Monitoring, Evaluation and Removal**

##### ◇ *Evaluation*

The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP and Senior Management on yearly basis.

##### ◇ *Removal*

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

##### ◇ *Minutes of Committee Meeting*

Proceedings of all meetings must be minuted and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board meeting for noting.

#### **Policy Review**

This policy is framed based on the provisions of the Companies Act, 2013 and rules made thereunder.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the committee. Any change or modification on the policy as recommended by the committee would be given for approval of the Board of Directors.

#### **Disclosure**

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.

**By the Order of the Board  
For India Finsec Limited**

Sd/-  
**Gopal Bansal**  
Managing Director  
DIN-01246420

Sd/-  
**Mukesh Sharma**  
Whole Time Director  
DIN-00274217



**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

**Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the Subsidiary	IFL Enterprises Limited
2.	The date since when subsidiary was acquired	10.03.2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	-
5.	Share Capital	1,10,09,380.00
6.	Reserves & Surplus	1,90,00,048.00
7.	Total Assets	3,11,29,653.00
8.	Total Liabilities	11,20,225.00
9.	Investments	2,20,45,500.00
10.	Turnover	33,76,071.00
11.	Profit before taxation	18,72,714.00
12.	Provision for taxation	5,78,669.00
13.	Profit after taxation	12,94,046.00
14.	Proposed Dividend	0.00
15.	Extent of shareholding (in percentage)	64.66 %

**Part “B”: Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	
1. Latest audited Balance Sheet Date	
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate/Joint Ventures held by the company on the year end No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding (in percentage)	Not Applicable
4. Description of how there is significant influence	
5. Reason why the associate/joint venture is not consolidated	
6. Net worth attributable to shareholding as per latest audited Balance Sheet	
7. Profit/Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

FOR V.N. PUROHIT & CO.  
 Firm Regn. No. 304040E  
 Chartered Accountants  
 Sd/-  
 O.P. Pareek  
 Partner  
 Membership No. 014238

Sd/-  
 Gopal Bansal  
 Managing Director  
 DIN-01246420

By the Order of the Board  
 For India Finsec Limited

Sd/-  
 Mukesh Sharma  
 Whole Time Director  
 DIN-00274217

Date: 30.05.2016  
 Place: New Delhi

Sd/-  
 Manoj Kumar Gupta  
 CFO

Sd/-  
 Richa Sharma  
 Company Secretary

**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 arms length transactions under third proviso thereto

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

(a) Name(s) of the related party and nature of relationship	Not Applicable
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) 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 of related party and nature of relationship	Nature of contracts/ arrangements/transactions	Duration of contract	Salient Terms	Date of Approval by the Board	Amount (in INR)
IFL Enterprises Limited	Acquisition of 4,81,163 Equity Shares	-	-	14.02.2016	55,04,700
Gopal Bansal, Managing Directors	Remuneration given	-	-	16.04.2015	4,80,350.00
Mukesh Sharma, Whole Time Director	Sitting Fees	-	-		18,000.00
Mr. Manoj Kumar Gupta	Remuneration given	-	-	16.04.2015	2,40,000.00
Ms. Richa Sharma	Sitting Fees	-	-		12,000.00
Sunita Bansal, Relative of KMP	Remuneration Given	-	-	16.04.2015	9,60,000
Gopal Bansal (HUF), (Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives)	Salary Paid	-	-	30.05.2015	1,96,440
	Rent Paid	01.04.2014	Rent	16.04.2015	7,20,000.00
	Interest Received	to	Agreement		0.00
	Advance Refunded	31.03.2017			0.00
	Rent Paid	01.04.2014	Rent	16.04.2015	72,0,000.00
	Interest Received	to	Agreement		0.00
	Advance Refunded	31.03.2017			0.00

By the Order of the Board  
For India Finsec Limited

Date: 30.05.2016  
Place: New Delhi

Sd/-  
Gopal Bansal  
Managing Director  
DIN-01246420

Sd/-  
Mukesh Sharma  
Whole Time Director  
DIN-00274217



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **1. FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE**

During the Financial Year 2015-2016, under consideration the performance of the Company was outstanding. Net Profit for the year 2015-2016 stood at Rs. 55,58,345/- as against net profit of Rs. 2,49,034/- in the year 2014-2015. Furthermore the Total Revenue for the year ended March 31, 2016 is Rs. 7,23,90,991/- as compared to Rs. 3,25,83,836/- revenue for the year March 31, 2015.

### **2. INDUSTRY STRUCTURE AND DEVELOPMENT**

The Union Budget (2015-2016) brings good news for the Banks and NBFCs. The key highlights are: Firstly, to bring parity in regulation of Non-Banking Financial Companies (NBFCs) with other financial institutions in matters relating to recovery, it is proposed that NBFCs registered with RBI and having asset size of Rs. 500 crore and above will be considered for notifications as 'Financial Institution' in terms of the SARFAESI Act, 2002. Secondly, The three Social Security Schemes viz. Atal Pension Yojana (APY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) have been formally dedicated to the Nation by the Prime Minister on 9th May, 2015. The target under APY is to enroll 2 crore persons under the scheme till 31st December, 2015. All the Public Sector Banks have been allocated targets to enroll 30 accounts per branch per month and Regional Rural Banks have also been allotted a target of 150 accounts per branch. Around 18,99,841 people have joined APY as on 16th January, 2016. The introduction of such specialised players and systems will truly transform the banking value chain in its entirety. This presents a strategic opportunity for NBFCs to ensure sustainable growth over a long term. Partnerships with payments banks, bill payment providers and other financial institutions, such as insurance and asset management companies, will help NBFCs offer the complete proposition—that is, from deposits to lending, investments and transactions. The reach of NBFCs, along with their strong understanding of the market, can help them position themselves as a better alternative to the traditional ways of banking.

India Finsec Limited ("the Company") has also become a part of the current scenario. During the year, the Company was engaged in new projects and assignments. The Company was succeeded in attracting new customers through its diversified products. Also, the Company has enrolled itself with Credit Information Companies. This move helps the Company to provide Loans and advances to only those persons who are reliable and having a good creditworthiness record in the previous transactions. It has also registered itself with CERSAI under SARFAESI Act to strengthen the recovery capabilities of the amount in case of defaulter customers.

### **3. OPPORTUNITIES & THREATS**

There are several exciting opportunities for the company.

- ∇ India's growth rate
- ∇ Focus on Digital and Affluent customer
- ∇ Financial inclusion
- ∇ Utilize technology to provide solutions to customers
- ∇ Increase distribution strength

In the same way, there are threats for the company.

- ∇ Volatile environment
- ∇ Fiscal deficit and Current account deficit
- ∇ Attracting and retaining talent and training them for the right culture
- ∇ Inflation and economic slowdown
- ∇ Competition

### **4. RISK & CONCERNS**

Being a NBFC, India Finsec Limited is exposed to various types of risks like interest rate volatility, economic cycle, credit risk, market risk and operational risk. Such risks are matter of concern for every NBFC. Many of the large corporate houses and banks have also diversified into lending and lending related businesses focusing into niche segments. However, with a rise in number of players, the competition in sector has intensified and impact of stiff competition in the long needs to be observed NBFCs faces high competition from public sector, private sector and foreign banks competing in similar markets.



## 5. PROSPECT & OUTLOOK

The Prospect & Outlook of the Company for the year ahead is to diversify risk and to maintain its quality of services for the customers. The Company has the strategy to enhance its customer base by providing qualitative services to the customers and diversify its products by new technology and enhancing its products. The company has a plan to enhance the business of its subsidiary (IFL Enterprises Limited) i.e. to deal in financial consultancy.

## 6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

There are well-established procedures for Internal Controls for operations of the company. The finance & audit functions are well equipped with professionally experienced qualified personnel & play important roles in implementing the statutory obligations. The company has constituted Audit Committee for guidance and proper control of affairs of the company.

## 7. HUMAN RESOURCES

Human Resources are highly valued assets at **India Finsec Limited**. The company seeks to attract, retain and nurture technical & managerial talent across its operations and continues to create, sustain the environment that brings out the best in our people with emphasis on training, learning & development. It aims at career progression and fulfilling satisfactory needs. Performance is recognized and rewarded through up gradation & job enrichment, performance incentives.

## RESPONSIBILITY FOR THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Board of Directors have reviewed the Management Discussion and Analysis prepared by the Management, and the Independent Auditors have noted its contents. Statement in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties. Company's operations are affected by many external and internal factors which are beyond the control of the management. Thus the actual situation may differ from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

**By the Order of the Board  
For India Finsec Limited**

**Date: 30.05.2016  
Place: Delhi**

Sd/-  
**Gopal Bansal**  
**Managing Director**  
**DIN-01246420**

Sd/-  
**Mukesh Sharma**  
**Whole Time Director**  
**DIN-00274217**



## CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34(3) and Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) the Company submits the following report:

### 1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Board of Directors believes that it is imperative to manage affairs of the company with the prime objective of maximization of shareholders wealth and other stakeholders of the company. The Listing Agreement as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, entered into by the Company with the Stock Exchange contemplates compliance with the Code of Corporate Governance. The Company conducts its affairs with a blend of the following aspects in their required proportions:

- Prudence
- Transparency
- Accountability
- Impartial treatment for all Stakeholders.
- Operating under the purview of the statute.
- Ethical Practices
- Shareholder’s Wealth Maximization

The Securities Exchange Board of India (SEBI) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, “**the Listing Regulations**” on September 2, 2015 by replacing earlier Listing Agreement (w.e.f. December 01, 2015) and is aimed at to consolidate and streamline the provisions of earlier listing agreements for different segments of the Capital Markets viz. equity, debentures, debt instruments etc. As a part of the compliances of the “**Listing Regulations**” as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company presents hereunder the required disclosures in the form of a Report for information of all the stakeholders.

### 2. BOARD OF DIRECTORS

The Board of **India Finsec Limited** comprises of four directors consisting of two Independent Directors (Non Executive) and one is Managing Director and another one is Whole Time Director.

Details of composition of the Board, category, attendance of Directors at the Board Meetings and last Annual General Meeting (AGM), number of other Directorships as on March 31, 2016 are given below:

#### ➤ Composition and Category of Directors:

Name	Designation	Category	No. of other Director-ships	Attendance at Board Meetings	Attendance at previous AGM
<b>Mr. Gopal Bansal</b>	Managing Director	Executive Director	Two	Yes	Yes
<b>Mr. Mukesh Sharma</b>	Whole Time Director	Executive Director	Two	Yes	Yes
<b>Mr. Basant Mittal</b>	Independent Director	Non-Executive Director	One	Yes	Yes
<b>Ms. Charu Goyal</b>	Independent Director	Non-Executive Director	One	Yes	Yes

#### ➤ Meetings of the Board of Directors

The Board of Directors met Twenty Four (24) times i.e. 16.04.2015, 04.05.2015, 30.05.2015, 22.06.2015, 27.07.2015, 28.07.2015, 07.08.2015, 14.08.2015, 01.09.2015, 11.09.2015, 17.09.2015, 25.09.2015, 03.10.2015, 06.11.2015, 04.12.2015, 07.12.2015, 18.12.2015, 08.01.2016, 16.01.2016, 01.02.2016, 05.02.2016, 11.02.2016, 14.02.2016 and 31.03.2016 during the financial year 2015-2016 respectively.

Name	Designation	Category	Board Meetings during the period & Attendance at Board Meetings	
			Held	Attended
<b>Mr. Gopal Bansal</b>	Managing Director	Executive Director	24	24
<b>Mr. Mukesh Sharma</b>	Whole Time Director	Executive Director	24	24
<b>Mr. Basant Mittal</b>	Independent Director	Non-Executive Director	24	12
<b>Ms. Charu Goyal</b>	Independent Director	Non-Executive Director	24	12

- **Disclosure of relationship between director inter-se:** None of the Directors are related to each other.
- **Detail of number of shares and convertible instruments, if any, held by Non-Executive Directors:**

Name of Non-Executive Director	Number of Shares
<b>Mr. Basant Mittal (Non-Executive Independent Director)</b>	0
<b>Ms. Charu Goyal (Non-Executive Independent Director)</b>	20,000
<b>Total</b>	<b>20,000</b>

- **Web Link where details of Familiarization Programmes imparted to Independent Directors is disclosed:**

The Company has conducted a familiarization programme for its Independent Directors during the year. The detail of such familiarization programme is available on the web link i.e. [www.indiafinsec.com/corporate-governance/](http://www.indiafinsec.com/corporate-governance/).

- **Internal Control**

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/ regulatory compliances.

- **Information supplied to the Board**

The Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committees. In addition to the regular business items, the following are regularly placed before the Board to the extent applicable.

- Quarterly results of the Company
- Minutes of the Audit Committee and other Committee of the Board of Director
- Details of Agreements entered into by the Company
- Particulars of Non-Compliance of any statutory or Listing requirement
- Information on recruitment or remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.

- **Minutes of the Board Meeting**

The minutes of the proceedings of every Board and all committee meetings are prepared and approved/initialed by the Chairman within 30 days from the conclusion of the respective meeting.

- **Code of Ethics**

The Company has prescribed a code of ethics for its Directors and senior management personnel. A declaration by the Executive Director to the effect that all the Directors and the senior management personnel have complied with the Code of Ethics laid down for this purpose for the year 2015-2016 is given below:

- **Declaration – Code of Conduct**





This is to confirm that the Board of Directors has laid down a code of conduct for all Directors and Senior Management Personnel of the Company. It is further confirmed that all the Directors and senior management personnel of the Company have duly complied with the Company's Code of Conduct during the financial year 2015-2016 as required under "Listing Regulations" of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

### 3. BOARD COMMITTEES

The Board of Directors has set up committees of Directors to deal with various matters of specific nature which require concentrated and more focused attention and to arrive at quick and timely decisions in these matters.

The Board of Directors has delegated its certain powers to the committees of Directors and these committees shall exercise such power and give the report of the output to the Board for approval at subsequent meetings. The Board has constituted four committees viz. **Audit Committee, Nomination & Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committee.**

#### ➤ AUDIT COMMITTEE

##### Terms of Reference:

The terms of reference of the Audit committee include the following:

1. Review of the quarterly, half yearly and annual financial results of the Company before submission to the Board.
2. Overseeing the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. Holding periodic discussions with statutory auditors and internal auditors of the Company concerning the accounts of the company, internal control systems, scope of audit and observations of auditors.
4. Making recommendations to the Board on any matter relating to the financial management of the Company, including the audit report.
5. Recommendations with respect to appointment and removal of external auditors, fixation of audit fees and also approval of fee for any other services by the auditors.
6. Investigating into any matter in relation to items specified in section 177 of the Companies Act, 2013 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice if necessary.
7. Making recommendations to the Board on any matter relating to the financial management of the Company.

##### Composition of Audit Committee

Details of composition of the Audit Committee and attendance of the members at the meetings are given below:

##### Meetings of the Audit Committee and Attendance of the Members during 2015-2016

Name of Member	Designation	Committee Meetings during the period & Attendance at Committee Meetings	
		Held	Attended
Mr. Basant Mittal	Chairman	5	5
Ms. Charu Goyal	Member	5	5
Mr. Gopal Bansal	Member	5	5
Ms. Richa Sharma	Secretary of the Committee	5	5

During the year, Five (5) Audit Committee meetings were held as on 13.04.2015, 25.05.2015, 31.08.2015, 02.11.2015 and 02.02.2016 respectively.

