



Date: 03.10.2017

To  
The Department of Corporate Relations  
BSE Limited  
PJ Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

Sub: Submission of the Annual Report for the financial year 2016-17

Dear Sir,

Pursuant to Regulation 34 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing a copy of the Annual Report for the financial year 2016-17, duly adopted by the shareholders in a 23<sup>rd</sup> Annual General Meeting of the Company held on September 30, 2017 at 11:00 A.M. at the registered office of the Company.

Further please note that the Annual Report has also been uploaded on the website of the Company at <http://www.indiafinsec.com/wp-content/uploads/2017/09/Annual-Report-2017-IFL-.pdf>.

You are requested to take the same on your records.

Thanking you,  
Yours faithfully

For India Finsec Limited

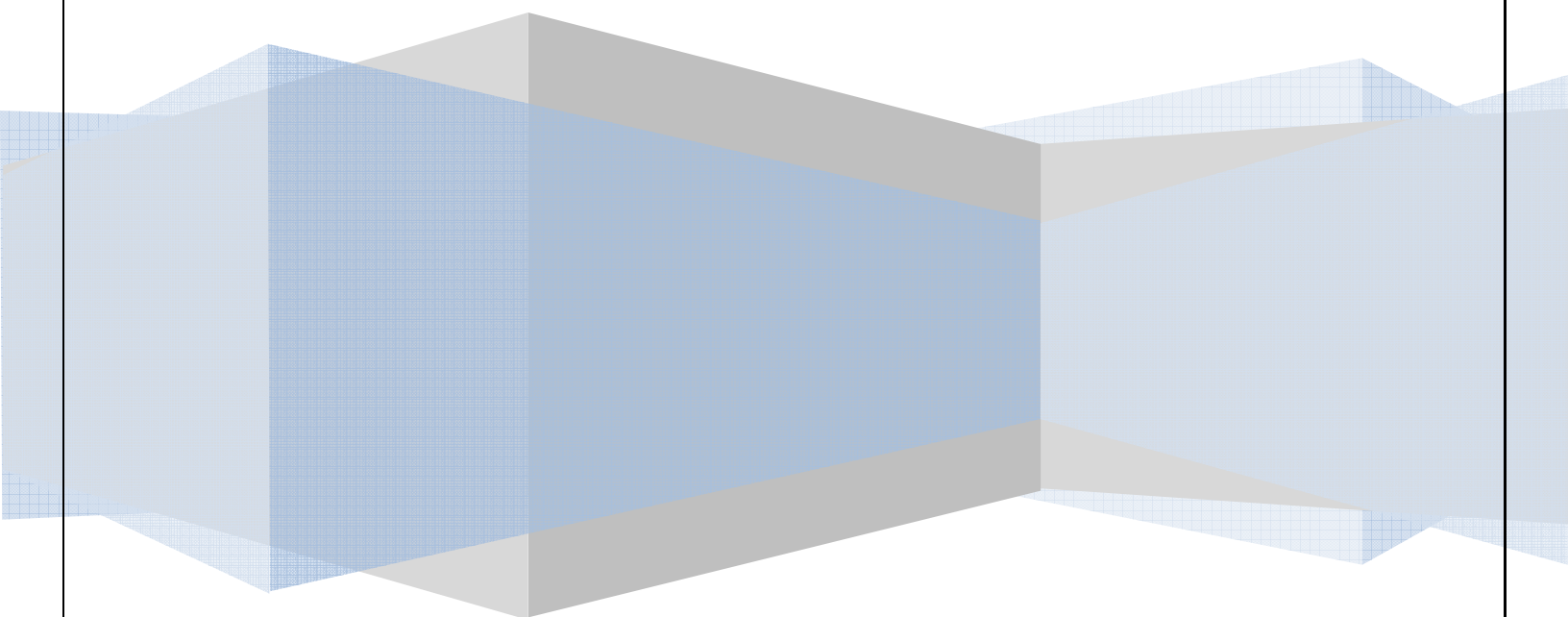
  
Varsha Bharti  
Company Secretary  
M. No.-A37545  
Place: New Delhi



# **INDIA FINSEC LIMITED**

**23RD ANNUAL REPORT**

**2016-17**



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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,

At the outset, please accept my warm greetings and I welcome you all to the 23<sup>rd</sup> Annual General Meeting of your Company, **India Finsec Limited**. In the face of challenges to domestic growth across countries, the Company has demonstrated strong resilience which was possible due to aspiration, will and persistent efforts by its employees. We feel immense pleasure in presenting before you the performance of your Company for the financial year 2016-17.

The global and local macroeconomic environment saw noteworthy changes such as demonetization and President Trump's election that have a strong effect on global economic activity. Demonetisation coincided with the US Presidential election results announced on November 8, 2016 that impacted the equity market and most of the large listed NBFCs also registered a significant decline between November 8, 2016 and December 30, 2016 mainly due to cash intensive nature of their businesses and delayed repayments. The growth of credit extended by banks to NBFCs also appeared to have been impacted due to demonetization. Bank credit growth to NBFCs decelerated from 5.1 per cent on y-o-y basis in October 2016 to 1.3 per cent in November 2016, which further declined by 0.6 per cent in January 2017. In this backdrop, we have taken our mandate to maintain your company's profitability level. During the year 2016-17, your company recorded consolidated revenue of Rs. 91,346,463 as compared to previous year's consolidated revenue of Rs. 76,312,931 which resulted in a consolidated profit of Rs. 17,264,388 as compared to previous year's consolidated profit of Rs. 6,021,427 in the financial year 2015-16.

Overall, demonetisation has had some negative macroeconomic impact, which, however, has been transient as remonetisation has moved at an accelerated pace in last twelve weeks. More importantly, demonetisation is expected to have a positive impact over the medium to long-term. In particular, there is expected to be greater formalisation of the economy with increased use of digital payments. The reduced use of cash will also lead to greater intermediation by the formal financial sector of the economy, which should, inter alia, help improve monetary transmission. However, the situation for most NBFCs began to improve from late December 2016. Jan Dhan accounts increased by 23.3 million post demonetisation, while deposits under Jan Dhan accounts increased by 187 billion (41 per cent).

Your company has taken various measures to strengthen its human resources processes with a focus on building a talent pool of employees. The Company has been consistent in complying with all the statutory and regulatory matters in the prescribed manner. India Finsec Limited has taken various steps towards business growth which includes investment in a housing finance company i.e. IFL Housing Finance Limited (wholly- owned subsidiary of '**India Finsec Limited**') which will help the company in also expanding its business activities in the line of housing finance. Moreover, its associate company '**IFL Enterprises Limited**' has come up with the public issue of 16,26,000 shares of Rs. 10 each at a price of Rs. 20 each (including premium of Rs. 10 each) which was over-subscribed. Further, the associate company currently operating in various business segments such as textile trading, direct selling agency and corporate advisory.

Overall, all our businesses are doing well and remain on track in achieving the long term business goals and aspirations.

I also express my thanks to all our Directors for their invaluable contribution through their guidance and encouragement, which have been critical for the success of the Company. Finally, I thank each and every shareholder, large and small, for your support and trust. I assure you that each one of us is committed to build a company that is high on corporate governance, is of great value for society and is a company that you will be proud of.



*Gopal Bansal,*  
*Chairman & Managing Director*



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Gopal Bansal  
(Chairman & Managing Director)

Mr. Mukesh Sharma      Mr. Basant Mittal      Mrs. Charu Goyal  
(Whole- Time Director) (Independent Director) (Independent Director)

### Company secretary

Ms. Varsha Bharti

### Chief Financial Officer

Mr. Manoj Kumar Gupta

### Statutory Auditors

M/s VN Purohit & Co.  
(Chartered Accountants)

### Internal Auditor

M/s Bansal Mangal Singhal & Goyal  
(Chartered Accountants)

### Secretarial Auditor

Mrs. Rachna Bhasin  
(Practicing Company Secretaries)

### Registrar & Share Transfer Agent

Skyline Financial Services Private Limited  
D-153A, Okhla Industrial Area, Phase-I,  
New Delhi-110020

### Bankers

HDFC Bank  
Punjab National Bank  
IDBI Bank

### Registered Office

India Finsec Limited  
D-16, 1<sup>st</sup> Floor, Above ICICI Bank, Prashant  
Vihar, Sector-14, Rohini, New Delhi-110085  
(CIN No. L65923DL1994PLC060827)

[www.indiafinsec.com](http://www.indiafinsec.com)

SHARES LISTED AT  
Bombay Stock Exchange

## COMMITTEES OF BOARD OF DIRECTORS



### AUDIT COMMITTEE

- **Mr. Basant Mittal**  
(Chairman, Independent Director)
- **Ms. Charu Goyal**  
(Member, Independent Director)
- **Mr. Gopal Bansal**  
(Managing Director, Member)
- **Ms. Varsha Bharti**  
(Secretary)

### STAKEHOLDERS RELATIONSHIP COMMITTEE

- **Mr. Basant Mittal**  
(Chairman, Independent Director)
- **Ms. Charu Goyal**  
(Member, Independent Director)
- **Mr. Gopal Bansal**  
(Managing Director, Member)

### NOMINATION & REMUNERATION COMMITTEE

- **Mr. Basant Mittal**  
(Chairman, Independent Director)
- **Ms. Charu Goyal**  
(Member, Independent Director)
- **Mr. Gopal Bansal**  
(Managing Director, Member)

### RISK MANAGEMENT COMMITTEE

- **Mr. Gopal Bansal**  
(Chairman, Managing Director)
- **Ms. Charu Goyal**  
(Member, Independent Director)
- **Mr. Basant Mittal**  
(Member, Independent Director)



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**IFL Housing Finance Limited-** *Wholly-owned Subsidiary of India Finsec Limited*  
**IFL ENTERPRISES LIMITED-** *Associate of India Finsec limited*

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**BOARD OF DIRECTORS  
OF  
“IFL HOUSING FINANCE LIMITED”**

Mr. Gopal Bansal, *Director*  
Mr. Gaurav Suri, *Director*  
Mrs. Sunita Bansal, *Director*

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

Mr. Gopal Bansal, *Managing Director*  
Mr. Ashok Kumar Bansal, *Director*  
Mr. Pramod Sharma, *Additional Director*  
Ms. Himanshi Kashyap, *Additional Director*  
Mr. Mukesh Sharma, *Whole-Time Director*



## BOARD'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the **Twenty Third Annual Report** of the Company with the Audited Financial Statements and the Auditor's Report of your Company for the financial year ended **31<sup>st</sup> March, 2017**.

### 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 posted Total income and Net Profit of Rs. 9,11,92,080/- and Rs. 1,69,64,885/- respectively as on March 31, 2017 as against Rs. 7,23,90,991/- and Rs. 55,58,346 respectively in the previous year.**

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 25 percent increase in its revenue as compared to last year.