The Company Secretary is the Secretary of the Committee. The Chief Financial Officer, Statutory Auditors and Internal Auditors are invited to attend the meetings.

##### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a well framed vigil mechanism/whistle blower policy for its directors and employees. During the year all the directors, senior management personnel and other employees complied the vigil mechanism and none of



the complaints are received against any directors and employees for any fraudulent dealings. An Audit Committee of the Board of directors has the responsibility to review the functioning of vigil mechanism and the same has been performed by the committee periodically. The Company has established a Vigil (Whistle Blower) mechanism that provides a channel to the Employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or legal or regulatory requirements incorrect or misrepresentation of any financial statements and reports, etc. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

## ➤ **NOMINATION & REMUNERATION COMMITTEE**

### **Terms of Reference**

The Nomination & Remuneration Committee constituted by the Company is responsible for looking into the remuneration payable to the Whole-time Directors and other Employees of the Company. The Non-Executive Directors of the Company are not entitled for any remuneration other than fee payable for attending Board & Committee Meetings. The Committee frames the policy on specific remuneration packages for Whole-time Directors including pension rights and compensation payments. The Committee also approves the Nomination & Remuneration Policy for employees other than Whole-time Directors as may be recommended to it. The Company has a regular appraisal Policy for all employees.

### **Composition**

The Nomination & Remuneration Committee of the Company has constituted with three (3) directors.

### **Meetings of the Nomination & Remuneration Committee and Attendance of the Members during 2015-2016**

Name of Member	Designation	Committee Meetings during the period & Attendance at Committee Meetings	
		Held	Attended
Mr. Basant Mittal	Chairman	2	2
Ms. Charu Goyal	Member	2	2
Mr. Gopal Bansal	Member	2	2

During the year, Two (2) Nomination & Remuneration Committee meetings were held as on 25.08.2015 and 10.01.2016 respectively.

### **Nomination & Remuneration Policy**

The remuneration of the Executive Director is fixed by the Nomination & Remuneration Committee as constituted above. The Non-Executive Directors are not paid any remuneration. The remuneration of Employees other than Whole-time Directors is approved by the Remuneration Committee based on recommendations made to it.

It also includes:

- attract, recruit, and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.



Non-Executive Directors are only entitled to sitting fees for attending Board and Committee Meetings.

The Company has a Nomination & Remuneration Policy for its directors and senior management personnel under whom Nomination & Remuneration Committee functions and takes decision about the remuneration & perquisites of Directors.

**(a) Details of Remuneration of all the Directors (2015-2016)**

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount (Rs.)
		Gopal Bansal	Mukesh Sharma	Basant Mittal	Charu Goyal	
1.	<b>Gross Salary</b> (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	480350	240000	0	0	720350
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
6.	<b>Total(A)</b>	<b>480350</b>	<b>240000</b>	<b>0</b>	<b>0</b>	<b>720350</b>

**(b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2015-2016**

Name of the Director	Board Meeting (Rs)	Audit Committee Meeting (Rs)	Nomination & Remuneration Committee Meeting (Rs)	Stakeholders' Relationship Committee Meeting (Rs)	Risk Management Committee (Rs.)	Total (Rs.)
<b>Mr. Basant Mittal</b>	12,000	5,000	2,000	4,000	3,000	26,000
<b>Ms. Charu Goyal</b>	12,000	5,000	2,000	4,000	3,000	26,000

There were no pecuniary relationships or transactions of the non-executive director's vis-à-vis the company during the Financial Year ended March 31, 2016.

**Criteria for Performance Evaluation by Nomination Committee**

The Nomination & Remuneration Committee formulated a **Performance Evaluation Policy** for evaluation of performance of the Directors, Key Managerial Personnel and other employees of the Company. This policy aims at establishing a procedure for conducting periodical evaluation of directors' performance and formulating the criteria for determining qualification, positive attribute and independence of each and every director of the Company in order to effectively determine issues relating to remuneration of every director, key managerial personnel and other employees of the Company.

➤ **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Company has Stakeholders Relationship Committee that met regularly to approve share transfers, transmissions, issue of duplicate share certificates, Rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non receipt of share certificates,

etc. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agents.

#### Composition as on date

The Stakeholders Relationship Committee of the Company has been constituted with Three Director.

During the year, Four (4) Stakeholders Relationship Committee meetings were held as on 26.06.2015, 01.09.2015, 22.12.2015 and 25.02.2016 respectively.

#### Meetings of the Stakeholders Relationship Committee and Attendance of the Members during 2015-2016

Name of Member	Designation	Committee Meetings during the period & Attendance at Committee Meetings	
		Held	Attended
Mr. Basant Mittal	Chairman	4	4
Ms. Charu Goyal	Member	4	4
Mr. Gopal Bansal	Member	4	4

#### Compliance Officer

Name	Designation
Ms. Richa Sharma	Company Secretary & Compliance Officer

#### Pending Investors' Complaints

No investor complaints are pending as on the date of Board's Report. The Company does not have any pending share transfers as on the date of Board's Report. The details of number of complaints during the financial year 2015-2016 are mentioned below:

S. No.	Nature of Queries/ Complaints	Pending as on 01.04.2015	Received during the year	Redressed during the year	Pending as on 31.03.2016
1	Transfer/ Transmission of Duplicate Share Certificate	Nil	Nil	Nil	Nil
2	Non-receipt of Dividend	Nil	Nil	Nil	Nil
3	Dematerialization/Dematerialization of Shares	Nil	Nil	Nil	Nil

#### ➤ RISK MANAGEMENT COMMITTEE

The Risk Management Committee constituted by the company is responsible for assessment of all types of risks like credit risk, market risk and operational risk etc and the find the measures to mitigate/ diversified such risks. The Company has a well framed policy for assessment of risks and their precautionary measures. The Risk Management Committee is responsible for submitting its report to the Board of Directors of the Company.

The Risk Management Committee has been constituted with the following three directors:-

#### Meetings of the Risk Management Committee and Attendance of the Members during 2015-2016

Name of Member	Designation	Committee Meetings during the period & Attendance at Committee Meetings	
		Held	Attended
Mr. Gopal Bansal	Chairman & Member	3	3
Ms. Charu Goyal	Member	3	3
Mr. Basant Mittal	Member	3	3

During the year, Three (3) Risk Management Committee meetings were held as on 12.08.2015, 28.11.2015 and 10.02.2016 respectively.

#### 4. MEETING OF INDEPENDENT DIRECTOR

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors of the Company was held. The Independent Directors of the Company had met during the year on June 24, 2015 to review the performance of

Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.

## 5. GENERAL BODY MEETINGS

### ➤ ANNUAL GENERAL MEETINGS

Details of location, date and time of the Annual General Meetings held during the last three years are given below:

Day	Date	Time	Venue	Whether any Special Resolution passed in the Annual General Meeting (Yes/ No)
Monday	30.09.2013	11:00 A.M.	D-16, Prashant Vihar, Sector-14, Rohini, New Delhi-110085	No
Monday	28.07.2014	12:00 P.M.	D-16, Prashant Vihar, Sector-14, Rohini, New Delhi-110085	No
Tuesday	29.09.2015	03:00 P.M.	D-16, Prashant Vihar, Sector-14, Rohini, New Delhi-110085	Yes

### ➤ EXTRAORDINARY GENERAL MEETINGS

Details of location, date and time of the Extraordinary General Meetings held during the year are given below:

Day	Date	Time	Venue	Whether any Special Resolution passed in the Extraordinary General Meeting (Yes/ No)
Monday	15.02.2016	3:00	D-16, Prashant Vihar, Sector-14, Rohini, New Delhi-110085	Yes

### ➤ POSTAL BALLOT

During the year 2015-16, pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company passed the following Special Resolutions by postal ballot:

S. No.	Special Resolutions	Votes cast in favour of the Resolution		Votes cast against the resolution		Invalid Votes		Date of Declaration of Results
		No.	%	No.	%	No.	%	
1.	Migration of company from SME platform to main board of BSE (Special Resolution)	13493815	100	0	0	0	0	24.07.2015
2.	Alteration of Memorandum of Association (Special Resolution)	13493815	100	0	0	0	0	24.07.2015
3.	Adoption of New Set of Articles of Association as per Companies Act 2013 (Special Resolution)	13493815	100	0	0	0	0	24.07.2015



The Company successfully completed the process of obtaining approval of its shareholders for Special Resolutions on the items detailed above, vide postal ballot.

Ms. RachnaBhasin, Practicing Company Secretary was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

No Special Resolutions are proposed to be conducted through postal ballot in the ensuing Annual General Meeting.

#### **Procedure for postal ballot**

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules and Listing Regulations, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company generally engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members /list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules. Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman or any other Director of the Company, after the completion of scrutiny of the postal ballots (including remote e-voting). The results of the postal ballot (including remote e-voting) are announced by the Chairman or any other Director of the Company. The results are also displayed at the registered office of the Company, intimated to NSDL and the Stock Exchanges where the Company's shares are listed and also displayed along with the Scrutinizer's report on the Company's website viz. [www.indiafinsec.com](http://www.indiafinsec.com). The resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

#### **6. COMPLIANCE UNDER NON-COMPLIANCE REQUIREMENTS**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company complied with all mandatory requirements and has adopted non-mandatory requirements as per details given below:

- (a) **The Board:** The Company does not have Non-Executive Chairman.
- (b) **Shareholder's Right:** The quarterly and half yearly results are published in the newspaper, displayed on the website of the Company and are sent to the Stock Exchange where the shares of the Company are listed.
- (c) **Modified opinion in Audit Report:** The auditors have provided unmodified report on financial statements. The Company continues to adopt best practices in order to ensure financial statements with unmodified audit opinion.
- (d) **Reporting of Internal Auditor:** The Internal Auditors of the Company report to the Audit Committee.

#### **7. DISCLOSURES**

- No transaction of material nature has been entered into by the company with directors or management and their relatives etc that may have a potential conflict with the interests of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
- There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.
- The Company is in compliance with all the mandatory requirements of Corporate Governance and has fulfilled the non-mandatory requirements;
- The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of Financial Statements.
- The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.



- The Company has well framed Vigil Mechanism/ Whistle Blower Policy and we affirmed that no personnel has been denied access to the Audit Committee.
- The Company has adopted with the Code of Conduct applicable to all Directors, senior management and employees. The Declaration as required under Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with this Report.
- The CEO and CFO have given a certificate as contemplated in Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement. This certificate is annexed with this Report.
- The requirements of the Audit and other Committees as contemplated in Listing Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with as per the report set above in respect of the same.
- The Policy for determining 'material' subsidiaries is available on the website of the Company and its web link is [www.indiafinsec.com/corporate-governance](http://www.indiafinsec.com/corporate-governance)
- The Policy on dealing with related party transactions is available on the website of the Company and its web link is [www.indiafinsec.com/corporate-governance](http://www.indiafinsec.com/corporate-governance)
- Disclosure of commodity price risks and commodity hedging activities.

#### 8. MEANS OF COMMUNICATION

The Company has published financial results within time specified i.e. 48 hours as required by the Regulation 47(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been uploaded on the website of the Company i.e. [www.indiafinsec.com](http://www.indiafinsec.com). No targeted presentations were made during the year under review. The Management Discussion & Analysis Report forms part of the Annual Report of the Company as required under the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 9. MATERIALLY RELATED PARTY DISCLOSURES

There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, the Management, subsidiaries or relatives. Detailed information on materially significant related party transactions are enclosed in AOC-2 to the Board's Report.

#### 10. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting Schedule	
Date	September 28, 2016 (Wednesday)
Time	01:00 p.m.
Venue	D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085
Date of Book Closure	
Tuesday, September 20, 2016 to Wednesday, September 28, 2016	
Financial Year	
April 1, 2015 to March 31, 2016	
Dividend Payment Date	
Not Applicable	
Name and Address of the Stock Exchange at which the Company's securities are listed	
Bombay Stock Exchange Limited (BSE) Address: PJ Towers, Dalal Street Fort, Mumbai-400001	
Payment of Annual Listing Fee to Stock Exchange	
Yes, the Annual Listing Fees has been paid to BSE Limited for the financial year 2015-2016.	
Stock Code	
BSE Limited- 535667	
Registrar to an issue and share transfer agents	

M/s Skyline Financial Services Private Limited  
D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020  
Contact No.-011-64732681 to 88  
Email Id- [admin@skylinerta.com](mailto:admin@skylinerta.com)

Address for Correspondence

D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085  
Contact No. 011-45805612  
Email- [indiafinsec@gmail.com](mailto:indiafinsec@gmail.com)

ISIN:-INE474O01010

Share Transfer System

The Company has delegated the authority to approve shares received for transfer in physical form to M/s Skyline Financial Services Private Limited.

Dematerialization of shares and liquidity

Company has an agreement with M/s Skyline Financial Services Private Limited for dematerialization of shares

Outstanding GDR or ADR or warrants or any convertible instruments, conversion date and likely impact on equity  
Nil

Plant Locations

We have only Registered Office in New Delhi

Corporate Secretarial/Investors' Assistance Department

Secretarial Department headed by Ms. Richa Sharma, Company Secretary of the Company

Distribution of Shareholding as on March 31, 2016

No. of Equity Shares Held (Rs.)	Number of Shareholders	% to Total Numbers	Share holding Amount (Rs.)	% to Total Amount
1	2	3	4	5
Up To 5,000	36	6.42	12540	0.01
5001 To 10,000	0	0	0	0
10001 To 20,000	8	1.43	159960	0.06
20001 To 30,000	0	0	0	0
30001 To 40,000	2	0.36	80000	0.03
40001 To 50,000	1	0.18	50000	0.02
50001 To 1,00,000	233	41.53	23034000	9.24
1,00,000 and Above	281	50.09	226080650	90.64
<b>Total</b>	<b>561</b>	<b>100</b>	<b>249417150</b>	<b>100</b>

Shareholding Pattern as on March 31, 2016



### Market Price Data

Date	Open	High	Low	Close	WAP	No Of Shares	No Of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread H-L	* Spread C-O
06-04-15	10.46	10.46	10.46	10.46	10.46	6000	1	62760	6000	100	0	0
27-04-15	10.98	10.98	10.98	10.98	10.98	8000	2	87840	8000	100	0	0
28-04-15	11.52	11.52	10.98	10.98	11.05	128000	20	1414320	128000	100	0.54	-0.54
08-05-15	10.45	10.45	10.45	10.98	10.45	12000	2	125400	12000	100	0	0.53
12-05-15	10.9	10.9	10.9	10.9	10.9	8000	1	87200	8000	100	0	0
13-05-15	10.82	10.82	10.82	10.82	10.82	8000	1	86560	8000	100	0	0
14-05-15	10.28	10.28	10.28	10.28	10.28	24000	3	246720	24000	100	0	0
15-05-15	10.17	10.17	10.17	10.17	10.17	8000	1	81360	8000	100	0	0
22-05-15	9.67	9.67	9.67	9.67	9.67	8000	1	77360	8000	100	0	0
02-06-15	10.15	10.15	10.15	10.15	10.15	8000	1	81200	8000	100	0	0
23-06-15	10.4	10.4	10.4	10.4	10.4	8000	1	83200	8000	100	0	0
26-06-15	10.9	10.9	10.9	10.9	10.9	8000	1	87200	8000	100	0	0
29-07-15	10	10	10	10	10	40000	5	400000	40000	100	0	0
30-07-15	10	10	10	10	10	8000	1	80000	8000	100	0	0
31-07-15	10	10	10	10	10	8000	1	80000	8000	100	0	0
06-08-15	8.05	8.05	8.05	8.05	8.05	8000	1	64400	8000	100	0	0
19-08-15	6.46	6.46	6.46	6.46	6.46	8000	1	51680	8000	100	0	0
26-08-15	5.17	5.17	5.17	5.17	5.17	8000	1	41360	8000	100	0	0
21-09-15	5.68	5.68	4.7	4.84	4.84	56000	7	271120	56000	100	0.98	-0.84
22-09-15	5.32	5.32	5.32	5.32	5.32	656000	34	3489920	656000	100	0	0
16-10-15	6.38	6.38	6.38	6.38	6.3	10	1	63	10	100	0	0
21-10-15	7.55	7.55	7.55	7.55	7.55	66	1	498	66	100	0	0
23-10-15	8.25	8.25	8.25	8.25	8.25	200	1	1650	200	100	0	0
27-10-15	8	8	8	8	8	2010	2	16080	2010	100	0	0
02-11-15	7.99	7.99	7.99	7.99	7.9	10	1	79	10	100	0	0
10-11-15	8.38	8.38	8.38	8.38	8.3	10	1	83	10	100	0	0
24-11-15	8.49	8.49	8.49	8.49	8.4	5	1	42	5	100	0	0
02-12-15	8.44	8.44	8.44	8.44	8.44	200	2	1688	200	100	0	0
10-12-15	8.02	8.1	8.02	8.1	8.03	15689	5	125985	15689	100	0.08	0.08
11-12-15	8.5	8.5	8.5	8.5	8	1	1	8	1	100	0	0
16-12-15	8.5	8.5	8.5	8.5	8.33	3	2	25	3	100	0	0
29-12-15	8.08	8.08	8.08	8.08	8	10	1	80	10	100	0	0
06-01-16	8.48	8.48	8.48	8.48	8.48	50	1	424	50	100	0	0
07-01-16	8.9	8.9	8.9	8.9	8.9	20554	12	182930	20050	97.55	0	0
20-01-16	9.33	9.33	9.32	9.32	9.31	64	6	596	64	100	0.01	-0.01





21-01-16	9.78	9.78	9.78	9.78	9.78	40	4	391	40	100	0	0
28-01-16	10.26	10.26	10.26	10.26	10	1	1	10	1	100	0	0
29-01-16	10.5	10.5	10.5	10.5	10	1	1	10	1	100	0	0
02-02-16	11.02	11.02	10	10	10	42004	8	420045	42002	100	1.02	-1.02
03-02-16	10.25	10.25	9.5	9.5	9.55	18300	15	174787	18000	98.36	0.75	-0.75
04-02-16	9.1	9.97	9.1	9.97	9.39	75	3	704	50	66.67	0.87	0.87
08-02-16	10.46	10.46	10.46	10.46	10.4	10	1	104	10	100	0	0
10-02-16	10.98	10.98	10.98	10.98	10	1	1	10	1	100	0	0
11-02-16	11.5	11.5	11.5	11.5	11.5	50	1	575	50	100	0	0
15-02-16	12.07	12.07	12.07	12.07	12.04	26	2	313	26	100	0	0
18-02-16	12.67	12.67	12.07	12.07	12.08	51	3	616	51	100	0.6	-0.6
24-02-16	12.66	12.66	12.66	12.66	12	1	1	12	1	100	0	0
26-02-16	12.5	12.5	12.5	12.5	12.5	10	1	125	10	100	0	0
03-03-16	13.1	13.1	13	13	13	2	2	26	0	0	0.1	-0.1
09-03-16	12.35	12.35	12.35	12.35	12.35	8000	8	98800	8000	100	0	0
10-03-16	11.74	11.74	11.74	11.74	11.74	4000	4	46960	4000	100	0	0
11-03-16	11.16	11.16	11.16	11.16	11.16	21000	10	234360	21000	100	0	0
29-03-16	10.61	10.61	10.61	10.61	10.61	27200	10	288592	20600	75.74	0	0

For India Finsec Limited

Date: 30.05.2016  
Place: New Delhi

Sd/-  
Gopal Bansal  
Managing Director  
DIN-01246420

Sd/-  
Mukesh Sharma  
Whole Time Director  
DIN-00274217





## **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

The Members of  
**India Finsec Limited**  
New Delhi

I have examined the compliance of conditions of Corporate Governance by **India Finsec Limited** for the year ended on March 31, 2016, under Clause 49 of the Listing Agreement with BSE Limited for the period from 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Regulation 15(2), Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the period from 1st December, 2015 to 31st March, 2016 of the said Company.

The compliance of conditions of Corporate Governance is the responsibility of Management. My examination was limited to procedures and implementation thereof, adopted by the company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned Listing Agreement.

I state that no investor grievances are made against the company as per the records maintained by the Investors Grievance Committee.

I further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

**Date: 30-05-2016**  
**Place: New Delhi**

**Sd/-**  
**Rachna Bhasin**  
**Company Secretary in Practice**  
**ACS No.- 23539**  
**C P No.- 12952**



## CHAIRMAN'S DECLARATION ON CODE OF CONDUCT

To,  
The Members of  
India Finsec Limited  
New Delhi

I Gopal Bansal, Chairman of the Company declare that all Board Members and Senior Management of the company have affirmed compliance of code of conduct.

**By the Order of the Board  
For India Finsec Limited**

**Date: 30.05.2016  
Place: New Delhi**

Sd/-  
**Gopal Bansal**  
Chairman & Managing Director  
DIN-01246420



**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To,  
The Board of Directors  
India Finsec Limited  
New Delhi

Dear Members of the Board

We, Manoj Kumar Gupta, Chief Financial Officer and Gopal Bansal, Managing Director of **India Finsec Limited**, to the best of my knowledge and belief hereby certify that:

- (a) We have reviewed financial statements and the cash flow statements for the year ended March 31, 2016 and that to the best of my knowledge and belief;
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct;
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - (i) Significant changes in the internal control over financial reporting during the year under reference;
  - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**By the Order of the Board  
For India Finsec Limited**

**Date: 30.05.2016  
Place: New Delhi**

Sd/-  
**Gopal Bansal**  
Managing Director  
DIN-01246420

Sd/-  
**Manoj Kumar Gupta**  
Chief Financial Officer  
PAN- AEUPG8308R



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR  
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and for its Non- Executive Directors and Independent Directors. These codes are available on the Company's website <http://www.indiafinsec.com/corporate-governance/>

I confirm that the Company has in respect of the Financial Year ended March 31, 2016, received from the Senior Management Team of the Company and the members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, Managing Director, Whole Time Director and the Company Secretary as on March 31, 2016.

**By the Order of the Board  
For India Finsec Limited**

**Date: 30.05.2016  
Place: New Delhi**

Sd/-  
**Gopal Bansal**  
**Chairman & Managing Director**  
**DIN-01246420**



## **AUDITOR'S REPORT**

### **INDEPENDENT AUDITOR'S REPORT (STANDALONE)**

**To the Shareholders of  
INDIA FINSEC LIMITED**

#### **Report on standalone financial statements**

We have audited the accompanying standalone financial statements of INDIA FINSEC LIMITED ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place the adequate internal financial control system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Opinion**

In our opinion and to the best of our information and the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:

- i. In case of the Balance Sheet, of the **state of affairs** of the company as at 31<sup>st</sup> March 2016;
- ii. In case of Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- iii. In case of Cash Flow Statement, of the **cash flows** for the year ended on that date.



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 (the Order), as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure- A**, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. The Company is a Non- Banking Financial Company not accepting public deposit and holding certificate of registration no. B-14.00127 dated 21/02/2002 from Reserve Bank of India has been issued to the Company.
  - a. The Board of Directors of the company has passed a resolution for the non-acceptance of any public deposits.
  - b. The company has not accepted any public deposits during the relevant year.
  - c. The company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it
3. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. The observation of financial transactions does not reveal any matter which has any adverse effect on the functioning of the Company.
  - g. With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure- B**.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations in its standalone financial statements;
    - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses. However, company does not enter into any long-term contracts including derivative during the specified period;
    - iii) The Company is not required to transfer any amount to the Investor Education and Protection Fund.

Signed for the purpose of identification

**FOR V.N. PUROHIT & CO.**

**Chartered Accountants**

Firm Regn. No. 304040E

Sd/-

**O.P. Pareek**

Partner

Membership No. 014238

New Delhi, the 30<sup>th</sup> day of May 2016



## ANNEXURE- A TO THE AUDITOR'S REPORT

The Annexure referred to in Paragraph 1 under the heading of “Report on other Legal and Regulatory Requirements” of our report of even date to the members of **India Finsec Limited** (the Company) for the year ended on 31<sup>st</sup> March 2016.

- (i) (a) As per information and explanation given to us, the Company is maintaining proper records showing full disclosures of the fixed assets;  
  
(b) As per information and explanation given to us, physical verification of fixed assets has been conducted once in a year by the management and no material discrepancies were noticed during the course of verification;  
  
(c) According to information and explanation given to us, the company does not hold any immovable property during the period dealt with by this report;
- (ii) As per information and explanation given to us, physical verification of inventory has been conducted once in a year by the management and no material discrepancies were noticed during the course of verification;
- (iii) According to information and explanations given to us, the Company has not granted unsecured loans to parties covered in register maintained under section 189 of the Companies Act, 2013 and hence provisions of this sub-clause are not applicable;
- (iv) According to information and explanations given to us, the Company has complied with the provisions of Section 185 and section 186 to the extent applicable of the Companies Act, 2013 in respect of loans, investments, guarantees and security given;
- (v) According to information and explanations given to us, the Company has not accepted public deposits and the provision of section 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the Company;
- (vi) According to information and explanations given to us, the Company is not liable to maintain cost records as prescribed under section 148(1) of the Companies Act, 2013;
- (vii) (a) According to information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including income-tax and any other applicable statutory dues to the appropriate authorities and there are no outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable;  
  
(b) According to information and explanations given to us, there are no outstanding statutory dues on the part of Company which is not deposited on account of dispute;
- (viii) According to information and explanations given to us, the company has not made any default in respect of loans and borrowings obtained from financial institution and banks;
- (ix) According to information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer. The Company has not taken any term loans from any bank or financial institution;
- (x) According to information and explanations given to us, there is no noticed or unreported fraud on or by the Company during the year under audit;
- (xi) According to information and explanations given to us, the Company has paid managerial remuneration in accordance with applicable provisions of the Companies Act, 2013;
- (xii) As per information, the Company is not a Nidhi Company, hence provisions of sub- clause (xii) of the Paragraph 3 of the Order are not applicable;
- (xiii) According to information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards;





- (xiv) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- (xv) According to information and explanations given to us, the Company has not entered into non- cash transactions with directors or persons connected with him;
- (xvi) According to information and explanations given to us, the Company is a Non- Banking Financial Company duly registered under Section 45-1A of the Reserve Bank of India Act, 1934.

Signed for the purpose of identification

**FOR V.N. PUROHIT & CO.**

**Chartered Accountants**

Firm Regn. No. 304040E

Sd/-

**O.P. Pareek**

Partner

Membership No. 014238

New Delhi, the 30<sup>th</sup> day of May 2016



## **ANNEXURE- B TO THE AUDITOR'S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub- section (3) of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of INDIA FINSEC LIMITED (“the Company”) as on 31<sup>st</sup> March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for the Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that: -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company’s assets that could have a material effect on the standalone financial statements.



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and could not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on “the internal financial controls over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**FOR V.N. PUROHIT & CO.**

**Chartered Accountants**

Firm Regn. No. 304040E

Sd/-

**O.P. Pareek**

Partner

Membership No. 014238

New Delhi, the 30<sup>th</sup> day of May 2016



INDIA FINSEC LIMITED

CIN- L65923DL1994PLC060827

**BALANCE SHEET AS AT 31ST MARCH, 2016**

*[Amount in Rupees]*

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
<b><u>EQUITY AND LIABILITIES</u></b>			
Shareholders' Funds			
Share Capital	3	249,417,150	249,417,150
Reserves and Surplus	4	166,935,081	163,036,613
Non-Current Liabilities			
Long-term Borrowings	5	156,907	220,852
Long-term Provisions	6	1,722,132	845,637
Current liabilities			
Short-term Borrowings	7	3,000,000	-
Trade Payables	8	638,556	457,908
Short-Term Provisions	9	2,526,873	150,724
<b>Total</b>		<b>424,396,699</b>	<b>414,128,884</b>
<b><u>ASSETS</u></b>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	970,601	1,058,317
Non-Current Investments	11	14,162,685	-
Capital & amortised expenses not w/off	12	-	-
Deferred Tax Assets (net)	13	188,790	137,539
Current Assets			
Inventories	14	11,621,196	11,773,377
Cash and Cash Equivalents	15	1,886,314	14,956,204
Trade Receivables	16	-	1,604,446
Short-term loan and advances	17	394,310,909	382,714,694
Other current assets	18	1,256,205	1,884,307
<b>Total</b>		<b>424,396,699</b>	<b>414,128,884</b>
Summary of significant accounting polices	2		



See accompanying notes are an integral part of the financial statements.

IN TERMS OF OUR REPORT ATTACHED

FOR V.N. PUROHIT & CO.

Firm Regn. No. 304040E

Chartered Accountants

For and on behalf of the Board of Directors of

INDIA FINSEC LIMITED

Sd/-	Sd/-
O.P. Pareek	Gopal Bansal
Partner	Managing Director
Membership No. 014238	DIN -01246420
	Mukesh Sharma
	Director
	DIN -00274217

New Delhi, the 30th day of May 2016

Sd/-	Sd/-
Manoj Kumar Gupta	Richa Sharma
CFO	Company Secretary
	MN-37557



INDIA FINSEC LIMITED

CIN- L65923DL1994PLC060827

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	Note No.	[Amount in Rupees]	
		From 1st April 2015 to 31st March 2016	From 1st April 2014 to 31st March 2015
<b>INCOME:</b>			
Revenue from Operations	19	71,631,216	32,553,947
Other Income	20	759,775	29,889
<b>Total Revenue</b>		<b>72,390,991</b>	<b>32,583,836</b>
<b>EXPENSES</b>			
Purchases of Stock in trade	21	36,653,609	16,774,216
Changes in inventories of Stock in trade	22	152,181	(1,973,575)
Employee Benefit expenses	23	5,141,304	4,160,275
Finance Cost	24	295,795	51,713
Depreciation & Amortization expenses	25	481,542	1,042,295
Other Administrative expenses	26	21,632,592	12,168,513
<b>Total Expenses</b>		<b>64,357,023</b>	<b>32,223,437</b>
Profit before tax		8,033,968	360,398
Tax expenses			
Current Tax		2,526,873	150,724
Deferred Tax		(51,251)	(39,360)
<b>Total Tax Expenses</b>		<b>2,475,622</b>	<b>111,364</b>
Profit after tax (PAT)		5,558,346	249,034
<b>Net profit for the year</b>		<b>5,558,346</b>	<b>249,034</b>
<b>Earning per share (EPS)</b>			
[nominal value of share Rs. 10/-]			
Basic		0.223	0.001
Diluted		0.223	0.001
<b>Summary of significant accounting polices</b>	<b>2</b>		

See accompanying notes are an integral part of the financial statements.