### STATEMENT OF AFFAIRS

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

#### FINANCIAL RESULTS

Particulars	Financial year ended (in Rs.)			
	Standalone		Consolidated	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<b>Total Income</b>	9,11,92,080.00	7,23,90,991.00	9,13,46,463.00	7,63,12,931.00
<b>Total Expenditure</b>	6,71,33,379.00	6,43,57,023.00	6,72,83,130.00	6,64,06,248.00
<b>Profit/(Loss) before tax</b>	2,40,58,701.00	80,33,968.00	2,40,63,333.00	99,06,684.00
<b>Profit/(Loss) after tax</b>	1,69,64,885.00	55,58,346.00	1,72,64,338.00	60,21,427.00
<b>Paid- up Share Capital</b>	24,94,17,150.00	24,94,17,150.00	24,94,17,150.00	24,94,17,150.00
<b>Reserves and Surplus</b>	18,49,07, 218.00	16,69,35,081.00	18,51,80,769.00	17,21,76,958.00

### 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 proposed 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. However, there has been no change in the nature of business during the year under review by the Company.

## 7. MATERIAL CHANGES AND COMMITMENTS

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 2016-17. 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 proviso 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 2017, 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), Practising Company Secretaries, to undertake the secretarial audit of the Company for the Financial Year 2016-2017.

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

The Secretarial Audit Report for the financial year ended March 31, 2017 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 M/s Bansal Mangal Singhal & Goyal, Chartered Accountants, 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. They have provided Internal Audit Report of the Company for the financial year ended March 31, 2017. 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, 2017.

## **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

There has been no change in the following policies during the financial year 2016-17:

- 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.
- Risk Management Policy
- Policy for determining 'material' subsidiaries as per Regulation 16(1)(c) 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/>

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

During the financial year 2016-17, 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 2016-2017) 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.

#### 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

Ms. Richa Sharma has resigned from the post of Company Secretary on 26<sup>th</sup> August, 2016. Further, Ms. Varsha Bharti has been appointed as Company Secretary and Compliance Officer of the Company with effect from 13<sup>th</sup> February, 2017.



## 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.1,00,000/- (Rupees One Lakh 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 (Former Company Secretary), the Key Managerial Personnel of the company has been paid Gross monthly remuneration of Rs. 40,000/- (Rupees Forty Thousand Only). She resigned from the post of Company Secretary with effect from August 26, 2016.

Ms. Varsha Bharti (New Company Secretary), the Key Managerial Personnel of the company be paid Gross monthly remuneration of Rs. 30,000/- (Rupees Thirty 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 13 (**Thirteen**) 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. Varsha Bharti (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 4 (Four) 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.

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

During the year 3 (Three) 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 of 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 of Mr. Basant Mittal (Independent Director), Ms. Charu Goyal (Independent Director) and Mr. Gopal Bansal (Managing Director).

During the year 4 (Four) Risk Management Committee Meetings were held.

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

In the beginning of the year we had only one subsidiary but as on March 31, 2017 we have one subsidiary company i.e. "IFL Housing Finance Limited" and one associate company i.e. "IFL Enterprises Limited". In accordance with Section 129(3) we have prepared the consolidated financial statements of the Company which forms part of this Annual Report.

During the year, investment of Rs. 10,50,00,000/- was made in a subsidiary i.e. IFL Housing Finance Limited. Further, IFL Enterprises Limited reported revenue of Rs. 3,54,56,028/- and incurred a loss of Rs. 9,27,786 as compared to revenue of Rs. 39,21,940/- and profit after tax of Rs. 12,94,045 in the last year.

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

The performance and financial position of "IFL Housing Finance Limited" (Subsidiary) and "IFL Enterprises Limited" (Associate) for the financial year 2016-2017 are mentioned below:

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) 2016 -2017	Increase (%)	Ratio of Director's Remuneration to Median remuneration
Mr. Gopal Bansal	Managing Director	10.20	42.86	3.78:1
Mr. Mukesh Sharma	Whole Time Director	2.40	0.00	0.89:1
Mr. Manoj Kumar Gupta	CFO	9.60	0.00	N.A.
Ms. Richa Sharma	Past Company Secretary	1.54	100.00	N.A.

<b>Ms. Varsha Bharti</b>	New Company Secretary	0.72	0.00	
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2. Median remuneration of the Company for all its employees is Rs. 269,655/- for the financial year 2016-2017.
3. The Percentage decrease in median remuneration of employees in the Financial Year: 23.73%
4. Number of permanent employees on the rolls of the Company: 11 (As at 31st March, 2017).
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		
Increase in salary (2015-16)	Increase in salary (2016-17)	Percentile increase
50.00	50.00	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, 2017, 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 have laid down the 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. BUSINESS RESPONSIBILITY REPORT**

Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015 requires top 500 listed companies based on market capitalization to include business responsibility report. The same is not applicable on our Company. Therefore, no initiative with respect to environmental, social has been taken.

### **40. 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.

### **41. 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: 30.05.2017  
Place: Delhi**

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

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



## SECRETARIAL AUDIT REPORT

(Form No. MR-3)

For the financial year ended 31.03.2017

[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 31/03/2017 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 31/03/2017 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: 30-05-2017**  
**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: 30-05-2017**  
**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 31.03.2017**

[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.	Registration Date	10.08.1994
iii.	Name of the Company	India Finsec Limited
iv.	Category/Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
v.	Address of the Registered office and contact details	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.	Whether listed company	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	51.97
2	Dealing in Shares & Securities	64920	48.03

**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 Housing Finance Limited D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085	U67100DL2009PLC186958	Subsidiary	100%	2(87)
2.	IFL Enterprises Limited D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085	L67100DL2009PLC186958	Associate	29.64	2(6)

**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 (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<i>1) Indian</i>									
a) Individual/ HUF	2415015	0	2415015	9.68	3640015	0	3640015	14.59	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
<b>Subtotal(A)(1):-</b>	<b>6952065</b>	<b>0</b>	<b>6952065</b>	<b>27.87</b>	<b>8177065</b>	<b>0</b>	<b>8177065</b>	<b>32.78</b>	<b>0</b>
<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>8177065</b>	<b>0</b>	<b>8177065</b>	<b>32.78</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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	7573349	0	7573349	30.36	5178964	0	5178964	20.76	(31.62)
(ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 Lakh on 31.03.2017	2018651	2035700	4054351	16.26	1750130	1566450	3316580	13.3	(18.20)
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh on 31.03.2017	790000	5143950	5933950	23.79	2855371	5021700	7877071	31.58	32.75
c) Others(HUF)	428000	0	428000	1.72	392035	0	392035	1.57	(8.40)
<b>Sub-total(B)(2)</b>	<b>10810000</b>	<b>7179650</b>	<b>17989650</b>	<b>72.13</b>	<b>10176500</b>	<b>6588150</b>	<b>16764650</b>	<b>67.22</b>	<b>(6.81)</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>10176500</b>	<b>6588150</b>	<b>16764650</b>	<b>67.22</b>	<b>(6.81)</b>
C. Shares held by Custodian for 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>18353565</b>	<b>6588180</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 (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% 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	1574500	6.31	0	+350.50 %
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>8177065</b>	<b>32.78</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
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
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):	1225000(Purchase of shares on 22.07.2016)	4.91	1225000(Purchase of shares on 22.07.2016)	4.91
	At the End of the year	1574500	6.31	1574500	6.31
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
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
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 01.04.2016)		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016-31.03.2017)	
		No. of shares at the beginning (01-04-2016/ end of the year (31-03-2017))	% of total shares of the company				No. of shares	% of total shares of the company
1	E-Tricks Enterprises Private Limited	0	0	01.04.2016				
				08.07.2016	2000000	Purchase	2000000	8.02
				28.10.2016	-470000	Sale	1530000	6.13
		1530000	6.13	31.03.2017				
2	Jagtarni Traders Private Limited	1500000	6.01	01.04.2016				
		-	-	-	-	-	-	-
		1500000	6.01	31.03.2017				
3	AutoliteAgencies Private Limited	956000	3.83	01.04.2016				
		-	-	-	-	-	-	-
		956000	3.83	31.03.2017				
4	Tia Enterprises Private Limited	514000	2.06	01.04.2016				
				23.09.2016	-313450	Sale	200550	0.8
				24.02.2017	118424	Purchase	318974	1.28
				03.03.2017	197749	Purchase	516723	2.07
				10.03.2017	37000	Purchase	553723	2.22
				17.03.2017	15800	Purchase	569523	2.28
		569523	2.28	31.03.2017				
5	Radhey Kishan	40000	0.06	01.04.2016				
				28.10.2016	18000	Purchase	58000	0.23
				04.11.2016	470000	Purchase	528000	2.12
		528000	2.12	31.03.2017				
6	Naveen Kumar Gupta	20000	0.08	01.04.2016				
				26.08.2016	425500	Purchase	445500	1.79
		445500	1.79	31.03.2017				
7	Sushil Kumar Gupta	20000	0.08	01.04.2016				
				26.08.2016	408000	Purchase	428000	1.72
				30.09.2016	16537	Purchase	444537	1.78
				07.10.2016	-13000	Sale	431537	1.73
				14.10.2016	-1000	Sale	430537	1.73
				21.10.2016	1549	Purchase	432086	1.73
		432086	1.73					
8	Yamini Investments Co. Ltd.	230000	0.92	01.04.2016				
				15.04.2016	52000	Purchase	282000	1.13
		282000	1.13	31.03.2017				
9	Suresh Chand Verma	49000	0.2	01.04.2016				
				15.04.2016	5100	Purchase	54100	0.22
				10.02.2017	157511	Purchase	211611	0.85
		211611	0.85	31.03.2017				
10	Ashok Kumar Arya	0	0.00	01.04.2016				
				10.02.2017	167950	Purchase	167950	0.67
		167950	0.67	31.03.2017				

(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
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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):	1225000(Purchase of shares on 22.07.2016)	4.91	1225000(Purchase of shares on 22.07.2016)	4.91
	At the End of the year	1574500	6.31	1574500	6.31
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		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	2000(Purchase of Shares) -4800(Sale of Shares)	0.01	2000(Purchase of Shares) -4800(Sale of Shares)	0.01
	At the End of the year	17,200	0.07	17,200	0.07
5	Ms. Varsha Bharti 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
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## 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	156907	3000000	0	3156907
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total(i+ii+iii)</b>	<b>156907</b>	<b>3000000</b>	<b>0</b>	<b>3156907</b>
Change in Indebtedness during the financial year				
- Addition	0	0	0	0
- Reduction	(71845)	(3000000)	0	(3071845)
<b>Net Change</b>	<b>(71845)</b>	<b>(3000000)</b>	<b>0</b>	<b>(3071845)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	85062	0	0	85062
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>85062</b>	<b>0</b>	<b>0</b>	<b>85062</b>