IN TERMS OF OUR REPORT ATTACHED

FOR V.N. PUROHIT & CO.

Firm Regn. No. 304040E

Chartered Accountants

For and on behalf of the Board of Directors of

**INDIA FINSEC LIMITED**

Sd/-

Sd/-

Sd/-

**Gopal Bansal**

**Mukesh Sharma**

O.P. Pareek

**Managing Director**

**Director**

Partner

**DIN -01246420**

**DIN -00274217**

Membership No. 014238

New Delhi, the 30th day of May 2016

Sd/-

Sd/-

**Manoj Kumar Gupta**

**Richa Sharma**

**CFO**

**Company Secretary**

**MN-37557**





INDIA FINSEC LIMITED

CIN- L65923DL1994PLC060827

**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2016**

	<i>[Amount in Rupees]</i>	
	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and after extra-ordinary items as per profit & loss account	8,033,968	3,60,398
<b>Adjustments for items not included:</b>		
Depreciation and Amortisation Expense	481,542	1,042,295
Operating Profit before working capital changes	8,515,510	1,402,693
<b>Adjustment for Working capital:</b>		
(Increase)/ decrease in current loans and advances	(14,618,293)	(84,031,346)
(Increase)/ decrease in Trade receivables	1,604,446	5,030,408
(Increase)/ decrease in inventories	152,181	(1,973,575)
(Increase)/ decrease in other current assets	628,102	1,238,624
Increase/ (decrease) in trade payables	180,648	139,354
<b>Cash generated from operations</b>	<b>(3,537,406)</b>	<b>(78,193,841)</b>
Direct Taxes Paid	1,300,321	(22,121)
<b>Net cash flow from operating activities (A)</b>	<b>(2,237,085)</b>	<b>(78,215,962)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale/(Purchase) of fixed assets	393,826	26,770,836
Sale/(Purchase) of investments	(14,162,685)	-
<b>Net cash flow from investing activities (B)</b>	<b>(13,768,859)</b>	<b>26,770,836</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of Share Capital	-	64,075,000
Increase/ (decrease) in borrowings	2,936,054	(331,075)
<b>Net cash flow from financing activities (C)</b>	<b>2,936,054</b>	<b>63,743,925</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>(13,069,889)</b>	<b>12,298,799</b>
Add: Opening cash and cash equivalents	14,956,204	2,657,405
<b>Closing cash and cash equivalents</b>	<b>1,886,315</b>	<b>14,956,204</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	502,655	2,403,127
Deposit with banks	1,383,659	238,233
Cheque In Hand	-	12,314,844
<b>Total cash and cash equivalents (Note 15)</b>	<b>1,886,314</b>	<b>14,956,204</b>

IN TERMS OF OUR REPORT ATTACHED

FOR V.N. PUROHIT & CO.

Firm Regn. No. 304040E

Chartered Accountants

Sd/-  
O.P. Pareek

Partner

Membership No. 014238

New Delhi, the 30th day of May 2016

For and on behalf of the Board of Directors of  
INDIA FINSEC LIMITED

Sd/-  
Gopal Bansal  
Managing  
Director

DIN -01246420

Sd/-  
Manoj Kumar  
Gupta  
CFO

Sd/-  
Mukesh Sharma  
Director

DIN -00274217

Sd/-  
Richa Sharma  
Company  
Secretary



Schedule to the Balance Sheet of a  
Non-Banking Financial Company

[As required in terms of Paragraph 9BB of Non-Banking Financial Companies

Prudential Norms (Reserve Bank) Directions, 1998]

INDIA FINSEC LIMITED

CIN- L65923DL1994PLC060827

D-16, 1st Floor, Above ICICI Bank, Prashant Vihar,  
Sector-14, Rohini, New Delhi-110085

RBI No. B-14-00127 Dt.21.02.2002

(Rs.in lakhs)

Particulars		31.03.2016	
<b>Liabilities side :</b>			
<b>1</b>	<b>Loans and advances availed by the NBFCs</b>	Amount	Amount
	<b>inclusive of Interest accrued thereon but not paid :</b>	Outstanding	overdue
	(a) Debentures : Secured	NIL	NIL
	: Unsecured	NIL	NIL
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans (Car Loans)	1.57	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Public Deposits*	NIL	NIL
	(g) Other Loans (specify nature) - Car Loan	NIL	NIL
	*Please see Note I below		
<b>2</b>	<b>Break-up of (1)(f) above (Outstanding public deposits</b>		
	<b>Inclusive of Interest accrued thereon but not paid) :</b>		
	(a) In the form of Unsecured debentures	NIL	NIL
	(b) In the form of partly secured debentures i.e debentures	NIL	NIL
	where there is a shortfall in the value of security		
	(c) Other public deposits	NIL	NIL
<b>Assets side :</b>		<b>Amount Outstanding</b>	
<b>3</b>	<b>Break-up of Loans and Advances including bills</b>		
	<b>receivables[other than those Included in (4) below] :</b>		
	(a) Secured		Nil
	(b) Unsecured		3943.11
<b>4</b>	<b>Break-up of Leased Assets and stock on hire and</b>		
	<b>hypothecation loans counting towards EL/HP Activities</b>		NIL
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease		NIL
	(b) Operating Lease		NIL
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		NIL
	(b) Repossessed Assets		NIL
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed		NIL
	(b) Loans other than (a) above		NIL

**5 Break-up of Investments :**

Current Investments :

1. Quoted :

(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debenture and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Governments Securities	NIL
(v) Others (please specify)	NIL

2. Unquoted :

(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debenture and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Governments Securities	NIL
(iii) Others (Please specify)	NIL

Long Term Investments :

Current Investments :

1. Quoted :

(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debenture and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Governments Securities	NIL
(v) Others (please specify)	NIL

2. Unquoted :

(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debenture and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Governments Securities	NIL
(iii) Others (Please specify)	NIL

**6 Borrower group-wise classification of all leased stock-on-hire and loans and advances :**

Category Amount net of provisions

	Secured	Unsecured	Total
1. Related Parties "	NIL	NIL	NIL
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	3943.11	3943.11
<b>Total</b>	NIL	3943.11	3943.11

**7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**

Category	Market Value / Break-up or	Book Value (Net of
----------	----------------------------	--------------------

	Fair value or NAV	Provisions)
1. Related Parties "	NIL	NIL
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	NIL	NIL
Total	NIL	NIL

8	Other Information	
	Particulars	Amount
	(i) Gross Non-Performing Assets	
	(a) Related parties	NIL
	(b) Other than related parties	NIL
	(ii) Net Non-Performing Assets	
	(a) Related parties	NIL
	(b) Other than related parties	NIL
	(iii) Assets acquired in satisfaction of debt	NIL

Notes :

1	As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2	Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
3	All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break-up/fair value/ Nav in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

FOR V.N. PUROHIT & CO.

For and on behalf of the Board of Directors of

Firm Regn. No. 304040E

**INDIA FINSEC LIMITED**

Chartered Accountants

Sd/-	Sd/-
O.P. Pareek	Mukesh Sharma
Partner	Director
Membership No. 014238	DIN -00274217
	DIN -01246420
	Gopal Bansal
	Managing Director

New Delhi, the 30th day of May 2016	Sd/-	Sd/-
	Manoj Kumar	Richa Sharma
	Gupta	Company Secretary
	CFO	MN-37557



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2016

### 1. Basis of preparation of Financial Statement

The Financial Statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these Financial Statements to comply in all material respect with the accounting standards notified under the Companies ( Accounting standards) Rule, 2006, (as amended) and the relevant provision of the companies Act, 2013. The Financial Statements have been prepared on the accrual basis and under the historical cost convention.

### 2. Summary of significant accounting policies :

#### a. Use of estimates

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current event and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period.

#### b. Fixed assets

Fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

#### c. Depreciation on Fixed assets

Depreciation on fixed asset is provided on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the asset as prescribed in Schedule II to the Companies Act 2013.

#### d. Revenue recognition

Having regards to the size, nature and level of operation of the business, the company is applying accrual basis of accounting for recognition of income earned and expenses incurred in the normal course of business.

#### e. Investments

Current investment are stated at lower of cost or quoted/ fair value computed category- wise. Non- current Investments including are stated at cost. Provision for diminution in the value of non- current investments is made only if such decline is other than temporary.

#### f. Inventories

Inventories include investments in shares of other companies held for the purpose of sale in the ordinary course of business. The company classified such investments as inventory and valuation of them has been made at cost.

#### g. Taxes on Income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period.

Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

#### h. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resource embodying economic benefits will be require to settle the obligation and a reliable estimate can be



made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are review at the end of each reporting date and adjusted to reflect the current best estimates.

**i. Earnings Per Share**

Basic Earnings per Share has been calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted Earnings per Share has been computed by dividing the net profit after tax by the weighted average no. of equity shares considered for deriving basic Earnings per Share and also the weighted average no. of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**j. Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at bank and short term investments with the original maturity of three months or less.

**k. Previous year figures**

The company has reclassified previous year figures to conform to current year's classification.

3. Share capital	As at 31st March 2016 (Rupees)	As at 31st March 2015 (Rupees)
<b>Authorised shares</b>		
2,50,00,000 (31 March 2015: 2,50,00,000) Equity Shares of Rs.10 each.	250,000,000	250,000,000
<b>Issued, subscribed and fully paid- up shares</b>		
2,49,41,715 (31 March 2015: 2,49,41,715) Equity Shares of Rs.10 each fully paid up.	249,417,150	249,417,150
<b>Total issued, subscribed and fully paid- up share capital</b>	<b>249,417,150</b>	<b>249,417,150</b>

**a.Reconciliation of Shares outstanding at the beginning and at the end of reporting period**

	As at 31st March 2016		As at 31st March 2015	
	No.	(Rupees)	No.	(Rupees)
Share Capital at the beginning of the period	24,941,715	249,417,150	19,441,715	194,417,150
Issue during the period: -				
Equity share capital - Preferential Allotment	-	-	5,500,000	55,000,000
<b>Outstanding at the end of the period</b>	<b>24,941,715</b>	<b>249,417,150</b>	<b>24,941,715</b>	<b>249,417,150</b>

**b.Terms and rights attached to equity shares**



The company has issued only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholder.

c.1,15,21,470 Equity Shares were allotted as Bonus Shares in the F.Y. 2012-13 by capitalisation of Securities Premium and Reserves.

d.60,00,000 Equity Shares were allotted in F.Y. 2013- 14 pursuant to the scheme of Initial Public Offer (IPO).

e.55,00,000 Equity Shares were allotted during the year 2014- 15 under preferential allotment at a premium of Rs. 1.65 per share.

**f.Details of shareholders holding more than 5% shares in the company**

	As at 31st March 2016		As at 31st March 2015	
	Nos.	% holding	Nos.	% holding
Fidelo Foods (P) Ltd	4,537,050	18.19%	4,537,050	18.19%
Mukesh Sharma	1,292,540	5.18%	1,292,540	5.18%
MaaSharda Distributors Private Limited	2,000,000	8.02%	2,000,000	8.02%
Daisy Distributors Private Limited	-	0.00%	2,000,000	8.02%
Jagtarni Traders Private Limited	1,500,000	6.01%	1,500,000	6.01%
La Mancha Enterprises Private Limited	2,088,000	8.37%	-	0.00%

**4. Reserves and surplus**

	As at 31st March 2016	As at 31st March 2015
	(Rupees)	(Rupees)
<u>Securities premium account</u>		
Opening balance	161,081,050	152,006,050
Add: Premium on issue of equity shares	-	9,075,000
Closing balance	161,081,050	161,081,050
<u>Special reserves u/s 45-IC of the RBI Act,1934</u>		
Opening balance	584,865	512,785
Add: transfer from P&L A/c during the year	1,694,521	72,080
Closing balance	2,279,386	584,865
<u>Surplus/ (deficit) in statement of profit &amp; loss</u>		
Balance as per last financial statements	1,370,698	1,452,100
Profit/ (loss) for the year	5,558,346	249,034
Adjustment in Fixed Assets*	-	(94,400)
Contingent provision against standard assets	(179,120)	(227,088)
Contingent provision against sub-standard assets	(697,375)	-
Transfer to Special reserve u/s 45-IC	(1,694,521)	(72,080)
Income tax adjustment for earlier years	(783,382)	63,132
Net (deficit) in statement of profit and loss	3,574,645	1,370,698
	<b>166,935,081</b>	<b>163,036,613</b>

\* Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II related to Depreciation on fixed assets. Accordingly the unamortised carrying value is being depreciated over the revised/ remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2015 have been adjusted net of tax, in the opening balance of Profit & Loss Account amounting to Rs. 94400.

**5. Long-term Borrowings**

	As at 31st March 2016	As at 31st March 2015
	(Rupees)	(Rupees)





**Finance Lease obligation (secured)**

ICICI Bank Car Loan*	156,907	220,852
	<b>156,907</b>	<b>220,852</b>

\* Car Loan has been secured against hypothecation of respective vehicles.

<b>6. Long-term provisions</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b>Contingent provision against standard assets*</b>		
Opening Balance	845,637	618,549
Add: Addition/ (written off) during the year	179,120	227,088
	<b>TOTAL</b>	<b>845,637</b>
	<b>(A)</b>	
<b>Contingent provision against Sub-standard assets*</b>		
Opening Balance	-	-
Add: Addition/ (written off) during the year	697,375	-
	<b>TOTAL</b>	<b>-</b>
	<b>(B)</b>	
	<b>TOTAL</b>	<b>845,637</b>
	<b>(A+B)</b>	

\*A contingent provision of 0.30% (0.25% till 31st March, 2015) against standard assets and 10% (Nil till 31st March 2015) against sub-standard assets has been created on their respective outstanding amount considering RBI circular Ref. No. DNBR (PD) CC.No. 002/03.10.001/2014-15 dated November 10, 2014.

<b>7 Short-term Borrowings</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b>Unsecured from others, Body Corporate</b>		
Taxus Enterprises Private Limited	3,000,000	-
	<b>3,000,000</b>	<b>-</b>

<b>8 Trade Payables</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Sundry Creditors for Expenses	554,322	457,825
TDS Payable	76,419	83
Service Tax Payable	7,815	-
	<b>638,556</b>	<b>457,908</b>

<b>9 Short-term provisions</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Provision for income tax	2,526,873	150,724
	<b>2,526,873</b>	<b>150,724</b>

<b>11 Non Current Investments</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
-----------------------------------	------------------------------	------------------------------



	<b>(Rupees)</b>	<b>(Rupees)</b>
<u>Investment in Subsidiary - Unquoted (At cost)</u>		
7,11,963 (31 March 2015: Nil) equity shares of Rs. 10 each fully paid in IFL Enterprise Ltd.*	14,162,685	-
	<b>14,162,685</b>	<b>-</b>

\* The Company has acquired 64.66% shareholding consisting of 7,11,963 Equity shares of M/s IFL Enterprises Limited during the year ended on 31st March 2016.

<b>12 Capital &amp; amortised expenses not w/off</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b>Deferred revenue expenses</b>		
Opening Balance	-	607,985
Addition/ (written off) during the year	-	(607,985)
	-	-
<b>13 Deferred tax assets (net)</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Opening Deferred tax Asset/ (Liability)	137,539	98,179
Add: Tax effect of Timing difference between depreciation between Companies Act and Income tax Act	51,251	39,360
	<b>188,790</b>	<b>137,539</b>
<b>14 Inventories</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<u>Equity Shares, Quoted (At Cost): -</u>		
30,000 (31.03.2015: Nil) Equity Shares of Rs 10 each fully paid up in Agri Infra Limited	1,684,198	-
5,30,000 (31.03.2015: 4,60,000) Equity Shares of Rs. 10 each fully paid up in Aryaman Capital Markets Limited	6,923,179	5,520,000
1,74,000 (31.03.2015: 3,90,000) Equity Shares of Rs. 10 each fully paid up in Aryaman Financial Service Limited	2,165,424	4,733,244
24,674 (31.03.2015: 24,674) Equity Shares of Rs. 2 each fully paid up in Country Club Hospitality & Holiday Limited	262,778	277,829
27 (31.03.2015: 27) Equity Shares of Rs. 10 each fully paid up in IST Limited	4,791	4,791
Nil (31.03.2015: 399) Equity Shares of Rs. 2 each fully paid up in Manugraph India Limited	-	19,186
33,778 (31.03.2015: 33,778) Equity Shares of Rs. 10 each fully paid up in Sumedh Fiscal services Limited	483,025	621,515



Nil (31.03.2015: 61,829) Equity Shares of Rs. 10 each in Tijaria Polypipes Limited

-

499,012

41500 (31.03.2015: 41500) Equity Shares of Re. 1 each fully paid up in Yamini Investment Co. Limited

97,800

97,800

**11,621,196**

**11,773,377**

<b>15 Cash and cash equivalents</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Cash in Hand (as Certified)	502,655	2,403,127
Balances with Banks in Current Accounts	1,383,659	238,233
Cheque in Hand	-	12,314,844
	<b>1,886,314</b>	<b>14,956,204</b>
<b>16 Trade Receivables</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
(Unsecured and considered good)		
Outstanding for a period exceeding six months	-	26,873
Others	-	1,577,572
	-	<b>1,604,446</b>
<b>17 Short-term loan and advances</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Loan portfolio*	341,585,499	338,254,894
(recoverable in cash or kind, unsecured, considered good)	<b>(A) 341,585,499</b>	338,254,894
Loan portfolio#	6,973,750	-
(recoverable in cash or kind, unsecured, considered doubtful)	<b>(B) 6,973,750</b>	-
Advances against purchases & others	42,083,938	37,770,000
(recoverable in cash or kind, unsecured, considered good)	<b>(C) 42,083,938</b>	37,770,000
Balance with government authorities	3,667,722	6,689,800
	<b>(D) 3,667,722</b>	6,689,800
<b>Total (A + B + C+D)</b>	<b>394,310,909</b>	<b>382,714,694</b>

\*Standard assets - as per the classification of loans under the RBI guidelines.

#Sub- standard assets - as per the classification of loans under the RBI guidelines.

<b>18 Other current assets</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Prepaid expenses	1,256,205	1,884,307

		1,256,205	1,884,307
<b>19 Revenue from operations</b>	<b>For the year ended</b>	<b>For the year ended</b>	
	<b>31st March 2016</b>	<b>31st March 2015</b>	
	<b>(Rupees)</b>	<b>(Rupees)</b>	
<u>Sale of Products</u>			
Shares, Securities and Bonds	37,534,015	8,518,829	
<u>Income from Investments &amp; Loans</u>			
Interest on unsecured loans	32,311,116	23,511,731	
Interest on Bonds	286,535	-	
Profit from Mutual Funds	1,499,550	523,387	
	<b>71,631,216</b>	<b>32,553,947</b>	
<b>20 Other Income</b>	<b>For the year ended</b>	<b>For the year ended</b>	
	<b>31st March 2016</b>	<b>31st March 2015</b>	
	<b>(Rupees)</b>	<b>(Rupees)</b>	
Dividend from equity shares	27,222	29,889	
Interest on refund	550,187	-	
Profit on future & option contracts	182,366	-	
	<b>759,775</b>	<b>29,889</b>	
<b>21 Purchase of trade goods</b>	<b>For the year ended</b>	<b>For the year ended</b>	
	<b>31st March 2016</b>	<b>31st March 2015</b>	
	<b>(Rupees)</b>	<b>(Rupees)</b>	
Shares, Securities and Bonds	36,653,609	16,774,216	
	<b>36,653,609</b>	<b>16,774,216</b>	
<b>22 Changes in inventories</b>	<b>For the year ended</b>	<b>For the year ended</b>	
	<b>31st March 2016</b>	<b>31st March 2015</b>	
	<b>(Rupees)</b>	<b>(Rupees)</b>	
Inventories at the beginning of the year - Stock in trade	11,773,377	9,799,802	
Less : Inventories at the end of the year -Stock in trade	11,621,196	11,773,377	
	<b>152,181</b>	<b>(1,973,575)</b>	
<b>23 Employee benefit expenses</b>	<b>For the year ended</b>	<b>For the year ended</b>	
	<b>31st March 2016</b>	<b>31st March 2015</b>	
	<b>(Rupees)</b>	<b>(Rupees)</b>	
Directors' remuneration (Salary)	720,350	540,000	
Directors' sitting fees	61,815	-	
Salaries and wages	4,041,113	3,366,325	
Bonus	25,000	25,000	



Staff welfare expenses

293,026  
5,141,304

228,950  
4,160,275

24 Finance costs	For the period ended 31st March 2016  (Rupees)	For the year ended 31st March 2015  (Rupees)
Bank Charges	15,048	7,585
Interest to banks	22,490	39,331
Interest to others	258,257	4,797
	<b>295,795</b>	<b>51,713</b>
25 Depreciation & amortise expenses	For the year ended 31st March 2016  (Rupees)	For the year ended 31st March 2015  (Rupees)
Depreciation charged	481,542	434,309
Deferred revenue expenditure w/off	-	607,985
	<b>481,542</b>	<b>1,042,295</b>
26 Other administrative expenses	For the year ended 31st March 2016  (Rupees)	For the year ended 31st March 2015  (Rupees)
Auditors remuneration (Note 34)	28,038	22,472
Advertisement & Publication charges	422,049	39,189
Business Promotion	1,034,555	-
Car Insurance	13,150	24,322
DSC Charges Paid	2,771,000	650,000
Change in ST Rate	328	-
Computer Repair & Maintenance	62,435	21,020
Conveyance expenses	502,711	115,297
Demat A/c charges	1,833	1,678
Diwali Expenses	18,190	-
Electricity & Water Expenses	250,027	101,179
Filing fee & Subscriptions	211,595	250,252
Interest Not Recovered	8,811,205	-
Loss from currency trading	-	2,185,078
Listing Fees	508,114	29,381
Loss on future & option contracts	-	4,282,469
News Paper, Books & Periodicals	23,372	18,649
Postage, Stamps & Couriers	270,857	122,092
Printing and Stationery	231,305	159,028
Professional charges	750,534	783,812
Rent, Rates and taxes	5,040,000	2,359,589
Repairs & Maintenance	67,973	51,534
ROC Fee	24,000	422,700

Software Expenses	8,915	3,657
Telephone & Mobile expenses	66,114	49,976
Tours & Travelling	212,602	241,656
Vehicle Running & Maintenance	286,741	209,712
Website expenses	14,950	23,770
	<b>21,632,592</b>	<b>12,168,513</b>

27. There is no Micro, Small and Medium Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 to which Company owes dues which are outstanding for a period more than 45 days as on Balance Sheet Date.

The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information availed with the Company and has been duly relied by the auditors of the Company.

28. **Related party disclosures/ transactions**

(a) Related Parties Covered:-

(i)	<b>Holding/ Subsidiary Companies</b>	<b>IFL Enterprises Limited (Subsidiary)</b>
(ii)	<b>Key Management Personnel</b>	<b>Mr. Gopal Bansal (Managing Director); Mr. Mukesh Sharma (Whole-time Director); Mr. Manoj Kumar Gupta (CFO); and Ms. Richa Sharma (Company Secretary)</b>
(iii)	<b>Relatives of Key Management Personnel</b>	<b>Mrs. Sunita Bansal; and Mrs. Ganga Devi Bansal</b>
(iv)	<b>Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives</b>	<b>M/s Gopal Bansal (HUF)</b>

(b) Transaction with related parties:-

Transactions With	Nature of Transaction	31/03/2016 (Rs.)	31/03/2015 (Rs.)
<b><u>Subsidiary Company</u></b>			
<b>IFL Enterprises Limited</b>	Acquisition of 4,81,163 Equity Shares	55,04,700	Nil
<b><u>Key Management Personnel:-</u></b>			
<b>Mr. Gopal Bansal</b>	Remuneration Given	4,80,350	3,00,000
	Sitting Fees Paid	18,000	Nil
<b>Mr. Mukesh Sharma</b>	Remuneration Given	2,40,000	2,40,000
	Sitting Fees Paid	12,000	Nil
<b>Mr. Manoj Kumar Gupta</b>	Remuneration Given	9,60,000	9,60,000
<b>Ms. Richa Sharma</b>	Salary Paid	1,96,440	Nil
<b><u>Relatives of Key Management Personnel (KMP):-</u></b>			
<b>Sunita Bansal</b>	Rent Paid	7,20,000	7,20,000
	Interest Received	Nil	6,75,000
	Advance Refunded	Nil	1,35,00,000
<b><u>Enterprises owned or significantly influenced by KMP or their Relatives:-</u></b>			
<b>Gopal Bansal (HUF)</b>	Rent Paid	7,20,000	7,20,000
	Interest Received	Nil	6,75,000
	Advance Refunded	Nil	1,35,00,000

**29. Segment Information:**

(a) The Company has identified two reportable segments viz., trading in shares and securities and advancing of loans after taking into account the nature of product and services and the differing risk and returns on such products and services. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting: -

- (i) Revenue and expenses have been identified to a segment on the basis of relation to operating activities of the segment. Revenue and Expenses relates to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Un-allocable”.
- (ii) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as “Un-allocable”.

(b) Primary Segment information: -

Particulars	31 <sup>st</sup> March 2016 (Rs.)	31 <sup>st</sup> March 2015 (Rs.)
<b>(i) Segment Revenue: -</b>		
Trading in Share and Securities	3,95,29,688	90,72,105
Advancing of Loans	3,23,11,116	2,35,11,731
Un-allocable	5,50,187	Nil
<b>Total Revenue</b>	<b>7,23,90,991</b>	<b>3,25,83,836</b>
<b>(ii) Segment Expenses: -</b>		
Trading in Share and Securities	3,68,05,790	1,48,00,641
Advancing of Loans	Nil	Nil
Un-allocable	2,75,51,234	1,74,22,796
<b>Total Expenses</b>	<b>6,43,57,024</b>	<b>3,22,23,437</b>
<b>(iii) Segment Profit Before Tax: -</b>		
Trading in Share and Securities	27,23,898	(-)57,28,536
Advancing of Loans	3,23,11,116	2,35,11,731
Un-allocable	(-)2,70,01,047	(-)1,74,22,796
<b>Total Profit</b>	<b>80,33,967</b>	<b>3,60,399</b>
<b>(iv) Segment Assets: -</b>		
Trading in Share and Securities	1,16,21,196	1,33,77,823
Advancing of Loans	39,06,43,187	37,60,24,894
Un-allocable	2,21,32,315	2,47,26,167
<b>Total Assets</b>	<b>42,43,96,698</b>	<b>41,41,28,884</b>
<b>(v) Segment Liabilities: -</b>		
Trading in Share and Securities	Nil	Nil
Advancing of Loans	47,22,132	8,45,637
Un-allocable	33,22,336	8,29,484
<b>Total Liabilities</b>	<b>80,44,468</b>	<b>16,75,121</b>

(c) The Reportable segment of “Trading in Share and Securities” includes trading in Quoted Equity Shares, Mutual Funds, Bonds, Futures and Options Contracts.

(d) Secondary Segment information: -

The Company does not have secondary segment division in respect of reportable segments.

30. In the opinion of the management, the current assets, loans and advances have a realisable value in the ordinary course of business is not less than the amount at which they are stated in the Balance Sheet.

31. Balance shown under head Sundry Debtors, Creditors, Loans and Advances are subject to confirmation.

32. Particulars	31/03/2016 (Rs.)	31/03/2015 (Rs.)
<b>Earnings/ Remittances / Expenditure in Foreign Currency</b>	Nil	Nil
33. Particulars	31/03/2016 (Rs.)	31/03/2015 (Rs.)
Contingent Liability not provided for	Nil	Nil





34. Break-up of Payments made to Statutory Auditors (including Service Tax) is disclosed as under:-

Particulars	31/03/2016 (Rs.)	31/03/2015 (Rs.)
<b>In respect of Statutory Audit (including Tax Audit)</b>	22,900	Nil
<b>In respect of Certification</b>	5,138	Nil

35. Previous year's Figures have been re- arranged or re- grouped wherever considered necessary.

36. Figures have been rounded off to the nearest rupees.

37. Figures in brackets indicate negative (-) figures.

Signed for the purpose of Identification

**FOR V.N. PUROHIT & CO.**  
**Chartered Accountants**

Sd/-  
**O.P. Pareek**  
Partner  
Membership No. 014238

New Delhi, the 30<sup>th</sup> day of May 2016

**For and on behalf of Board of Directors of**  
**INDIA FINSEC LIMITED**

Sd/-  
**Gopal Bansal**  
**Managing Director**  
**DIN:01246420**

Sd/-  
**Mukesh Sharma**  
**Director**  
**DIN :00274217**

Sd/-  
**Manoj Kumar Gupta**  
**CFO**

Sd/-  
**Richa Sharma**  
**Company Secretary**  
**MN-37557**



## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**To the Shareholders of  
INDIA FINSEC LIMITED**

### **Report on Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of INDIA FINSEC LIMITED (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and subsidiary together referred to as “the Group”), comprising the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management’s Responsibility for the Consolidated Financial Statements**

The Holding Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company’s preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India of the **consolidated state of affairs** of the Group as at 31<sup>st</sup> March 2016, the **consolidated profit** and **consolidated cash flows** for the year ended on that date.