## 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 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	1020000	240000	1260000
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify...	0 0	0 0	0 0
5.	Others, please specify	0	0	0
6.	Total(A)	1020000	240000	1260000
	Ceiling as per the Act	Remuneration paid is within the ceiling limits calculated as per Section 198 of the Companies Act, 2013		

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Basant Mittal	Ms. Charu Goyal	
	<u>Independent Directors</u>			
	• Fee for attending board/committee meetings	6500	6500	13000
	• Commission	0	0	0
	• Others, please specify	0	0	0
	<b>Total(1)</b>	<b>6500</b>	<b>6500</b>	<b>13000</b>
	<u>Other Non-Executive Directors</u>			
	• Fee for attending board committee meetings	0	0	0



	·Commission	0	0	0
	·Others, please specify	0	0	0
	Total(2)	0	0	0
	Total(B)=(1+2)	6500	6500	13000

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Ms. Richa Sharma, Past Company Secretary	Ms. Varsha Bharti, Company Secretary	Mr. Manoj Kumar Gupta, CFO	
1.	Gross Salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/ s17(2) Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3) Income- taxAct,1961	1,54,750 0 0	72,030 0 0	960000 0 0	1186780 0 0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as% of profit - others, specify...	0 0	0 0	0 0	0 0
5.	Others, please specify	0	0	0	0
	Total	1,54,750	72,030	960000	1186780

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: 30.05.2017  
Place: Delhi

Sd/-  
Gopal Bansal  
Managing Director  
DIN-01246420

Sd/-  
Mukesh Sharma  
Whole Time Director  
DIN-00274217

## 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



(Annexure – IV)

**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 Housing Finance Limited
2.	The date since when subsidiary was acquired	27.12.2016
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	10,50,00,000
6.	Reserves & Surplus	3,739
7.	Total Assets	10,50,10,170
8.	Total Liabilities	10,50,10,170
9.	Investments	-
10.	Turnover	-
11.	Profit before taxation	4,632
12.	Provision for taxation	1,431
13.	Profit after taxation	3,201
14.	Proposed Dividend	0.00
15.	Extent of shareholding (in percentage)	100%

**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	IFL Enterprises Limited
1. Latest audited Balance Sheet Date	31.03.2017
2. Date on which the Associate or Joint Venture was associated or acquired	10.03.2016
3. Shares of Associate/Joint Ventures held by the company on the year end No.	889891
Amount of Investment in Associates/Joint Venture	14162685
Extend of Holding (in percentage)	29.64
4. Description of how there is significant influence	Holding of more than 20% shares of IFL Enterprises Limited
5. Reason why the associate/joint venture is not consolidated	Consolidated
6. Net worth attributable to shareholding as per latest audited Balance Sheet	1,82,57,917
7. Profit/Loss for the year	
i. Considered in Consolidation	-9,27,786
ii. Not Considered in Consolidation	Nil

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

Date: 30.05.2017  
Place: New Delhi

Sd/-  
Manoj Kumar Gupta  
CFO

Sd/-  
Varsha Bharti  
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 Housing Finance Limited	Acquisition of 50,000 Equity Shares	-	-	27.12.2016	10,50,00,000
	Acquisition of 1,04,50,000 Equity Shares			13.02.2017	
Gopal Bansal, Managing Directors	Remuneration given	-	-	26.08.2016	10,20,000.00
	Sitting Fees				0.00
Mukesh Sharma, Whole Time Director	Remuneration given	-	-	16.04.2015	2,40,000.00
	Sitting Fees				0.00
Mr. Manoj Kumar Gupta	Remuneration Given	-	-	16.04.2015	9,60,000
Ms. Richa Sharma (Past Company Secretary)	Salary Paid	-	-	30.05.2015	1,54,750
Ms. Varsha Bharti (New Company Secretary)	Salary Paid	-	-	13.02.2017	72,030
Sunita Bansal, Relative of KMP	Rent Paid	01.04.2014 to 31.03.2017	Rent Agreement	16.04.2015	7,20,000.00
	Interest Received				0.00
	Advance Refunded				0.00
Gopal Bansal (HUF), (Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives)	Rent Paid	01.04.2014 to 31.03.2017	Rent Agreement	16.04.2015	72,00,000.00
	Interest Received				0.00
	Advance Refunded				0.00

By the Order of the Board  
For India Finsec Limited

Date: 30.05.2017  
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 2016-2017, under consideration the performance of the Company was remarkable. Net Profit for the year 2016-2017 recorded at Rs. 1,69,64,885/- as against net profit of Rs. 55,58,345/- in the year 2015-2016. Furthermore the Total Revenue for the year ended March 31,2017 is Rs. 9,11,92,080/- as compared to Rs. 7,23,90,991/- revenue for the year March 31, 2016.

### **2. ECONOMIC OUTLOOK**

Global economy witnessed the slow growth during the current year. The Government of India announced demonetisation of high denomination bank notes of Rs 1000 and Rs 500, with effect on November 8, 2016, in order to eliminate black money and the growing menace of fake Indian currency notes, thereby creating opportunities for improvement in economic growth.

In the Union Budget 2017-18, the Finance Minister, Mr Arun Jaitley, verified that the major push of the budget proposals is on growth stimulation, providing relief to the middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country. India's unemployment rate has declined to 4.8 per cent in February 2017 compared to 9.5 per cent in August 2016.

Some of the recent initiatives and developments undertaken by the government which includes launching of Simplified Proforma for Incorporating Company Electronically(SPICE) which aimed at providing speedy services for incorporation to bring ease of doing business in the country.

During the year, your Company delivered yet another year of resilient performance aided by trade investments, exciting innovations and stepped up market development. Your Company was also succeeded in attracting new customers through its diversified products.

### **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 Company is confident in managing its risks by observing a conservative financial profile in investments. The Company hopes to improve its performance on the strength of its long experience and its strong emphasis 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 management has got an exposure of the capital markets, which provides us an opportunity to make the investments profitable associated with minimum risks.

## 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: 30.05.2017  
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 Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the management with strategic direction catering to exigency of long term shareholders value. The Company has fully complied with all the existing regulations prescribed by the Securities Exchange Board of India in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements). Regulations, 2015. The Company is committed to good corporate governance which strengthens Board and management accountability and helps build public trust in the Company.

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, 2017 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	Three	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 Thirteen (13) times i.e. 10.05.2016, 11.05.2016, 30.05.2016, 22.07.2016, 13.08.2016, 26.08.2016, 23.09.2016, 30.09.2016, 26.10.2016, 14.11.2016, 27.12.2016, 13.02.2017 and 31.03.2017 during the financial year 2016-2017 respectively.

Name	Designation	Category	Board Meetings during the period & Attendance at Board Meetings	
			Held	Attended
Mr. Gopal Bansal	Managing Director	Executive Director	13	13
Mr. Mukesh Sharma	Whole Time Director	Executive Director	13	13
Mr. Basant Mittal	Independent Director	Non-Executive Director	13	7
Ms. Charu Goyal	Independent Director	Non-Executive Director	13	6

- **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
Mr. Basant Mittal (Non-Executive Independent Director)	0
Ms. Charu Goyal (Non-Executive Independent Director)	17,200
Total	17,200

- **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 2016-2017 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 2016-2017 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 2016-2017**

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
Ms. Varsha Bharti	Secretary of the Committee	4	1

During the year, Four (4) Audit Committee meetings were held as on 30.04.2016, 10.08.2016, 06.10.2016 and 02.02.2017 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 2016-2017

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

During the year, Three (3) Nomination & Remuneration Committee meetings were held as on 16.08.2016, 27.10.2016 and 11.02.2017 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;

- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (e) 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 (2016-2017)**

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount (Rs.)
		Gopal Bansal	Mukesh Sharma	Basant Mittal	Charu Goyal	
1.	Gross Salary (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	1020000	240000	0	0	1260000
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.	Total(A)	1020000	240000	0	0	1260000

**(b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2016-2017**

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.)
Mr. Basant Mittal						6,500
Ms. Charu Goyal						6,500

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, 2017.

**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 20.05.2016, 12.08.2016, 20.10.2016 and 20.01.2017 respectively.

**Meetings of the Stakeholders Relationship Committee and Attendance of the Members during 2016-2017**

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. Varsha Bharti	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 2016-2017 are mentioned below:

S. No.	Nature of Queries/ Complaints	Pending as on 01.04.2016	Received during the year	Redressed during the year	Pending as on 31.03.2017
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 2016-2017**

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

During the year, Four (4) Risk Management Committee meetings were held as on 08.05.2016, 25.08.2016, 13.10.2016 and 09.02.2017 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 March 30, 2017 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	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
Wednesday	28.09.2016	01:00 P.M.	D-16, Prashant Vihar, Sector-14, Rohini, New Delhi-110085	Yes

##### ➤ EXTRAORDINARY GENERAL MEETINGS

No Extraordinary General Meetings held during the financial year 2016-17.

#### 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:

- The Board:** The Company does not have Non-Executive Chairman.
- 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.
- 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.
- 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 30, 2017 (Saturday)
Time	11:00 a.m.
Venue	D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085
Date of Book Closure	
Friday, September 22, 2017 to Saturday, September 30, 2017	
Financial Year	
April 1, 2016 to March 31, 2017	
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 2016-2017.	
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. Varsha Bharti, Company Secretary of the Company

Distribution of Shareholding as on March 31, 2017

No. of Equity Shares Held	Number of Shareholders	% to Total Numbers	Share holding Amount	% to Total Amount
(Rs.)			(Rs.)	
1	2	3	4	5
Up To 5,000	57	10.92	9550	0
5001 To 10,000	2	0.38	20000	0.01
10001 To 20,000	5	0.96	87640	0.04
20001 To 30,000	1	0.19	20460	0.01
30001 To 40,000	1	0.19	40000	0.02
40001 To 50,000	4	0.77	182100	0.07
50001 To 1,00,000	195	37.36	19242900	7.72
1,00,000 and Above	257	49.23	229814500	92.14
Total	522	100	249417150	100

#### 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
4-Apr-16	10.1	10.1	10.08	10.08	10.09	33793	12	340753	33793	100	0.02	-0.02
5-Apr-16	10	10	10	10	10	5000	5	50000	5000	100	0	0
25-Apr-16	10.48	10.5	9.6	10.49	10.49	40900	8	429232	40900	100	0.9	0.01
26-Apr-16	10.05	10.05	10.05	10.05	10.05	10000	3	100500	10000	100	0	0