#### **Report on Other Legal and Regulatory Requirements**

4. As required by Section 143(3) of the Act, we report that:
- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - j. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - k. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
  - l. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - m. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and audit report of its subsidiary, none of the directors of these entities is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - n. With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Report in **Annexure- A** which is based on the auditor's report of the Holding Company and its Subsidiary.
  - o. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations in its consolidated financial statements;
    - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses. However, the Holding Company and its Subsidiary has not entered into any long-term contracts including derivative during the specified period;
    - iii) The Holding Company and its Subsidiary is not required to transfer any amount to the Investor Education and Protection Fund.

Signed for the purpose of identification

**FOR V.N. PUROHIT & CO.**  
**Chartered Accountants**  
Firm Regn. No. 304040E

Sd/-  
**O.P. Pareek**  
Partner  
Membership No. 014238

New Delhi, the 30<sup>th</sup> day of May 2016



## **ANNEXURE- A TO THE AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

### **Report on the Internal Financial Controls under Clause (i) of Sub- section (3) of Section 143 of the Companies Act, 2013**

In conjunction with our audit of the consolidated financial statement of the Company as of and for the year ended 31<sup>st</sup> March 2016, we have audited the internal financial controls over financial reporting of INDIA FINSEC LIMITED (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and subsidiary together referred to as “the Group”), as of that date.

#### **Management’s Responsibility for the Internal Financial Controls**

The respective Board of Directors of the Holding Company and its Subsidiary are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Holding Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that: -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company’s assets that could have a material effect on the consolidated financial statements.



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and could not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of information and according to explanation given to us, the Holding Company and its Subsidiary has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on “the internal financial controls over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**FOR V.N. PUROHIT & CO.**

**Chartered Accountants**

Firm Regn. No. 304040E

Sd/-

**O.P. Pareek**

Partner

Membership No. 014238

New Delhi, the 30<sup>th</sup> day of May 2016



INDIA FINSEC LIMITED

CIN- L65923DL1994PLC060827

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

[Amount in Rupees]

Particulars	Note No.	As at 31st March 2016
<b><u>EQUITY AND LIABILITIES</u></b>		
Shareholders' Funds		
Share Capital	5	249,417,150
Reserves and Surplus	6	172,176,957
Minority Interest		10,604,867
Non-Current Liabilities		
Long-term Borrowings	7	156,907
Long-term Provisions	8	1,722,132
Current liabilities		
Short-term Borrowings	9	3,000,000
Trade Payables	10	1,180,112
Short-Term Provisions	11	3,082,574
<b>Total</b>		<b>441,340,699</b>
<b><u>ASSETS</u></b>		
Non-Current Assets		
Fixed Assets		
Tangible Assets	12	1,350,403
Non-Current Investments	13	22,045,500
Deferred Tax Assets (net)	14	165,822
Current Assets		
Inventories	15	12,101,196
Cash and Cash Equivalents	16	3,934,610
Trade Receivables	17	919,947
Short-term loan and advances	18	399,567,017
Other current assets	19	1,256,205
<b>Total</b>		<b>441,340,699</b>



Summary of significant accounting policies 4

See accompanying notes are an integral part of the financial statements.

IN TERMS OF OUR REPORT ATTACHED

FOR V.N. PUROHIT & CO.

For and on behalf of the Board of Directors of

Firm Regn. No. 304040E

**INDIA FINSEC LIMITED**

Chartered Accountants

Sd/-	Sd/-	Sd/-
O.P. Pareek	<b>Gopal Bansal</b>	<b>Mukesh Sharma</b>
Partner	<b>Managing Director</b>	<b>Director</b>
Membership No. 014238	<b>DIN -01246420</b>	<b>DIN -00274217</b>

New Delhi, the 30th day of May 2016

Sd/-

Sd/-

**Manoj Kumar Gupta**

**Richa Sharma**

**CFO**

**Company Secretary**

**MN-37557**



**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

*[Amount in Rupees]*

Particulars	Note No.	For the year ended on 31st March 2016
<b>INCOME:</b>		
Revenue from Operations	20	75,007,287
Other Income	21	760,144
Profit from Sale of Investments		545,500
<b>Total Revenue</b>		<b>76,312,931</b>
<b>EXPENSES</b>		
Purchases of Stock in trade	22	36,653,609
Changes in inventories of Stock in trade	23	152,181
Employee Benefit expenses	24	6,032,956
Finance Cost	25	302,989
Depreciation	12	613,197
Other Administrative expenses	26	22,651,316
<b>Total Expenses</b>		<b>66,406,248</b>
Profit Before Tax		9,906,684
<b>Tax expenses</b>		
Current Tax		3,082,574
Deferred Tax		(28,283)
<b>Total Tax Expenses</b>		<b>3,054,291</b>
Profit After Tax (PAT)		6,852,393
<b>Less: Share of Profit transferred to Minority Interest</b>		<b>(830,966)</b>
<b>Profit for the year (after adjusting Minority Interest)</b>		<b>6,021,427</b>
<b>Earning per share (EPS)</b>		
[nominal value of share Rs. 10/-]		
Basic		0.2414
Diluted		0.2414
<b>Summary of significant accounting polices</b>	<b>4</b>	

See accompanying notes are an integral part of the financial statements.



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IN TERMS OF OUR REPORT ATTACHED

FOR V.N. PUROHIT & CO.

For and on behalf of the Board of Directors of

Firm Regn. No. 304040E

**INDIA FINSEC LIMITED**

Chartered Accountants

Sd/-	Sd/-	
O.P. Pareek	Gopal Bansal	Mukesh Sharma
Partner	Managing Director	Director
Membership No. 014238	DIN -01246420	DIN -00274217

New Delhi, the 30th day of May 2016

Sd/-	Sd/-
Manoj Kumar Gupta	Richa Sharma
CFO	Company Secretary
	MN-37557

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INDIA FINSEC LIMITED

CIN- L65923DL1994PLC060827

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2016**

*[Amount in  
Rupees]*  
For the year

ended on

31st March 2016

**A. CASH FLOW FROM OPERATING ACTIVITIES :**

Net profit before tax and after extra-ordinary items as per profit & loss account 9,906,684

**Adjustments for items not included:**

Profit on Sale of Investments (545,500)

Depreciation and Amortisation Expense 613,197

Operating Profit before working capital changes 9,974,381

**Adjustment for Working capital:**

(Increase)/ decrease in current loans and advances (3,177,893)

(Increase)/ decrease in Trade receivables 684,499

(Increase)/ decrease in inventories 152,181

(Increase)/ decrease in other current assets 628,102

Increase/ (decrease) in short term borrowings

Adjustment for tax of earlier year

Increase/ (decrease) in current liabilities (16,833,796)

**Cash generated from operations (8,572,526)**

Direct Taxes Paid 1,054,764

**Net cash flow from operating activities (A) (7,517,762)**

**B. CASH FLOW FROM INVESTING ACTIVITIES :**

Sale/(Purchase) of fixed assets (117,631)

Sale/(Purchase) of investments (13,162,685)

**Net cash flow from investing activities (B) (13,280,316)**

**C. CASH FLOW FROM FINANCING ACTIVITIES :**

Proceeds from issue of Share Capital 5,504,700

Increase/ (decrease) in Borrowings 2,936,053

**Net cash flow from financing activities (C) 8,440,753**

**Net cash flow during the year (A + B + C) (12,357,325)**

Add: Opening cash and cash equivalents 16,291,935

**Closing cash and cash equivalents 3,934,610**

Components of cash and cash equivalents	
Cash in hand	633,465
Deposit with banks	3,301,145
<b>Total cash and cash equivalents (Note 16)</b>	<b>3,934,610</b>

IN TERMS OF OUR REPORT ATTACHED  
FOR V.N. PUROHIT & CO.

For and on behalf of the Board of  
Directors of  
**INDIA FINSEC LIMITED**

Firm Regn. No. 304040E  
Chartered Accountants

	Sd/-	Sd/-
Sd/-	<b>Gopal Bansal</b>	<b>Mukesh Sharma</b>
O.P. Pareek	<b>Managing Director</b>	<b>Director</b>
Partner	<b>DIN -01246420</b>	<b>DIN -00274217</b>
Membership No. 014238		

<b>New Delhi, the 30th day of May 2016</b>	Sd/-	Sd/-
	<b>Manoj Kumar Gupta</b>	<b>Richa Sharma</b>
	<b>CFO</b>	<b>Company Secretary</b>
		<b>MN-37557</b>



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

### 1. Basis of preparation of Financial Statement

The Consolidated Financial Statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these Consolidated Financial Statements to comply in all material respect with the accounting standards notified under the Companies (Accounting standards) Rule, 2006, (as amended) and the relevant provision of the Companies Act, 2013. The Consolidated Financial Statements have been prepared on the accrual basis and under the historical cost convention.

### 2. Principles of Consolidation

The consolidated financial statements relate to India Finsec Limited ("the Company") and its subsidiary company "IFL Enterprises Limited". The consolidated financial statements have been prepared on the following basis: -

- a. The Financial Statements of the company and its subsidiary company are combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
  - b. The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
  - c. The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
  - d. Minority Interest's share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
  - e. Minority Interest's share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
  - f. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
3. Investments other than in subsidiary have been accounted as per Accounting Standard -13 on "Accounting for Investments".
4. **Other significant accounting policies :**  
These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

### 5. Share capital

As at 31st March 2016

(Rupees)

#### Authorised shares

2,50,00,000 Equity Shares of Rs. 10 each. 250,000,000

#### Issued, subscribed and fully paid- up shares

2,49,41,715 Equity Shares of Rs.10 each fully paid up. 249,417,150



**Total issued, subscribed and fully paid- up share capital** **249,417,150**

**a.Reconciliation of Shares outstanding at the beginning and at the end of reporting period**

	<b>As at 31st March 2016</b>	
	<b>No.</b>	<b>(Rupees)</b>
Share Capital at the beginning of the period	24,941,715	249,417,150
Issue during the period: -	-	-
<b>Outstanding at the end of the period</b>	<b>24,941,715</b>	<b>249,417,150</b>

**b.Terms and rights attached to equity shares**

The company has issued only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholder.

**c.Details of shareholders holding more than 5% shares in the company**

	<b>As at 31st March 2016</b>	
	<b>Nos.</b>	<b>% holding</b>
Fidelo Foods (P) Ltd	4,537,050	18.19%
Mukesh Sharma	1,292,540	5.18%
MaaSharda Distributors Private Limited	2,000,000	8.02%
Jagtarni Traders Private Limited	1,500,000	6.01%
La Mancha Enterprises Private Limited	2,088,000	8.37%

**6. Reserves and surplus**

**As at 31st March 2016**

	<b>(Rupees)</b>	
<u>Securities premium account</u>		
Opening Balance	161,081,050	
Add: On consolidation of Subsidiary	2,135,603	
Closing balance		163,216,653
<u>Special reserves u/s 45-IC of the RBI Act,1934</u>		
Opening balance	584,865	
Add: transfer from P&L a/c during the year	1,694,521	
Closing balance		2,279,386
<u>Capital Reserve account</u>		
Opening Balance	-	
Add: On consolidation of Subsidiary	2,643,192	
Closing balance		2,643,192



Surplus/ (deficit) in statement of profit & loss

Balance as per last financial statements	1,370,698	
Add: Profit/ (loss) for the year	6,021,427	
Less:Contingent provision against standard assets	(179,120)	
Less: Contingent provision against sub-standard assets	(697,375)	
Less: Special reserve u/s 45-IC of the RBI Act,1934	(1,694,521)	
Less: Income tax adjustment for earlier years	(783,382)	
Net (deficit) in statement of profit and loss		4,037,726
		<b>172,176,957</b>

**7. Long-term Borrowings** **As at 31st March 2016**  
**(Rupees)**

<b>Finance Lease obligation (secured)</b>	
ICICI Bank Car Loan*	156,907
	<b>156,907</b>

\* Car Loan has been secured against hypothecation of respective vehicles.

**8. Long-term provisions** **As at 31st March 2016**  
**(Rupees)**

<b>Contingent provision against standard assets*</b>	
Opening Balance	845,637
Add: Addition (written off) during the year	179,120
	<b>TOTAL (A)</b>
	1,024,757
<b>Contingent provision against Sub-standard assets*</b>	
Opening Balance	-
Add: Addition (written off) during the year	697,375
	<b>TOTAL (B)</b>
	697,375
	<b>TOTAL (A+B)</b>
	<b>1,722,132</b>

*\*A contingent provision of 0.30% (0.25% till 31st March, 2015) against standard assets and 10% (Nil till 31st March 2015) against sub- standard assets has been created on their respective outstanding amount considering RBI circular Ref. No. DNBR (PD) CC.No. 002/03.10.001/2014-15 dated November 10, 2014.*

**9. Short-term Borrowings** **As at 31st March 2016**  
**(Rupees)**

<b>Unsecured from others, Body Corporate</b>	
Taxus Enterprises Private Limited	3,000,000
	<b>3,000,000</b>





<b>10. Trade Payables</b>	<b>As at 31st March 2016</b>
	<b>(Rupees)</b>
Sundry Creditors for expenses	700,322
TDS Payable	106,419
Service Tax Payable	373,371
	<b>1,180,112</b>
<b>11. Short-term provisions</b>	<b>As at 31st March 2016</b>
	<b>(Rupees)</b>
Provision for income tax	3,082,574
	<b>3,082,574</b>
<b>13 Non- Current Investments</b>	<b>As at 31st March 2016</b>
	<b>(Rupees)</b>
<b><u>Quoted Equity Shares</u></b>	
2,63,288 (31 March 2015: 21,50,000) Equity Shares of Rs. 10 each fully paid in M/s Stellar Capital Services Limited	2,632,880
<b><u>Investment in Bonds and Debentures, Quoted</u></b>	
2 Units (31 March 2015: Nil) of Rs. 10 Lakhs each in 10.05% Perpetual Non- convertible Debentures of Axis Bank	2,090,300
17 Units (31 March 2015: Nil) of Rs. 10 Lakhs each in 9.48% Bank of Maharashtra Basel- III At- 1 Perpetual Bond Series- I	17,322,320
	<b>22,045,500</b>
<b>14 Deferred tax assets (net)</b>	<b>As at 31st March 2016</b>
	<b>(Rupees)</b>
Net Opening Deferred tax Asset/ (Liability)	137,539
Add/ (less): Net tax effect of Timing difference between depreciation between Companies Act and Income tax Act	28,283
	<b>165,822</b>
<b>15 Inventories</b>	<b>As at 31st March 2016</b>
	<b>(Rupees)</b>
<u>Equity Shares, Quoted (At Cost): -</u>	
30,000 (31.03.2015: Nil) Equity Shares of Rs 10 each fully paid up	1,684,198



in Agri Infra Limited

5,70,000 (31.03.2015: 5,00,000) Equity Shares of Rs. 10 each fully paid up in Aryaman Capital Markets Limited 7,403,179

1,74,000 (31.03.2015: 3,90,000) Equity Shares of Rs. 10 each fully paid up in Aryaman Financial Service Limited 2,165,424

24,674 (31.03.2015: 24,674) Equity Shares of Rs. 2 each fully paid up in Country Club Hospitality & Holiday Limited 262,778

27 (31.03.2015: 27) Equity Shares of Rs. 10 each fully paid up in IST Limited 4,791