28-Apr-16	9.6	9.6	9.6	9.6	9.6	50	1	480	50	100	0	0
29-Apr-16	9.12	9.12	9.12	9.12	9	2	1	18	2	100	0	0
6-May-16	8.67	8.67	8.67	8.67	8.67	200	1	1734	200	100	0	0
9-May-16	8.3	8.3	8.25	8.27	8.24	25	2	206	25	100	0.05	-0.03
10-May-16	8.68	8.68	7.9	7.95	8.66	2050	3	17756	2025	98.78	0.78	-0.73
11-May-16	7.57	7.57	7.56	7.56	7.56	2000	11	15124	2000	100	0.01	-0.01
13-May-16	7.2	7.2	7.2	7.2	7.2	10000	1	72000	10000	100	0	0
17-May-16	6.85	6.85	6.85	6.85	6.84	50	1	342	50	100	0	0
29-Jun-16	6.52	6.52	6.52	6.52	6.52	4000	1	26080	4000	100	0	0
1-Jul-16	6.21	6.21	6.21	6.21	6.21	100	1	621	100	100	0	0
4-Jul-16	6	6.05	6	6.05	6.00	1245000	4	7471000	1245000	100	0.05	0.05
5-Jul-16	6.35	6.35	6.35	6.35	6.34	50	1	317	50	100	0	0
22-Jul-16	6.66	6.66	6.66	6.66	6.66	50	1	333	50	100	0	0
26-Jul-16	6.98	6.98	6.98	6.98	6.98	50	1	349	50	100	0	0
4-Aug-16	7.3	7.3	7.3	7.3	7.3	50	1	365	50	100	0	0
9-Aug-16	7.5	7.66	7.5	7.66	7.64	1996	2	15249	1996	100	0.16	0.16
16-Aug-16	8.02	8.02	8.02	8.02	8.02	50	1	401	50	100	0	0
17-Aug-16	8.4	8.4	7.63	8.03	8.05	1100	4	8855	750	68.18	0.77	-0.37
18-Aug-16	8.42	8.42	7.63	7.72	7.72	5000	5	38618	4000	80	0.79	-0.7
19-Aug-16	8.1	8.1	8.1	8.1	8.1	100	1	810	100	100	0	0
22-Aug-16	7.7	8.5	7.7	7.7	7.70	848050	11	6534120	843050	99.41	0.8	0
24-Aug-16	8.05	8.05	8.05	8.05	8.05	100	1	805	100	100	0	0
2-Sep-16	8.45	8.45	8.45	8.45	8	1	1	8	1	100	0	0
8-Sep-16	8.86	8.86	8.86	8.86	8	1	1	8	1	100	0	0
12-Sep-16	9.29	9.29	9.29	9.29	9.29	100	1	929	100	100	0	0
15-Sep-16	9.75	9.75	9.75	9.75	9.74	50	1	487	50	100	0	0
16-Sep-16	10.23	10.23	9.3	10.21	10.21	11400	7	116380	11350	99.56	0.93	-0.02
22-Sep-16	10.72	10.72	9.71	9.88	10.22	350479	25	3582828	346998	99.01	1.01	-0.84
23-Sep-16	9.75	10.37	9.75	10.37	10.33	165001	19	1704859	165000	100	0.62	0.62
26-Sep-16	10.05	10.05	10.05	10.05	10.05	500	5	5025	500	100	0	0
27-Sep-16	10.05	10.05	10.05	10.05	10.05	500	5	5025	500	100	0	0
28-Sep-16	10.1	10.55	10.1	10.55	10.55	66656	14	703219	66656	100	0.45	0.45
29-Sep-16	11.07	11.07	10.03	10.03	11.03	5102	5	56275	5100	99.96	1.04	-1.04
30-Sep-16	10.53	10.53	10.51	10.53	10.53	6260	12	65887	6255	99.92	0.02	0
3-Oct-16	10.55	11.05	10.5	10.5	10.61	103974	49	1103410	3745	3.6	0.55	-0.05
4-Oct-16	10.7	10.85	10.6	10.71	10.71	112068	25	1199879	10000	8.92	0.25	0.01
5-Oct-16	11	11.1	10.25	10.26	10.92	110232	36	1203504	10000	9.07	0.85	-0.74
6-Oct-16	10.7	10.74	10.5	10.5	10.69	85438	33	913206	8000	9.36	0.24	-0.2
7-Oct-16	10.6	11.02	10	10	10.04	52	5	522	51	98.08	1.02	-0.6
10-Oct-16	10.5	10.5	9.5	10.45	10.45	1053	8	11007	1050	99.72	1	-0.05

13-Oct-16	10.97	10.97	10.97	10.97	10.97	1500	3	16455	1500	100	0	0
18-Oct-16	10.45	10.45	10.45	10.45	10.45	49	1	512	49	100	0	0
20-Oct-16	9.95	9.95	9.95	9.95	9.94	48	1	477	48	100	0	0
24-Oct-16	10.44	10.44	10.44	10.44	10.44	18000	6	187920	18000	100	0	0
25-Oct-16	10.1	10.1	10.1	10.1	10.1	470000	1	4747000	470000	100	0	0
26-Oct-16	10.6	10.6	9.6	9.6	9.76	58	2	566	58	100	1	-1
27-Oct-16	9.12	10	9.12	10	9.999	8005	6	80045	8005	100	0.88	0.88
9-Nov-16	9.51	9.51	9.51	9.51	9.5	50	1	475	50	100	0	0
23-Dec-16	9.98	9.98	9.98	9.98	9.98	100	1	998	100	100	0	0
26-Dec-16	10.47	10.47	10.47	10.47	10.44	25	1	261	25	100	0	0
27-Dec-16	10.99	10.99	10.99	10.99	10.9	10	1	109	10	100	0	0
28-Dec-16	11.53	11.53	11.53	11.53	11.5	10	1	115	10	100	0	0
29-Dec-16	11.97	11.97	11.97	11.97	11.9	10	1	119	10	100	0	0
2-Jan-17	12.56	12.56	12.56	12.56	12.56	207	3	2599	207	100	0	0
3-Jan-17	13.18	13.18	13.18	13.18	13.18	100	1	1318	100	100	0	0
4-Jan-17	13.83	13.83	13.83	13.83	13.83	200	2	2766	200	100	0	0
5-Jan-17	14.36	14.36	14.36	14.36	14.35 7142 86	210	3	3015	210	100	0	0
6-Jan-17	14.35	14.36	14.35	14.36	14.35	190	3	2727	190	100	0.01	0.01
9-Jan-17	14.36	15.07	14.36	15.07	14.36	1002	2	14390	1002	100	0.71	0.71
10-Jan-17	15.1	15.56	15.1	15.55	15.53	16450	18	255424	16350	99.39	0.46	0.45
11-Jan-17	15.56	15.56	15.56	15.56	15.56	25	1	389	25	100	0	0
12-Jan-17	15	15	15	15	15	76	2	1140	76	100	0	0
16-Jan-17	15	15	15	15	15	1000	1	15000	1000	100	0	0
17-Jan-17	14.3	14.3	14.3	14.3	14.3	100	1	1430	100	100	0	0
19-Jan-17	15.01	15.01	15.01	15.01	15	25	1	375	25	100	0	0
20-Jan-17	15.01	15.01	15.01	15.01	15	10	1	150	10	100	0	0
24-Jan-17	15.56	15.56	15.56	15.56	15.56	1075	3	16727	1075	100	0	0
30-Jan-17	15.56	15.56	15.56	15.56	15.56	500	1	7780	500	100	0	0
31-Jan-17	15.56	15.56	15.56	15.56	15.5	10	1	155	10	100	0	0
1-Feb-17	16.3	16.3	16.3	16.3	16.3	100	1	1630	100	100	0	0
3-Feb-17	16.4	17.1	16.35	17	16.42	2159	6	35442	2159	100	0.75	0.6
6-Feb-17	17.85	17.85	17.85	17.85	17.85	641	3	11441	641	100	0	0
7-Feb-17	18.7	18.7	18.7	18.7	18.7	850	3	15895	850	100	0	0
8-Feb-17	19.15	19.15	18	19.1	18.49	2328	5	43047	2328	100	1.15	-0.05
9-Feb-17	19.1	19.1	19.1	19.1	19	1	1	19	1	100	0	0
20-Feb-17	19.1	19.15	19.1	19.15	19.15	319025	22	6109306	319025	100	0.05	0.05
21-Feb-17	19.15	19.15	19.15	19.15	19.15	1000	1	19150	1000	100	0	0
22-Feb-17	19.15	19.15	19.15	19.15	19.15	171250	20	3279437	171250	100	0	0
27-Feb-17	19	19	19	19	19	1500	1	28500	1500	100	0	0
28-Feb-17	19.15	19.15	19.15	19.15	19.15	25000	5	478750	25000	100	0	0



3-Mar-17	18.5	19.15	18.5	18.55	18.59	7192	6	133718	5192	72.19	0.65	0.05
6-Mar-17	19.15	19.15	19.15	19.15	19.15	225	3	4308	225	100	0	0
8-Mar-17	19.15	19.15	19.15	19.15	19.15	37000	5	708550	37000	100	0	0
9-Mar-17	19.15	19.15	18.2	18.2	18.21	8000	5	145695	8000	100	0.95	-0.95
10-Mar-17	19	19	17.3	17.3	17.32	8000	2	138570	8000	100	1.7	-1.7
15-Mar-17	18.15	18.15	16.5	16.85	16.83	2000	2	33660	2000	100	1.65	-1.3
17-Mar-17	17.65	17.65	16.5	16.65	16.63	3300	9	54865	3300	100	1.15	-1
22-Mar-17	16	16	16	16	16	800	4	12800	800	100	0	0
23-Mar-17	15.2	15.2	15.2	15.2	15.2	100	1	1520	100	100	0	0
24-Mar-17	14.45	14.45	14.45	14.45	14.45	1500	6	21675	1500	100	0	0
27-Mar-17	13.75	15.15	13.75	14.7	14.69	250	3	3672	50	20	1.4	0.95
28-Mar-17	14.05	14.05	14	14	14.00	206750	17	2894750	120650	58.36	0.05	-0.05
29-Mar-17	14	14	13.45	13.45	13.45	2001	3	26914	2001	100	0.55	-0.55
31-Mar-17	13.45	13.45	13.45	13.45	13.45	100	1	1345	100	100	0	0

For India Finsec Limited

Date: 30.05.2017  
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, 2017, 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 April, 2016 to 31st March, 2017 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: 30-05-2017**  
**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: 30.05.2017  
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, 2017 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: 30.05.2017  
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, 2017, 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, 2017.

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

**Date: 30.05.2017  
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, 2017, 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 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements.

#### **Opinion**

In our opinion and to the best of our information and the explanations given to us, the 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 2017;



- 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 09/03/2012 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 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 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.
    - iv) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company.



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 2017



### **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 31st March 2017.

- (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, 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 of the Companies Act, 2013.
- (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 and hence question of its utilization does not arise;
- (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 explanation given to us, the company has paid managerial remuneration in accordance with the 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 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-IA 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 2017



## **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 31st March 2017 in conjunction with our audit of the 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 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 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 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 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 31st March 2017, 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 2017



INDIA FINSEC LIMITED

CIN- L65923DL1994PLC060827

**BALANCE SHEET AS AT 31ST MARCH, 2017**

*[Amount in Rupees]*

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
<b><u>EQUITY AND LIABILITIES</u></b>			
Shareholders' Funds			
Share Capital	3	249,417,150	249,417,150
Reserves and Surplus	4	184,907,218	166,935,081
Non-Current Liabilities			
Long-term Borrowings	5	4,342	85,062
Long-term Provisions	6	698,799	1,722,132
Current liabilities			
Short-term Borrowings	7	-	3,000,000
Other Current Liabilities	8	812,731	710,401
Short-Term Provisions	9	17,347	-
<b>Total</b>		<b>435,857,586</b>	<b>421,869,826</b>
<b><u>ASSETS</u></b>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	637,375	970,601
Non-Current Investments	11	119,162,685	14,162,685
Deferred Tax Assets(net)	12	234,974	188,790
Long Term Loans and Advances	13	269,657,149	-
Current Assets			
Inventories	14	24,879,742	11,621,196
Cash and Cash Equivalents	15	795,194	1,886,314
Short-term loan and advances	16	19,862,364	391,784,036
Other current assets	17	628,102	1,256,205
<b>Total</b>		<b>435,857,586</b>	<b>421,869,826</b>
<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.

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 2017

Sd/-	Sd/-
<b>Manoj Kumar Gupta</b>	<b>Varsha Bharti</b>
<b>CFO</b>	<b>Company Secretary</b>
	<b>MN-37545</b>



INDIA FINSEC LIMITED

CIN- L65923DL1994PLC060827

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	Note No.	[Amount in Rupees]	
		From 1st April 2016 to 31st March 2017	From 1st April 2015 to 31st March 2016
<b>INCOME:</b>			
Revenue from Operations	18	88,010,740	71,631,216
Other Income	19	1,040,364	759,775
Profit on sale of investments		2,140,976	-
<b>Total Revenue</b>		<b>91,192,080</b>	<b>72,390,991</b>
<b>EXPENSES</b>			
Purchases of Stock in trade	20	57,094,828	36,653,609
Changes in inventories of Stock in trade	21	(13,258,546)	152,181
Employee Benefit expenses	22	5,495,264	5,141,304
Finance Cost	23	97,351	295,795
Depreciation & Amortization expenses	10	387,527	481,542
Other Administrative expenses	24	17,316,956	21,632,592
<b>Total Expenses</b>		<b>67,133,379</b>	<b>64,357,023</b>
Profit before tax		24,058,701	8,033,968
<b>Tax expenses</b>			
Current Tax		7,140,000	2,526,873
Deferred Tax		(46,184)	(51,251)
<b>Total Tax Expenses</b>		<b>7,093,816</b>	<b>2,475,622</b>
Profit after tax (PAT)		16,964,885	5,558,346
<b>Net profit for the year</b>		<b>16,964,885</b>	<b>5,558,346</b>
<b>Earning per share (EPS)</b>			
[nominal value of share Rs. 10/-]			
Basic		0.68	0.22
Diluted		0.68	0.22
<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/-	<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 2017</b>	Sd/-	Sd/-
	<b>Manoj Kumar Gupta</b>	<b>Varsha Bharti</b>
	<b>CFO</b>	<b>Company Secretary</b>
		<b>MN-37545</b>



INDIA FINSEC LIMITED

CIN- L65923DL1994PLC060827

**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2017**

	<i>[Amount in Rupees]</i>	
	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and after extra-ordinary items as per profit & loss account	24,042,619	8,033,968
<b>Adjustments for items not included:</b>		
Depreciation	387,527	481,542
Dividend Received	(16,889)	-
Operating Profit before working capital changes	24,413,256	8,515,510
<b>Adjustment for Working capital:</b>		
(Increase)/ decrease in Long term loans and advances	(269,657,149)	(14,618,293)
(Increase)/ decrease in Short term loans and advances	370,780,823	-
(Increase)/ decrease in Trade receivables	-	1,604,446
(Increase)/ decrease in inventories	(13,258,546)	152,181
(Increase)/ decrease in other current assets	628,102	628,102
(Increase)/ decrease in Short term borrowings	(3,000,000)	-
Increase/ (decrease) in trade payables	102,330	180,648
<b>Cash generated from operations</b>	110,008,816	(3,537,406)
Direct Taxes Paid	5,981,806	1,300,321
<b>Net cash flow from operating activities (A)</b>	<b>104,027,010</b>	<b>(2,237,085)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale/(Purchase) of fixed assets	(54,300)	393,826
Dividend received from investments	16,889	-
Sale/(Purchase) of investments	(105,000,000)	(14,162,685)
<b>Net cash flow from investing activities (B)</b>	<b>(105,037,411)</b>	<b>(13,768,859)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(repayment) of long term borrowings	(80,720)	2,936,054
<b>Net cash flow from financing activities (C)</b>	<b>(80,720)</b>	<b>2,936,054</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>(1,091,120)</b>	<b>13,069,890</b>
Add: Opening cash and cash equivalents	1,886,314	14,956,204
<b>Closing cash and cash equivalents</b>	<b>795,194</b>	<b>1,886,314</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	503,610	502,655
Deposit with banks	291,584	1,383,659
<b>Total cash and cash equivalents (Note 15)</b>	<b>795,194</b>	<b>1,886,314</b>

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/-
O.P. Pareek	<b>Gopal Bansal</b> Managing Director	<b>Mukesh Sharma</b> Director
Partner	DIN -01246420	DIN -00274217
Membership No. 014238		
New Delhi, the 30th day of May 2017	Sd/-	Sd/-
	Manoj Kumar	Varsha Bharti

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.09.03.2012

(Rs.in lakhs)

Particulars		31.03.2017	
<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)	0.85	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Public Deposits*	NIL	NIL
	(g) Other Loans (specify nature)	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	1169.88	
	(b) Unsecured	1725.31	
<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	
<b>5</b>	<b>Break-up of Investments :</b>		
Current Investments :			
1. Quoted :			
(i) Shares : (a) Equity		248.80	
(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	
(v) Others (Please specify)		NIL	
Long Term Investments :			
Current Investments :			
1. Quoted :			
(i) Shares : (a) Equity		141.63	
(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		1050.00	
(b) Preference		NIL	
(ii) Debenture and Bonds		NIL	
(iii) Units of Mutual Funds		NIL	
(iv) Governments Securities		NIL	
(v) Others (Please specify)		NIL	
<b>6</b>	<b>Borrower group-wise classification of all leased stock-on-hire and loans and advances :</b>		
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	1169.88	1725.31	2895.20
<b>Total</b>	<b>1169.88</b>	<b>1725.31</b>	<b>2895.20</b>
<b>7</b>	<b>Investor group-wise classification of all investments (current and long term) in shares and securities</b>		



(both quoted and unquoted) :

Category	Market Value / Break-up or Fair value or NAV	Book Value (Net of Provisions)
1. Related Parties "		
(a) Subsidiaries	NIL	1050.00
(b) Companies in the same group	125.03	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	NIL	NIL
Total	125.03	1050.00

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 :

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- 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
	DIN -00274217
Membership No. 014238	

New Delhi, the 30th day of May 2017

Sd/-

Sd/-

	Manoj Kumar Gupta CFO	Varsha Bharti Company Secretary MN-37545
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## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2017

### 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

Investments both current and non-current are stated at cost. Provision for diminution in the value of investments is made only if such a decline is other than temporary.

#### f. Inventories

Inventories including shares and securities held for the purpose of sale in the ordinary course of business has been valued at cost or market value, whichever is lower..

#### 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.

3. Share capital	As at 31st March 2017 (Rupees)	As at 31st March 2016 (Rupees)
<b>Authorised shares</b>		
2,50,00,000 (31 March 2016: 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 2016: 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 2017		As at 31st March 2016	
	No.	(Rupees)	No.	(Rupees)
Share Capital at the beginning of the period	24,941,715	249,417,150	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>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 2017		As at 31st March 2016	
	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%
Maa Sharda Distributors Private Limited	-	-	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%
Gopal Bansal	1,574,500	6.31%	349,500	1.40%
E Tricks Enterprises Private Limited	1,530,000	6.13%	-	-

4. Reserves and surplus	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
<u>Securities premium account</u>		
Opening balance	161,081,050	161,081,050
Add: Premium on issue of equity shares	-	-
Closing balance	161,081,050	161,081,050
<u>Special reserves u/s 45-IC of the RBI Act,1934</u>		
Opening balance	2,279,386	584,865
Add: transfer from surplus	3,392,977	1,694,521
Closing balance	5,672,363	2,279,386
<u>Surplus/ (deficit) in statement of profit &amp; loss</u>		
Balance as per last financial statements	3,574,645	1,370,698
Profit/ (loss) for the year	16,964,885	5,558,346
Contingent provision against standard assets	325,958	(179,120)
Contingent provision against sub-standard assets	697,375	(697,375)
Transfer to Special reserve u/s 45-IC	(3,392,977)	(1,694,521)
Income tax adjustment for earlier years	(16,082)	(783,382)
Net (deficit) in statement of profit and loss	18,153,804	3,574,645
	<b>184,907,218</b>	<b>166,935,081</b>

5. Long-term Borrowings	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
<b>Finance Lease obligation (secured)</b>		
ICICI Bank Car Loan*	85,062	156,907
Less: Current portion t/f to other current liabilities(Note 8)	(80,720)	(71,845)
	<b>4,342</b>	<b>85,062</b>

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

6. Long-term provisions	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
<b>Contingent provision against standard assets*</b>		
Opening Balance	1,024,757	845,637
Add: Addition/ (written off) during the year	(325,958)	179,120
	<b>TOTAL</b>	<b>1,024,757</b>
	<b>(A)</b>	
<b>Contingent provision against Sub-standard assets*</b>		
Opening Balance	697,375	-
Add: Addition/ (written off) during the year	(697,375)	697,375
	<b>TOTAL</b>	<b>697,375</b>
	<b>(B)</b>	
	<b>TOTAL</b>	<b>1,722,132</b>
	<b>(A+B)</b>	
<p><i>*A contingent provision of 0.25% (0.30% till 31st March, 2016) against standard assets and 10% (10% till 31st March 2016) 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.</i></p>		
7 Short-term Borrowings	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
<b>Unsecured from others, Body Corporate</b>		
Taxus Enterprises Private Limited	-	3,000,000
	-	<b>3,000,000</b>
8 Other Current Liabilities	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
Current portion of long term borrowings (Note 5)	80,720	71,845
TDS Payable	211,797	76,419
Service Tax Payable	21,107	7,815
Salary payable	351,353	422,428
Other expenses payable	147,754	131,894
	<b>812,731</b>	<b>710,401</b>
9 Short-term provisions	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
For income tax(net of TDS & advance tax)	17,347	-
	<b>17,347</b>	-
11 Non Current Investments	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
<u>Investment in Subsidiaries &amp; Associates - (At cost)</u>		