33,778 (31.03.2015: 33,778) Equity Shares of Rs. 10 each fully paid up in Sumedh Fiscal services Limited 483,025

41500 (31.03.2015: 41500) Equity Shares of Re. 1 each fully paid up in Yamini Investment Co. Limited 97,800

**12,101,196**

**16. Cash and cash equivalents**

**As at 31st March 2016**

**(Rupees)**

Cash in Hand (as Certified) 633,465

Balances with Banks in Current Accounts 3,301,145

**3,934,610**

**17. Trade Receivables**

**As at 31st March 2016**

**(Rupees)**

(Unsecured and considered good)

Outstanding for a period exceeding six months -

Others 919,947

**919,947**

**18. Short-term loan and advances**

**As at 31st March 2016**

**(Rupees)**

Loan portfolio\* 346,585,499

(recoverable in cash or kind, unsecured, considered good)

**(A) 346,585,499**

Loan portfolio\*

(recoverable in cash or kind, unsecured, considered doubtful) 6,973,750

**(B) 6,973,750**

Advances against purchase & others 42,083,938

(recoverable in cash or kind, unsecured, considered good)



	(C)	42,083,938
Balance with Revenue Authorities		3,923,830
	(D)	3,923,830
<b>Total (A + B + C+D)</b>		<b>399,567,017</b>
*Standard assets - as per the classification of loans under the RBI guidelines.		
#Sub- standard assets - as per the classification of loans under the RBI guidelines.		
<b>19. Other current assets</b>	<b>As at 31st March 2016</b>	
		<b>(Rupees)</b>
Prepaid expenses		1,256,205
		<b>1,256,205</b>
<b>20. Revenue from operations</b>	<b>For the year ended</b>	
	<b>31st March 2016</b>	
		<b>(Rupees)</b>
<u>Sale of Products</u>		
Shares, Securities and Bonds		37,534,015
<u>Rendering of services</u>		
Professional Service		3,376,071
<u>Income from Investments &amp; Loans</u>		
Interest on unsecured loans		32,311,116
Interest on Bonds		286,535
Profit from Mutual Funds		1,499,550
		<b>75,007,287</b>
<b>21. Other Income</b>	<b>For the year ended</b>	
	<b>31st March 2016</b>	
		<b>(Rupees)</b>
Dividend from equity shares		27,222
Interest on Income Tax Refund		550,556
Profit on future & option contracts		182,366
		<b>760,144</b>
<b>22. Purchase of trade goods</b>	<b>For the year ended</b>	
	<b>31st March 2016</b>	
		<b>(Rupees)</b>
Shares, Securities and Bonds		36,653,609
		<b>36,653,609</b>



<b>23. Changes in inventories</b>	<b>For the year ended 31st March 2016</b>
	<b>(Rupees)</b>
Inventories at the beginning of the year	12,253,377
Less : Inventories at the end of the year	(12,101,196)
	<b>152,181</b>
<b>24. Employee benefit expenses</b>	<b>For the year ended 31st March 2016</b>
	<b>(Rupees)</b>
Directors' remuneration (Salary)	750,350
Directors' Sitting Fees	61,815
Salaries and wages	4,835,953
Bonus	25,000
Staff welfare expenses	359,838
	<b>6,032,956</b>
<b>25. Finance costs</b>	<b>For the year ended 31st March 2016</b>
	<b>(Rupees)</b>
Bank Charges	22,242
Interest to Banks	22,490
Interest to Others	258,257
	<b>302,989</b>
<b>26. Other administrative expenses</b>	<b>For the year ended 31st March 2016</b>
	<b>(Rupees)</b>
Auditors remuneration (Note 33)	48,038
Advertisement & Publication charges	422,049
Business Promotion	1,034,555
Car Insurance	13,150
DSC Charges Paid	2,771,000
Change in ST Rate	328
Computer Repair & Maintenance	90,681
Conveyance expenses	608,275
Commission Charges	300,000
Dmat A/c charges	1,833
Diwali Expenses	18,190
Electricity & Water Expenses	250,027
Filing fee & Subscriptions	211,595



Interest Not Recovered	8,811,205
Listing Fees	508,114
News Paper, Books & Periodicals	23,372
Postage, Stamps & Couriers	270,857
Printing and Stationery	289,569
Professional charges	750,534
Rent expenses	5,160,000
Repairs & Maintenance	67,973
ROC Fee	410,650
Software Expenses	8,915
Telephone & Mobile expenses	66,114
Tours & Travelling	212,601
Vehicle Running & Maintenance	286,741
Website expenses	14,950
	<b>22,651,316</b>

27. Enterprises consolidated as Subsidiary in accordance with Accounting Standard 21- Consolidated Financial Statements

Name of Enterprise	Country of Origin	Proportion of Ownership/ Interest
IFL Enterprises Limited	India	64.66%

28. There is no Micro, Small and Medium Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 to which Company owes dues which are outstanding for a period more than 45 days as on Balance Sheet Date. The said information regarding Micro, Small and Medium Enterprises has been determined on the basis of information availed with the Company and has been duly relied by the auditors of the Company.

29. **Related party disclosures/ transactions**

(c) Related Parties Covered:-

(ii)	Key Management Personnel	Mr. Gopal Bansal (Managing Director); Mr. Mukesh Sharma (Whole-time Director); Mr. Manoj Kumar Gupta (CFO); and Ms. Richa Sharma (Company Secretary)
(iii)	Relatives of Key Management Personnel	Mrs. Sunita Bansal; and Mrs. Ganga Devi Bansal
(iv)	Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives	M/s Gopal Bansal (HUF)

(d) Transaction with related parties:-

Transactions With	Nature of Transaction	31/03/2016 (Rs.)	
<b>Key Management Personnel:-</b>			
Mr. Gopal Bansal	Remuneration Given	5,10,350	
	Sitting Fees Paid	18,000	1
Mr. Mukesh Sharma	Remuneration Given	2,40,000	

	Sitting Fees Paid	12,000	
<b>Mr. Manoj Kumar Gupta</b>	Remuneration Given	9,60,000	
<b>Ms. Richa Sharma</b>	Salary Paid	1,96,440	
<b>Relatives of Key Management Personnel (KMP):-</b>			
<b>Ms. Sunita Bansal</b>	Rent Paid	7,80,000	
	Interest Received	Nil	
	Advance Refunded	Nil	
<b>Enterprises owned or significantly influenced by KMP or their Relatives:-</b>			
<b>M/s Gopal Bansal (HUF)</b>	Rent Paid	7,80,000	
	Interest Received	Nil	
	Advance Refunded	Nil	

As the consolidation is made for the first year, hence the comparative figures related to previous year will not appear.

### 30. Segment Information:

(b) The Company has identified two reportable segments viz., trading in shares and securities and advancing of loans after taking into account the nature of product and services and the differing risk and returns on such products and services. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting: -

- (iii) Revenue and expenses have been identified to a segment on the basis of relation to operating activities of the segment. Revenue and Expenses relates to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Un-allocable”.
- (iv) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as “Un-allocable”.

### (e) Primary Segment information: -

Particulars	31 <sup>st</sup> March 2016 (Rs.)	31 <sup>st</sup> March 2015 (Rs.)
<b>(i) Segment Revenue: -</b>		
Trading in Share and Securities	3,95,29,688	Nil
Advancing of Loans	3,23,11,116	Nil
Un-allocable	44,72,127	Nil
<b>Total Revenue</b>	<b>7,63,12,931</b>	<b>Nil</b>
<b>(ii) Segment Expenses: -</b>		
Trading in Share and Securities	3,68,05,790	Nil
Advancing of Loans	Nil	Nil
Un-allocable	2,96,00,457	Nil
<b>Total Expenses</b>	<b>6,64,06,247</b>	<b>Nil</b>
<b>(iii) Segment Profit Before Tax: -</b>		
Trading in Share and Securities	32,69,398	Nil
Advancing of Loans	3,23,11,116	Nil
Un-allocable	(-2,56,73,830)	Nil
<b>Total Profit</b>	<b>99,06,684</b>	<b>Nil</b>
<b>(iv) Segment Assets: -</b>		
Trading in Share and Securities	1,30,21,142	Nil
Advancing of Loans	39,56,43,187	Nil
Un-allocable	3,26,76,370	Nil
<b>Total Assets</b>	<b>44,13,40,699</b>	<b>Nil</b>
<b>(v) Segment Liabilities: -</b>		
Trading in Share and Securities	Nil	Nil
Advancing of Loans	47,22,132	Nil
Un-allocable	44,19,593	Nil



<b>Total Liabilities</b>	<b>91,41,725</b>	<b>Nil</b>
--------------------------	------------------	------------

(f) The Reportable segment of “Trading in Share and Securities” includes trading in Quoted Equity Shares, Mutual Funds, Bonds, Futures and Options Contracts.

(g) Secondary Segment information:-

The Company does not have secondary segment division in respect of reportable segments.

31. In the opinion of the management, the current assets, loans and advances have a realisable value in the ordinary course of business is not less than the amount at which they are stated in the Balance Sheet.

32. Balance shown under head Sundry Debtors, Creditors, Loans and Advances are subject to confirmation.

33. <b>Particulars</b>	<b>31/03/2016 (Rs.)</b>	<b>31/03/2015 (Rs.)</b>
Earnings/ Remittances / Expenditure in Foreign Currency	Nil	Nil

34. <b>Particulars</b>	<b>31/03/2016 (Rs.)</b>	<b>31/03/2015 (Rs.)</b>
Contingent Liability not provided for	Nil	Nil

35. Break-up of Payments made to Statutory Auditors (including Service Tax) is disclosed as under:-

Particulars	31/03/2016 (Rs.)	31/03/2015 (Rs.)
<b>In respect of Statutory Audit (including Tax Audit)</b>	42,900	Nil
<b>In respect of Certification</b>	5,138	Nil

36. Figures have been rounded off to the nearest rupees.

37. Figures in brackets indicate negative (-) figures.

Signed for the purpose of Identification

**FOR V.N. PUROHIT & CO.**  
Chartered Accountants

Sd/-  
**O.P. Pareek**  
Partner  
Membership No. 014238

New Delhi, the 30<sup>th</sup> day of May 2016

For and on behalf of Board of Directors of  
**INDIA FINSEC LIMITED**

Sd/-	Sd/-
<b>Gopal Bansal</b>	<b>Mukesh Sharma</b>
<b>Managing Director</b>	<b>Director</b>
<b>DIN:01246420</b>	<b>DIN :00274217</b>

Sd/-	Sd/-
<b>Manoj Kumar Gupta</b>	<b>Richa Sharma</b>
<b>CFO</b>	<b>Company Secretary</b>
	<b>MN-837557</b>





**Date: 26.08.2016**

Dear Members/Directors/Auditors,

You are cordially invited to attend the 22<sup>nd</sup> Annual General Meeting (the “AGM”) of the members of **India Finsec Limited** (“the Company”) to be held on **Wednesday, September 28, 2016 at 01:00 p.m.** at **D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, Delhi-110085.**

The Notice of the meeting, containing the business to be transacted, is enclosed.

Thanking You,

**For and on behalf of the Board  
India Finsec Limited**

**Sd/-  
Richa Sharma  
Company Secretary**

*Enclosed:*

- 1. Notice of the Annual General Meeting*
- 2. Attendance Slip*
- 3. Proxy Form*



## NOTICE

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting (AGM) of the members of **India Finsec Limited** will be held on **Wednesday, September 28, 2016 at 01:00 p.m.** at the registered office of the company at **D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085** to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the company for the year ended March 31, 2016 i.e. Audited Balance Sheet as on March 31, 2016, the Statement of Profit and Loss Account, for the year ended on March 31, 2016 along with the reports of the Board of Directors ("the Board") and the Auditors thereon.
2. To appoint Mr. Mukesh Sharma, Whole Time Director (DIN:00274217), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.
3. To ratify the appointment of Statutory Auditors of the company and fix their remuneration and to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT,** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under and pursuant to the recommendations of the Audit Committee of the Board of Directors, the consent of the members of the Company be and is hereby accorded to ratify the appointment of **M/s V. N. Purohit & Co., Chartered Accountants** (FRN 304040E), as the statutory auditors of the Company for the financial year 2016-2017 to hold office till the conclusion of the Annual General Meeting (AGM) to be held in the calendar year 2018 and that Board of Directors of the Company be and are hereby authorised to fix such remuneration (excluding out of pocket expenses) as may be recommended by the Audit Committee in consultation with the Auditors for the financial year ending March 31, 2017 and that such remuneration may be paid on such basis as may be agreed upon between the Board of Directors of the Company and the Auditors."

### Special Business:

4. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT,** pursuant to the provisions of Section 196, 197 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V to the Act and the Rules made there under, including any statutory modification thereof, or any other law, as per applicable clauses of Articles of Association (AOA) of the Company and recommendation of Nomination & Remuneration Committee, consent of the members of the Company be and is hereby accorded to increase the remuneration of Mr. Gopal Bansal, Managing Director (DIN-01246420) of the Company from Rs. 70,000/- p.m. to Rs. 1,00,000/- p.m. with effect from October 1, 2016.

**RESOLVED FURTHER THAT,** the Board of Directors (which term shall always be deemed to include any Committee constituted or to be constituted to exercise the powers including its powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified under the relevant provisions of the Companies Act, 2013 and/or as approved by the Central Government or any such other competent authority.

**RESOLVED FURTHER THAT,** in the event in any financial year during the tenure of the Managing Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Managing Director, the above remuneration, excluding commission amount payable on profits earned, as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any."

**By Order of the Board of Directors  
For India Finsec Limited**

**Date: 26.08.2016  
Place: New Delhi**

**Sd/-  
Richa Sharma  
Company Secretary**



#### Notes:

1. The Statement is annexed with the Notice in respect of Special Business (Item No.4), as required under Section 102(1) of the Companies Act, 2013.

#### 2. Proxy/Authorized Representative

(i) A member entitled to attend and vote at the Annual General Meeting (“AGM”) is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and such proxy need not be a member of the company. The instrument appointing proxy (Proxy Form), in order to be effective must be deposited at the registered office of the company, not less than forty-eight (48) hours before the commencement of the Annual General Meeting (“AGM”). Proxy Form is enclosed with the Notice. Members are requested to note that a person can act as proxy on behalf of the members not exceeding 50 (Fifty) and holding in aggregate not more than ten (10) percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten (10) percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

A member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, during the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, provided that not less than 3 days of notice in writing is to be given to the Company.

(ii) Corporate Members intending to send their Authorized Representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the Meeting.

(iii) Members/ Proxies/ Authorized Representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

(iv) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

#### 3. Book Closure

Register of Members and Share Transfer Books of the Company will remain closed from **September 20, 2016 to September 28, 2016** (both days inclusive) for the purpose of AGM.

#### 4. Cut- off date:

(i) This Notice is being sent to all the members whose name appears as on August 26, 2016 in the register of members or beneficial owners as received from **M/s Skyline Financial Services Private Limited, the Registrar and Transfer Agent** of the Company.

(ii) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on **September 20, 2016** (the “**Cut-off Date**”) only shall be entitled to vote through Remote E-voting and at the AGM. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut Off date.