	8,89,891 (31 March 2016: 7,11,913) equity shares of Rs. 10 each fully paid up in IFL Enterprises Ltd.	14,162,685	14,162,685
	1,05,00,000 (31 <sup>st</sup> March 2016: Nil) equity shares of Rs. 10 each fully paid up in IFL Housing Finance Limited	105,000,000	-
		<b>119,162,685</b>	<b>14,162,685</b>
	Aggregate Market Value of Quoted Investments	12,502,969	
	Aggregate Book Value of Unquoted Investments	105,000,000	
<b>12</b>	<b>Deferred Tax Assets</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</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</b>	<b>Long-term loan and advances</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
		<b>(Rupees)</b>	<b>(Rupees)</b>
	<u>Loan portfolio*</u>	116,988,156	-
	(recoverable in cash or kind, secured, considered good)	152,668,993	-
	<u>Loan portfolio*</u>		
	(recoverable in cash or kind, unsecured, considered good)	<b>269,657,149</b>	-
	*Standard assets - as per the classification of loans under the RBI guidelines.		
<b>14</b>	<b>Inventories</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
		<b>(Rupees)</b>	<b>(Rupees)</b>
	<u>Equity Shares, Quoted (At lower of Cost or Market Value):-</u>		
	6,000 (31.03.2016: 30,000) Equity Shares of Rs 10 each fully paid up in AGI Infra Limited	336,840	1,684,198
	5,30,000 (31.03.2016: 5,30,000) Equity Shares of Rs. 10 each fully paid up in Aryaman Capital Markets Limited	6,923,179	6,923,179
	1,74,000 (31.03.2016: 1,74,000) Equity Shares of Rs. 10 each fully paid up in Aryaman Financial Services Limited	2,165,424	2,165,424
	24,674 (31.03.2016: 24,674) Equity Shares of Rs. 2 each fully paid up in Country Club Hospitality & Holiday Limited	301,516	262,778
	27 (31.03.2016: 27) Equity Shares of Rs. 10 each fully paid up in IST Limited	4,791	4,791
	17,70,000 (31.03.2016: Nil) Equity Shares of Rs. 10 each fully paid up in Stellar Capital Services Limited	14,531,700	-
	33,778 (31.03.2016: 33,778) Equity Shares of Rs. 10 each fully paid up in Sumedha Fiscal services Limited	518,492	483,025



41,500 (31.03.2016: 41,500) Equity Shares of Rs. 1 each fully paid up in Yamini Investment Co. Limited

97,800

97,800

**24,879,742**

**11,621,196**

**15 Cash and cash equivalents**

**As at 31st March 2017**

**As at 31st March 2016**

**(Rupees)**

**(Rupees)**

Cash in Hand (as Certified)

503,610

502,655

Balances with Banks in Current Accounts

291,584

1,383,659

**795,194**

**1,886,314**

**16 Short-term loan and advances**

**As at 31st March 2017**

**As at 31st March 2016**

**(Rupees)**

**(Rupees)**

Loan portfolio\*

9,862,364

341,585,499

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

**(A)** 9,862,364

341,585,499

Loan portfolio#

-

6,973,750

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

**(B)** -

6,973,750

Advances against purchases & others

10,000,000

42,083,938

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

**(C)** 10,000,000

42,083,938

Advance Income Tax & TDS(net of provisions)

-

1,140,849

**(D)** -

1,140,849

**Total (A + B + C+D)**

**19,862,364**

**391,784,036**

\*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.

**17 Other current assets**

**As at 31st March 2017**

**As at 31st March 2016**

**(Rupees)**

**(Rupees)**

Prepaid expenses

628,102

1,256,205

**628,102**

**1,256,205**

**18 Revenue from operations**

**For the year ended**

**For the year ended**

**31st March 2017**

**31st March 2016**

**(Rupees)**

**(Rupees)**

Sale of Shares & Securities

38,708,553

37,534,015

Income from Investments & Loans

Interest on loans

46,015,104

32,311,116



**India Finsec Limited**

Interest on Bonds

- 286,535

Income from Mutual Funds

1,905,833 1,499,550

Prepayment Charges

428,288 -

Loan Processing Fees

952,962 -

**88,010,740 71,631,216**

**19 Other Income**

**For the year ended**

**For the year ended**

**31st March 2017**

**31st March 2016**

**(Rupees)**

**(Rupees)**

Dividend from equity shares

16,889 27,222

Interest on income tax refund

- 550,187

Gain on Future & Options

1,008,302 182,366

Miscellaneous Income

15,173

**1,040,364 759,775**

**20 Purchase of stock in trade goods**

**For the year ended**

**For the year ended**

**31st March 2017**

**31st March 2016**

**(Rupees)**

**(Rupees)**

Shares & Securities

57,094,828 36,653,609

**57,094,828 36,653,609**

**21 Changes in inventories**

**For the year ended**

**For the year ended**

**31st March 2017**

**31st March 2016**

**(Rupees)**

**(Rupees)**

Inventories at the beginning of the year - Stock in trade

11,621,196 11,773,377

Less : Inventories at the end of the year -Stock in trade

24,879,742 11,621,196

**(13,258,546) 152,181**

**22 Employee benefit expenses**

**For the year ended**

**For the year ended**

**31st March 2017**

**31st March 2016**

**(Rupees)**

**(Rupees)**

Directors' remuneration (Note 33)

1,274,915 782,165

Salaries and wages

3,680,905 4,041,113

Bonus

- 25,000

Staff welfare expenses

539,444 293,026

**5,495,264 5,141,304**

**23 Finance costs**

**For the period ended**

**For the year ended**

**31st March 2017**

**31st March 2016**

**(Rupees)**

**(Rupees)**

Bank Charges

2,426 15,048

Interest to banks

14,591 22,490



80,334	258,257
<b>97,351</b>	<b>295,795</b>

**24 Other administrative expenses**

**For the year ended  
31st March 2017**

**For the year ended  
31st March 2016**

	(Rupees)	(Rupees)
Auditors remuneration (Note 34)	50,590	28,038
Advertisement & Publication charges	74,180	422,049
Business Promotion	4,867,580	1,034,555
Car Insurance	13,335	13,150
Commission	341,481	2,771,000
Computer Repair & Maintenance	44,095	62,435
Conveyance expenses	521,793	502,711
Demat A/c charges	2,129	1,833
Electricity & Water Expenses	145,609	250,027
Fee & Subscriptions	404,248	211,595
Festival Expenses	37,176	18,190
Filing Fees	25,400	24,000
Interest and delay payment charges	53,483	-
Interest not recovered	1,521,261	8,811,205
Listing fees	201,000	508,114
Miscellaneous expenses	-	328
News Paper, Books & Periodicals	47,337	23,372
Postage, Stamps & Couriers	402,453	270,857
Printing and Stationery	423,116	231,305
Professional charges	630,430	750,534
Rent, Rates and taxes	5,487,000	5,040,000
Repairs & Maintenance	85,241	67,973
Software Expenses	5,085	8,915
STT & Transaction Charges	9,107	-
Telephone & Mobile expenses	43,920	66,114
Tours & Travelling	1,535,925	212,602
Vehicle Running & Maintenance	343,981	286,741
Website expenses	-	14,950
	<b>17,316,956</b>	<b>21,632,592</b>

25. 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.

**26. Disclosure of Specified Bank Notes**

	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in Hand as on 08/11/2016	0	10,43,895	10,43,895

Add: Permitted Receipts	0	5,50,000	5,50,000
Less: Permitted Payments	0	2,21,762	2,21,762
Less: Amount Deposited in Banks	0	0	0
Closing Cash in Hand as on 30/12/2016	0	13,72,133	13,72,133

## 27. Related party disclosures/ transactions

### (a) Related Parties Covered: -

(i)	Holding/ Subsidiary/Associate Companies	IFL Enterprises Limited (Associate) IFL Housing Finance Limited (Subsidiary)
(ii)	Key Management Personnel	Mr. Gopal Bansal (Managing Director); Mr. Mukesh Sharma (Whole-time Director); Mr. Manoj Kumar Gupta (CFO); and Ms. Richa Sharma (Past Company Secretary) Ms. Varsha Bharti (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)

### (b) Transaction with related parties:-

Transactions With	Nature of Transaction	31/03/2017 (Rs.)	31/03/2016 (Rs.)
<b>Subsidiary Company</b>			
IFL Enterprises Limited	Acquisition of Equity Shares	Nil	55,04,700
IFL Housing Finance Limited	Acquisition of Equity Shares	10,50,00,000	Nil
<b>Key Management Personnel:-</b>			
Mr. Gopal Bansal	Remuneration	10,20,000	4,80,350
Mr. Mukesh Sharma	Remuneration	2,40,000	2,40,000
Mr. Manoj Kumar Gupta	Remuneration	9,60,000	9,60,000
Ms. Richa Sharma	Remuneration	1,54,750	1,96,440
Ms. Varsha Bharti	Remuneration	72,030	Nil
<b>Relatives of Key Management Personnel (KMP):-</b>			
Sunita Bansal	Rent Paid	7,20,000	7,20,000
<b>Enterprises owned or significantly influenced by KMP or their Relatives:-</b>			
Gopal Bansal (HUF)	Rent Paid	7,20,000	7,20,000

## 28. 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: -

	31st March 2017 (Rs.)	31st March 2016 (Rs.)
Segment Revenue		
<b>Loan Financing</b>	4,73,96,354	3,23,11,116
<b>Trading in Shares &amp; Securities</b>	4,06,14,386	3,95,29,688
<b>Unallocable</b>	31,81,340	5,50,187
<b>Total Revenue</b>	<b>9,11,92,080</b>	<b>7,23,90,991</b>
Segment Results		
<b>(Profit/ loss before interest and taxes)</b>		
<b>Loan Financing</b>	4,06,66,032	3,23,11,116
<b>Trading in Shares &amp; Securities</b>	(32,24,025)	27,23,898
<b>Unallocable</b>	-	-
<b>Less: Finance cost</b>	(97,351)	(2,95,795)
<b>Less: Other unallocable expenditure (net)</b>	(13,285,955)	(2,67,05,251)
<b>Add: Other unallocable income</b>	-	-
<b>Total Profit Before Taxes</b>	<b>2,40,58,701</b>	<b>80,33,968</b>
Capital Employed		
<b>(Segment Assets - Segment Liabilities)</b>		
<b>Loan Financing</b>	27,88,20,714	38,59,21,055
<b>Trading in Shares &amp; Securities</b>	2,48,79,742	1,16,21,196
<b>Unallocable</b>	13,06,23,912	1,88,09,980
<b>Total</b>	<b>43,43,24,368</b>	<b>41,63,52,231</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.

29. 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.
30. Balance shown under head Sundry Debtors, Creditors, Loans and Advances are subject to confirmation.



<b>31. Particulars</b>	<b>31/03/2017 (Rs.)</b>	<b>31/03/2016 (Rs.)</b>
Earnings/ Remittances / Expenditure in Foreign Currency	Nil	Nil
<b>32. Particulars</b>	<b>31/03/2017 (Rs.)</b>	<b>31/03/2016 (Rs.)</b>
Contingent Liability not provided for	Nil	Nil

33. Break-up of Payments made to Directors is disclosed as under:-

Transactions With	Nature of Transaction	31/03/2017 (Rs.)	31/03/2016 (Rs.)
<b>Gopal Bansal</b>	Remuneration	10,20,000	4,80,350
<b>Mukesh Sharma</b>	Remuneration	2,40,000	2,40,000
<b>Basant Mittal</b>	Sitting Fee	6,500	12,000
<b>Charu Goyal</b>	Sitting Fee	6,500	12,000
<b>Gopal Bansal</b>	Sitting Fee	Nil	18,000
<b>Mukesh Sharma</b>	Sitting Fee	Nil	12,000
<b>Service Tax on above Sitting Fee</b>		1,915	7,815
<b>TOTAL</b>		<b>12,74,915</b>	<b>7,82,165</b>

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

Particulars	31/03/2017 (Rs.)	31/03/2016 (Rs.)
<b>In respect of Statutory Audit (including Tax Audit)</b>	40,250	22,900
<b>In respect of Certification</b>	10,340	5,138
<b>TOTAL</b>	<b>50,590</b>	<b>28,038</b>

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 2017

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/-  
**Varsha Bharti**  
Company Secretary  
MN-37545



STANDALONE NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2017

Note 10 (Fixed Assets)

(Amount in Rs.)

Tangible Assets	Useful Life (years)	Gross block				Depreciation				Net Block	
		Balance as at 1 April, 2016	Additions	Adjusted in Sales	Balance as at 31 March, 2017	Balance as at 1 April, 2016	Depreciated on during the year	Sales / Adjustments	Balance as at 31 March, 2017	W.D.V. as on 31.03.2017	W.D.V. as on 31.03.2016
(i) Tangible Assets											
(a) Air conditioner	5	25,300	29,200	-	54,500	24,035	12,764	-	36,799	17,701	1,265
(b) Computers	3	641,636	-	-	641,636	589,390	31,980	-	621,370	20,267	52,246
(c) Furniture & Fixtures	10	45,000	-	-	45,000	37,483	2,474	-	39,957	5,043	7,517
(d) Fire Resistant Cabinet	10	105,706	-	-	105,706	5,548	25,973	-	31,521	74,185	100,158
(d) I.P. Camera	5	22,000	-	-	22,000	19,320	1,580	-	20,900	1,100	2,680
(e) LCD TV	3	62,450	-	-	62,450	51,891	6,764	-	58,655	3,795	10,559
(f) Mobile Phone	5	318,439	11,400	-	329,839	169,975	72,636	-	242,611	87,228	148,464
(g) Motor Car-Civic	8	1,554,495	-	-	1,554,495	1,191,595	127,691	-	1,319,286	235,209	362,900
(h) Motor Car-Wagon R	8	404,059	-	-	404,059	248,663	51,067	-	299,730	104,329	155,396
(i) Invertor	5	14,500	-	-	14,500	1,486	5,908	-	7,394	7,106	13,014
(j) Oil Heater 9 pin	5	6,500	-	-	6,500	5,290	638	-	5,928	572	1,210
(k) RO Systems	5	10,000	-	-	10,000	7,843	1,086	-	8,929	1,071	2,157
(l) CCTV Camera	5	72,000	-	-	72,000	32,816	17,682	-	50,498	21,502	39,184
(m) Scooter	8	50,721	-	-	50,721	11,197	12,402	-	23,599	27,122	39,524
(n) Scooty Activa	8	58,782	-	-	58,782	24,455	10,893	-	35,348	23,434	34,327
(o) Refrigerator	5	-	13,700	-	13,700	-	5,989	-	5,989	7,711	-



TOTAL		3,391,588	54,300	-	3,445,888	2,420,987	387,527	-	2,808,514	637,375	970,601
Previous Year		2,997,762	393,826	-	3,391,588	1,939,445	481,542	-	2,420,987	970,601	1,058,317

**IN TERMS OF OUR REPORT ATTACHED  
FOR V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn No. 304040E

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

Sd/-  
O.P. Pareek  
Partner  
Membership No. 014238  
New Delhi, the 30<sup>th</sup> day of May 2017

Sd/-  
Manoj Kumar Gupta  
CFO

Sd/-  
Varsha Bharti  
Company Secretary  
MN-37545

Sd/-  
Gopal Bansal  
Managing Director  
DIN-01246420

Sd/-  
Mukesh Sharma  
Director  
DIN-00274217



## 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 31st March, 2017, 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

- i. The consolidated state of affairs of the Group as at 31st March 2017,
- ii. The consolidated profit and
- iii. The consolidated cash flows for the year ended on that date.

## Other Matters

We did not audit the financial statement of 1 subsidiary, whose financial statements reflect total assets (net) of Rs.105,010,170 as at March 31, 2017, total revenue of Rs.154,383 and net cash inflows amounting to Rs.103,697,099 for the year then ended. This financial statement has been audited by other auditor whose report has been furnished to us by the management, and our opinion is based solely on the report of the other auditor. Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated financial statements.
  - b. 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.
  - c. 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.
  - d. 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.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 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, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. 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.
  - g. 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.





- iv) The holding company and its subsidiary had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

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 2017



## **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 31st March 2017, 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 31st March 2017, 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 2017



INDIA FINSEC LIMITED

CIN- L65923DL1994PLC060827

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	[Amount in Rupees]	
		As at 31st March 2017	As at 31st March 2016
<b><u>EQUITY AND LIABILITIES</u></b>			
Shareholders' Funds			
Share Capital	5	249,417,150	249,417,150
Reserves and Surplus	6	185,180,769	172,176,958
Minority Interest		-	10,604,867
Non-Current Liabilities			
Long-term Borrowings	7	4,342	85,062
Long-term Provisions	8	698,799	1,722,132
Current liabilities			
Short-term Borrowings	9	-	3,000,000
Trade Payables	10	-	700,322
Short-Term Provisions	11	18,778	3,082,574
Other Current Liabilities	12	817,731	551,635
<b>Total</b>		<b>436,137,568</b>	<b>441,340,699</b>
<b><u>ASSETS</u></b>			
Non-Current Assets			
Goodwill on Consolidation		1,121,138	-
Fixed Assets			
Tangible Assets	13	637,375	1,350,403
Non-Current Investments	14	14,435,969	224,045,500
Deferred Tax Assets(net)	15	234,974	165,822
Long Term Loans and Advances	16	269,657,149	-
Current Assets			
Inventories	17	24,879,742	12,101,195
Cash and Cash Equivalents	18	104,526,371	3,934,610
Trade Receivables	19	-	919,947



Short-term loan and advances	20	19,862,364	399,567,017
Other current assets	21	782,485	1,256,205
<b>Total</b>		<b>436,137,568</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/-	<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

New Delhi, the 30th day of May 2017	Sd/-	Sd/-
	<b>Manoj Kumar Gupta</b>	<b>Varsha Bharti</b>
	<b>CFO</b>	<b>Company Secretary</b>
		<b>MN-37545</b>



INDIA FINSEC LIMITED

CIN- L65923DL1994PLC060827

**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	Note No.	[Amount in Rupees]	
		From 1st April 2016 to 31st March 2017	From 1st April 2015 to 31st March 2016
<b>INCOME:</b>			
Revenue from Operations	22	88,010,740	75,007,287
Other Income	23	1,194,747	760,144
Profit from sale of investments		2,140,976	-
<b>Total Revenue</b>		<b>91,346,463</b>	<b>76,312,931</b>
<b>EXPENSES</b>			
Purchases of Stock in trade	24	57,094,828	36,653,609
Changes in inventories of Stock in trade	25	(13,258,546)	152,181
Employee Benefit expenses	26	5,495,264	6,032,956
Finance Cost	27	101,164	302,989
Depreciation & Amortization expenses	13	387,527	613,197
Other Administrative expenses	28	17,462,893	22,651,316
<b>Total Expenses</b>		<b>67,283,130</b>	<b>66,406,248</b>
Profit before tax		24,063,333	9,906,684
<b>Tax expenses</b>			
Current Tax		7,141,431	3,082,574
Deferred Tax		(69,152)	(28,283)
<b>Total Tax Expenses</b>		<b>7,072,279</b>	<b>3,054,291</b>
Profit after tax (PAT)		16,991,054	6,852,393
Add: Share of Profit in associates		273,284	-
Add: Share of Profit transferred to Minority Interest		-	(830,966)
<b>Net profit for the year</b>		<b>17,264,338</b>	<b>6,021,427</b>
<b>Earning per share (EPS)</b>			
[nominal value of share Rs. 10/-]			
Basic		0.69	0.24
Diluted		0.69	0.24



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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.

Firm Regn. No. 304040E

Chartered Accountants

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

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 2017

Sd/-	Sd/-
<b>Manoj Kumar Gupta</b>	<b>Varsha Bharti</b>
<b>CFO</b>	<b>Company Secretary</b>
	<b>MN-37545</b>



INDIA FINSEC LIMITED

CIN- L65923DL1994PLC060827

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2017**

*[Amount in Rupees]*

	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and after extra-ordinary items as per profit & loss account	24,047,251	9,906,684
<b>Adjustments for items not included:</b>		
Profit on sale of Investments	(2,140,976)	(545,500)
Depreciation	387,527	613,197
Dividend Received	(16,889)	(227,222)
Operating Profit before working capital changes	22,276,913	9,947,159
<b>Adjustment for Working capital:</b>		
(Increase)/ decrease in loans and advances	(101,123,674)	(3,177,893)
(Increase)/ decrease in Trade receivables	-	684,499
(Increase)/ decrease in inventories	(13,258,546)	152,181
(Increase)/ decrease in other current assets	473,719	628,102
Increase/ (decrease) in trade payables	102,330	-
(Increase)/ decrease in Short term borrowings	(3,000,000)	-
Increase/ (decrease) in current liabilities	(652,910)	(16,833,796)
<b>Cash generated from operations</b>	<b>107,065,180</b>	<b>(8,599,748)</b>
Direct Taxes Paid	5,982,046	1,054,763
<b>Net cash flow from operating activities (A)</b>	<b>101,083,134</b>	<b>(7,544,985)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
(Acquisition)/Disposal of Subsidiary/Associates	(2,514,218)	-
Dividend received from investments	16,889	27,222
Sale/(Purchase) of fixed assets	(54,300)	(117,631)
Sale/(Purchase) of investments	(2,140,976)	(113,162,685)
<b>Net cash flow from investing activities (B)</b>	<b>(410,653)</b>	<b>(13,253,094)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of share capital	-	5,504,700
Increase/(decrease) in borrowings	(80,720)	2,936,054
<b>Net cash flow from financing activities (C)</b>	<b>(80,720)</b>	<b>8,440,754</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>100,591,761</b>	<b>(12,357,325)</b>
Add: Opening cash and cash equivalents	3,934,610	16,291,935
<b>Closing cash and cash equivalents</b>	<b>104,526,371</b>	<b>3,934,610</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	549,010	633,465
Balances with banks	103,977,361	3,301,145
<b>Total cash and cash equivalents (Note 16)</b>	<b>104,526,371</b>	<b>3,934,610</b>

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**





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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>
<b>New Delhi, the 30th day of May 2017</b>	Sd/-	Sd/-
	<b>Manoj Kumar</b>	<b>Varsha Bharti</b>
	<b>Gupta</b>	<b>Company</b>
	<b>CFO</b>	<b>Secretary</b>
		<b>M No-37545</b>

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## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### 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 Housing Finance 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 2017	As at 31st March 2016
	(Rupees)	(Rupees)
<b>Authorised shares</b>		
2,50,00,000 (31 March 2016: 2,50,00,000) Equity Shares of	250,000,000	250,000,000
Rs.10 each.		