#### 5. Communication To Members

(i) The Notice of the AGM along with the Attendance Slip and Proxy Form, and a copy of Annual Report are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same and also to the Auditors and Directors of the Company. For members who have not registered their email addresses, physical copies of the abridged annual report along with aforesaid documents are being sent by the permitted mode.

(ii) Abridged and full version of the annual report and notice of AGM will also be available on the website of the Company i.e. the web link of the above is <http://www.indiafinsec.com/investors-info/> and at the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com). Hard copies of the full annual reports will be sent to those shareholders who will request the same.

(iii) All the documents referred to in the accompanying notice and Register of Directors and Key Managerial Personnel and their Shareholding are open for inspection at the registered office of the Company on all working days except Saturdays and Sunday, between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.

(iv) In case you have any query relating to the enclosed annual accounts you are requested to send the same to the Company Secretary at the Registered office of the Company or on E-mail Id “**indiafinsec@gmail.com**”, at least 10 days before the date of AGM so as to enable the management to keep the information ready.

(v) In order to implement the Green Initiatives of the Government, whereby Companies have now been allowed to send/ serve



notice(s)/document(s)/Annual Report(s) etc, to their members through electronic mode, your Company hereby requests all its members to register their email ID with the Registrar and Transfer Agent (in case of Physical holding) and with the Depository Participant (in case of Dematerialized holding), if not yet provided, to promote Green Initiative.

## 6. Voting By Members

The voting for the agenda items as mentioned in the Notice shall be done in the following manner:

- (i) Members may cast their votes through electronic means by using an electronic voting system from a place other than the venue of AGM (“**Remote E-voting**”) in the manner provided below during the e-voting period as mentioned below in Para 6(A)(I).
- (ii) At the venue of AGM, voting shall be done through ballot papers (“**Ballot Paper**”) and the members attending AGM who have not casted their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.
- (iii) A Member may participate in the AGM even after exercising his right to vote through Remote E-voting but shall not be allowed to vote again at the venue of the AGM. If a Member casts votes through Remote E-voting and also at the AGM, then voting done through Remote E-voting shall prevail and voting done at the AGM shall be treated as invalid.

### (A) Voting Through Electronic Means

In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended vide Companies (Management and Administration) Amendment Rules, 2015 w.e.f. March 19, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility of Remote E-voting to all its Members, to enable them to cast their votes on all resolutions set forth in this Notice electronically and the business mentioned in the Notice may be transacted through e-voting. Remote E-voting is optional and not mandatory.

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing Remote E-voting facility to all its Members.

### (I) The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Sunday, September 25, 2016 (10:00 a.m.)** and ends on

**Tuesday, September 27, 2016 (05:00 p.m.)**. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 20, 2016**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>

Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
<b>OR</b>	
Date of Birth (DOB)	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <India Finsec Limited> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxii) **User ID and Password for the members who became Members after dispatch of AGM notice:** Persons who have acquired shares and became members of the Company after the





dispatch of the notice of AGM but before the cut-off date of **September 20, 2016**, may obtain their user ID and password for e-voting from the Company's Registrar and Share Transfer Agent or CDSL.

## (II) Voting Through Ballot Paper

Members who have not exercised the option of Remote E-voting shall be entitled to participate and vote at the venue of the AGM on the date of the AGM i.e. **Wednesday, September 28, 2016**. Voting at the venue of AGM shall be done through Ballot Papers and Members attending the AGM shall be able to exercise their voting rights at the meeting through Ballot Papers. After the agenda item has been discussed, the Chairman will instruct the Scrutinizer to initiate the process of voting on all the resolutions through Ballot Papers. The Ballot Paper/s will be issued to the Shareholders/Proxy holders/Authorized Representatives present at the AGM. The Shareholders may exercise their right of vote by tick marking as (3) against "FOR" or "AGAINST" as his/her choice may be, on the agenda item in the Ballot Paper and drop the same in the Ballot Box(es) kept at the meeting hall for this purpose.

## 7. Scrutinizer

- (I) Ms. Rachna Bhasin, Company Secretary in practice (Membership No. 23539) having consented to act as a scrutinizer has been appointed as scrutinizer ("**Scrutinizer**") for scrutinizing the voting process (Ballot Paper as well as Remote E-voting) in a fair and transparent manner.
- (II) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot Papers and thereafter unblock the votes casted through e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within a period not exceeding two days from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

## 8 Declaration of Results

Based on the Scrutinizer's Report, the Company will submit within 48 hours of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the Listing Regulations. The results declared along with the Scrutinizer's Report, will be posted on the website of the Company at [www.indiafinsec.com](http://www.indiafinsec.com) and on the website of CDSL

immediately after the declaration of the result by the Chairman or any person authorised by him in writing and communicated to the Stock Exchanges.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are required to submit their PAN to their Depository Participants and Members holding shares in physical form shall submit their PAN to the Company/ R & T Agents.

10. The Members are requested to inform of any change in their addresses immediately to:

- (i) Registrar and Share Transfer Agents (R&T Agents) in case of shares held in Physical Form or
- (ii) Depository Participants in case of shares held in Electronic Form

## 11. Nomination

Members holding shares in physical form and desirous of making/changing a Nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 or any statutory re-enactment thereof, are requested to submit the request in prescribed form SH-13 and SH-14, as applicable for this purpose to the Company's Registrar & Transfer Agents (RTA), M/s Skyline Financial Services Private Limited. (Enclosed with this Notice)

## 12. Dematerialization

Pursuant to the directions of the SEBI, trading in the shares of your Company is in compulsory dematerialized form. *Members who have not yet got their shares dematerialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the dematerialization account to the Company's RTA.*

## 13. Additional Information

Additional Information of Directors seeking re-appointment at the ensuing AGM, as required under Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the SS-2, is annexed to the Notice.

## 14. Other Information

As a measure of economy, copies of Annual Reports will not be distributed at the venue of the Annual General Meeting. Members are, therefore, requested to bring their own copies of the Annual Reports to the meeting.

**EXPLANATORY STATEMENT**  
**(Pursuant to section 101(1) of the Companies, Act, 2013)**

**Item No. 4**

The members of the Company may note that, based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors at their meeting held on August 26, 2016, approved the remuneration of Mr. Gopal Bansal, Managing Director of the Company under the provisions of the Companies Act, 2013 from Rs. 70,000/- p.m. to Rs. 1,00,000/- w.e.f. October 1, 2016.

With his vast experience of above ten years in the field of Financing , Taxation, Audits etc. the Board of Directors considered it to be desirable to approve ratification and approval of remuneration payable to him for his current tenure of appointment as Managing Director.

No Director, Key Managerial Personnel or their relatives, except Mr. Gopal Bansal, to whom the resolution relates, are interested or concerned in this resolution.

The Board recommends the resolution set forth in item no. 4 for the approval of members.

**By Order of the Board of Directors**  
**For India Finsec Limited**

**Date: 26.08.2016**  
**Place: New Delhi**

Sd/-  
**Richa Sharma**  
**Company Secretary**



### Annexure to the Notice

Additional Information of Director seeking re-appointment at the 22<sup>nd</sup> Annual General Meeting pursuant to Secretarial Standards and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

<b>Name of the Director</b>	Mr. Mukesh Sharma
<b>Date of Birth</b>	April 20,1978
<b>Qualifications</b>	M.Com
<b>Remuneration last drawn (In Rupees)</b>	Rs. 20,000 p.m.
<b>Nature of his expertise in specific functional areas</b>	Financial & Portfolio Management
<b>Brief Profile</b>	Mr. Mukesh Sharma having expertise in the field of financing, investment, management consultancy, taxation and Finance etc. He was appointed as a Director on December 18,2006. Thereafter, as per his knowledge and experience, the members of the Company had appointed him as Whole Time Director of the Company. During the financial year 2015-2016, he again re-appointed as Whole Time Director of the Company. Presently, he is providing valuable services to the Company.
<b>Name of the Listed Entities in which the person holds the Directorships</b>	Nil
<b>Name of the Listed Entities in which the person holds the Memberships of committees of the Board</b>	Nil
<b>Shareholding in the Company (Equity)</b>	12,92,540 shares (5.18% ) as on March 31, 2016
<b>Relationship with other Directors/Manager/Key Managerial Personnel</b>	Nil
<b>Number of Board Meetings attended during the FY 2015-16</b>	Twenty Four out of Twenty Four Meeting.





**INDIA FINSEC LIMITED**  
CIN- L65923DL1994PLC060827

Regd. Office- D-16, 1<sup>st</sup>Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085  
E-mail Id- [indiafinsec@gmail.com](mailto:indiafinsec@gmail.com) Website- [www.indiafinsec.com](http://www.indiafinsec.com) Contact No. 01145805612

**ATTENDANCE SLIP**

Full Name and Address of the Shareholder/Proxy Holder (in block letters)	
Joint Holder 1 (in block letters)	
Joint Holder 2 (in block letters)	
Folio No./DP ID*/Client ID*:	
No. of Shares Held	
I hereby certify that I am a member/proxy for the member of the Company.	
Signature of Shareholder/Proxy	

I/we hereby record my presence at the **Twenty Second Annual General Meeting** of the Shareholders of **M/s India Finsec Limited** held on **Wednesday, September 28, 2016 at 01:00 p.m.** at **D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, Delhi-110085.**

**Note:** Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the premise. Shareholders are also requested to bring their copy of annual report. As a measure of economy, copies of Annual Reports will not be distributed at the venue of the Annual General Meeting.

\*Applicable for shareholders holding shares in electronic form.

**ELECTRONIC VOTING PARTICULARS**

E VOTING EVENT NUMBER (EVEN)	USER ID	PASSWORD

**Note:** Please read the instructions printed under the Note to the Notice of Twenty Second Annual General Meeting dated August 26, 2016 for e-voting process. The E-voting period starts from September 25, 2016 at 10:00 a.m., and will end on September 27, 2016 at 5:00 p.m. The voting module shall be disabled by NDSL for voting thereafter.



**INDIA FINSEC LIMITED**  
CIN- L65923DL1994PLC060827

Regd. Office- D-16, 1<sup>st</sup>Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085  
E-mail Id- [indiafinsec@gmail.com](mailto:indiafinsec@gmail.com) Website- [www.indiafinsec.com](http://www.indiafinsec.com) Contact No. 01145805612

**PROXY FORM**  
(Form No. MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L65923DL1994PLC060827

Name of the Company: India Finsec Limited

Registered Office: D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085

Name of the member(s): Registered Address : Email ID: Folio No./Client ID : DP ID :
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I/ We being the member(s) holding \_\_\_\_\_ shares of the **India Finsec Limited** hereby appoint:

- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_ Or failing him
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_ Or failing him
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_ Or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/belief at the 22<sup>nd</sup>Annual General Meeting of the Company to be held on **Wednesday, September 28, 2016 at 01:00 p.m. at D-16, 1<sup>st</sup> Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
<b>Ordinary Business</b>	
1.	To receive, consider and adopt the financial statement consisting of Balance Sheet for the year ended March 31, 2016 and the Statement of Profit and Loss, Cash Flow Statement for the year ended on March 31, 2016 along with the reports of the Board of Directors and the Auditors thereon.
2.	To appoint a Director in place of Mr. Mukesh Sharma, Whole Time Director (DIN:00274217), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.
3.	To ratify appointment of Statutory Auditors and to fix their remuneration
<b>Special Business</b>	
4.	To increase the remuneration of Mr. Gopal Bansal, Managing Director of the Company from Rs. 70,000/- to Rs. 1,00,000/-

Signed this..... Day of.....2016

Affix Re. 1/- Revenue Stamp
--------------------------------------

Signature of the member.....

Signature of the Proxy holder(s) (1) .....(2).....(3).....

*Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*



**INDIA FINSEC LIMITED**

CIN- L65923DL1994PLC060827

Regd. Office- D-16, 1<sup>st</sup>Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085

E-mail Id- [indiafinsec@gmail.com](mailto:indiafinsec@gmail.com) Website- [www.indiafinsec.com](http://www.indiafinsec.com) Contact No. 011-45805612

**Nomination Form**

**(Form No. SH-13)**

*[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]*

To

**India Finsec Limited**

CIN: L65923DL1994PLC060827

Regd. Office: D-16, First Floor, Above ICICI Bank,

Prashant Vihar, Sector-14, Rohini,

New Delhi-110085

I/We .....the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)**

Nature of securities	Folio No.	No. of securities	Certificate No	Distinctive No.

**(2) PARTICULARS OF THE NOMINEE/S: —**

- (a) Name: \_\_\_\_\_  
(b) Date of Birth: \_\_\_\_\_  
(c) Father's/Mother's/Spouse's \_\_\_\_\_  
(d) Occupation: \_\_\_\_\_  
(e) Nationality: \_\_\_\_\_  
(f) Address: \_\_\_\_\_  
(g) E-mail Id: \_\_\_\_\_  
(h) Relationship with the security holder: \_\_\_\_\_

**(3) IN CASE NOMINEE IS A MINOR—**

- (a) Date of Birth: \_\_\_\_\_  
(b) Date of attaining maturity: \_\_\_\_\_  
(c) Name of Guardian: \_\_\_\_\_  
(d) Address of Guardian: \_\_\_\_\_

**Name:**

**Address:**

**Name of the Security Holder (s)**

**Signature**

**Witness with name and address**



**INDIA FINSEC LIMITED**  
CIN- L65923DL1994PLC060827

Regd. Office- D-16, 1<sup>st</sup>Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085  
E-mail Id- [indiafinsec@gmail.com](mailto:indiafinsec@gmail.com) Website- [www.indiafinsec.com](http://www.indiafinsec.com) Contact No. 01145805612

**Cancellation or Variation of Nomination**  
(Form No. SH-14)

*[Pursuant to sub-section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]*

To  
**India Finsec Limited**  
CIN: L65923DL1994PLC060827  
Regd. Office: D-16, First Floor, Above ICICI Bank,  
Prashant Vihar, Sector-14, Rohini,  
New Delhi-110085

I/ We hereby cancel the nomination(s) made by me/us in favour of .....(name and address of the nominee) in respect of the below mentioned securities.

or

I/We hereby nominate the following person in place of .....as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

**(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled/ varied)**

Nature of securities	Folio No.	No. of securities	Certificate No	Distinctive No.

**(2) PARTICULARS OF THE NEW NOMINEE: —**

- (a) Name: \_\_\_\_\_
- (b) Date of Birth: \_\_\_\_\_
- (c) Father's/Mother's/Spouse's \_\_\_\_\_
- (d) Occupation: \_\_\_\_\_
- (e) Nationality: \_\_\_\_\_
- (f) Address: \_\_\_\_\_
- (g) E-mail Id: \_\_\_\_\_
- (h) Relationship with the security holder: \_\_\_\_\_

**(3) IN CASE NOMINEE IS A MINOR—**

- (a) Date of Birth: \_\_\_\_\_
- (b) Date of attaining maturity: \_\_\_\_\_
- (c) Name of Guardian: \_\_\_\_\_
- (d) Address of Guardian: \_\_\_\_\_

**Signature**  
Name of the Security Holder (s)

Witness with name and address