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

2,49,41,715 (31 March 2016: 2,49,41,715) Equity Shares of Rs.10 each fully paid up.	249,417,150	249,417,150
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**Total issued, subscribed and fully paid- up share capital**

<b>249,417,150</b>	<b>249,417,150</b>
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**a. Reconciliation of Shares outstanding at the beginning and at the end of reporting period**

	As at 31st March 2017		As at 31st March 2016	
	No.	(Rupees)	No.	(Rupees)
Share Capital at the beginning of the period	24,941,715	249,417,150	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>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**

	As at 31st March 2017		As at 31st March 2016	
	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%
Maa Sharda 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	-	0.00%	2,088,000	8.37%
Gopal Bansal	1,574,500	6.31%	349,500	1.40%
E Tricks Enterprises Private Limited	1,530,000	6.13%	-	-

**6. Reserves and surplus**

	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
<u>Securities premium account</u>		
Opening balance	163,216,653	161,081,050
Add: On acquisition of Subsidiary	-	2,135,603
Less: On disposal of subsidiary	(2,135,603)	-

Closing balance		161,081,050	163,216,653
<u>Special reserves u/s 45-IC of the RBI Act,1934</u>			
Opening balance	2,279,386	584,865	
Add: transfer from surplus	3,392,977	1,694,521	
Closing balance		5,672,363	2,279,386
<u>Capital reserve account</u>			
Opening balance	2,643,192	-	
Add: On acquisition of subsidiary	-	2,643,192	
Less: On disposal of subsidiary	(2,643,192)	-	
Closing balance		-	2,643,192
<u>Surplus/ (deficit) in statement of profit &amp; loss</u>			
Balance as per last financial statements	4,037,727	1,370,698	
Profit/ (loss) for the year	17,264,338	6,021,427	
On account of acquisition of subsidiary	267	-	
On account of disposal of subsidiary	(489,250)	-	
Contingent provision against standard assets	325,958	(179,120)	
Contingent provision against sub-standard assets	697,375	(697,375)	
Transfer to Special reserve u/s 45-IC	(3,392,977)	(1,694,521)	
Income tax adjustment for earlier years	(16,082)	(783,382)	
Net (deficit) in statement of profit and loss		18,427,356	4,037,727
		<b>185,180,769</b>	<b>172,176,958</b>

<b>7. Long-term Borrowings</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b>Finance Lease obligation (secured)</b>		
ICICI Bank Car Loan*	85,062	156,907
Less: Current portion t/f to other current liabilities(Note 12)	(80,720)	(71,845)
	<b>4,342</b>	<b>85,062</b>

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

<b>8. Long-term provisions</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b>Contingent provision against standard assets*</b>		
Opening Balance	1,024,757	845,637
Add: Addition/ (written off) during the year	(325,958)	179,120
<b>TOTAL (A)</b>	<b>698,799</b>	<b>1,024,757</b>
<b>Contingent provision against Sub-standard assets*</b>		
Opening Balance	697,375	-
Add: Addition/ (written off) during the year	(697,375)	697,375
<b>TOTAL (B)</b>	<b>-</b>	<b>697,375</b>
<b>TOTAL (A+B)</b>	<b>698,799</b>	<b>1,722,132</b>

\*A contingent provision of 0.25% (0.30% till 31st March, 2016) against standard assets and 10% (10% till 31st March 2016) 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 2017 (Rupees)	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 2017(Rupees)</b>	<b>As at 31st March 2016(Rupees)</b>
Sundry Creditors for expenses	-	700,322
	-	700,322
<b>11 Short-term Provisions</b>	<b>As at 31st March 2017(Rupees)</b>	<b>As at 31st March 2016(Rupees)</b>
For income tax(net of TDS & advance tax)	18,778	3,082,574
	<b>18,778</b>	<b>3,082,574</b>
<b>12 Other Current Liabilities</b>	<b>As at 31st March 2017 (Rupees)</b>	<b>As at 31st March 2016 (Rupees)</b>
Current portion of long term borrowings (Note 7)	80,720	71,845
TDS Payable	211,797	106,419
Service Tax Payable	21,107	373,371
Salary payable	351,353	-
Other expenses payable	152,754	-
	<b>817,731</b>	<b>551,635</b>
<b>14 Non Current Investments</b>	<b>As at 31st March 2017 (Rupees)</b>	<b>As at 31st March 2016 (Rupees)</b>
<u>Investment in Equity Shares of Associates - (quoted)</u>		
8,89,891 (31 March 2016: 7,11,913) equity shares of Rs. 10 each fully paid in IFL Enterprises Ltd.(Refer Note 14(a) & 14(b))	14,435,969	-
<u>Investment in equity shares of others (quoted)</u>		
Nil(31 <sup>st</sup> March 2016: 2,63,288) equity shares of Rs. 10 each fully paid up in Stellar Capital Services Limited	-	2,632,880
<u>Investment in Bonds &amp; Debentures (quoted)</u>		
Nil(31 <sup>st</sup> march, 2016: 2 units) of Rs. 10 lakhs each in 10.05% Perpetual Non-Convertible Debentures of Axis Bank	-	2,090,300
Nil(31 <sup>st</sup> march, 2016: 17 units) of Rs. 10 lakhs each in 9.48% Bank of Maharashtra Basel-III At-1 Perpetual Bond Series-I	-	17,322,320

14,435,969 22,045,500

Aggregate Market Value of Quoted Investments 12,502,969

(a) Carrying amount of investments in associates in accordance with Accounting Standard 23-“Accounting for Associates in Consolidated Financial Statements” as on March 31, 2017 is arrived as follows:

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Name of the Associate	IFL Enterprises Limited	N.A.
Original Cost of Investment(Rs.)	12,347,786	-
Goodwill/(Capital Reserve)	1,814,899	-
Share in Post Acquisition Profits	273,284	-
<b>Carrying amount of Investments(Rs.)</b>	<b>14,435,969</b>	

<b>15 Deferred Tax Assets</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b><u>Deferred tax asset(Net)</u></b>		
On account of timing difference between written down value under Companies Act with that of under Income Tax Act	234,974	165,822
	<b>234,974</b>	<b>(165,822)</b>
<b>16 Long-term loan and advances</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<u>Loan portfolio*</u>	116,988,156	-
(recoverable in cash or kind, secured, considered good)	152,668,993	-
<u>Loan portfolio*</u>		
(recoverable in cash or kind, unsecured, considered good)	<b>269,657,149</b>	-
*Standard assets - as per the classification of loans under the RBI guidelines.		
<b>17 Inventories</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<u>Equity Shares, Quoted (At lower of Cost or Market Value):-</u>		
6,000 (31.03.2016: 30,000) Equity Shares of Rs 10 each fully paid up in AGI Infra Limited	336,840	1,684,198
5,30,000 (31.03.2016: 5,30,000) Equity Shares of Rs. 10 each fully paid up in Aryaman Capital Markets Limited	6,923,179	6,923,179
1,74,000 (31.03.2016: 1,74,000) Equity Shares of Rs. 10 each fully paid up in Aryaman Financial Services Limited	2,165,424	2,165,424



	24,674 (31.03.2016: 24,674) Equity Shares of Rs. 2 each fully paid up in Country Club Hospitality & Holiday Limited	301,516	262,778
	27 (31.03.2016: 27) Equity Shares of Rs. 10 each fully paid up in IST Limited	4,791	4,791
	17,70,000 (31.03.2016: Nil) Equity Shares of Rs. 10 each fully paid up in Stellar Capital Services Limited	14,531,700	-
	33,778 (31.03.2016: 33,778) Equity Shares of Rs. 10 each fully paid up in Sumedha Fiscal services Limited	518,492	483,025
	41,500 (31.03.2016: 41,500) Equity Shares of Rs. 1 each fully paid up in Yamini Investment Co. Limited	97,800	97,800
		<b>24,879,742</b>	<b>11,621,196</b>
<b>18</b>	<b>Cash and cash equivalents</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
		<b>(Rupees)</b>	<b>(Rupees)</b>
	Cash in Hand (as Certified)	549,010	633,465
	Balances with Banks in Current Accounts	33,977,361	3,301,145
	Balances with Banks in fixed deposits	700,00,000	-
		<b>104,526,371</b>	<b>3,934,610</b>
<b>19</b>	<b>Trade Receivables</b>	<b>As at 31st March 2017 (Rupees)</b>	<b>As at 31st March 2016 (Rupees)</b>
	(Unsecured and considered good)		
	Outstanding for a period exceeding six months	-	-
	Others	-	919,947
		-	<b>919,947</b>
<b>20</b>	<b>Short-term loan and advances</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
		<b>(Rupees)</b>	<b>(Rupees)</b>
	Loan portfolio* (recoverable in cash or kind, unsecured, considered good)	9,862,364	346,585,499
		<b>(A)</b> 9,862,364	341,585,499
	Loan portfolio# (recoverable in cash or kind, unsecured, considered doubtful)	-	6,973,750
		<b>(B)</b> -	6,973,750
	Advances against purchases & others (recoverable in cash or kind, unsecured, considered good)	10,000,000	42,083,938
		<b>(C)</b> 10,000,000	42,083,938
	Balances with Revenue Authorities	-	3,923,830

	(D)	-	3,923,830
<b>Total (A + B + C+D)</b>		<b>19,862,364</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>21 Other current assets</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Prepaid expenses	628,102	1,256,205
Interest accrued on fixed deposits	154,383	-
	<b>782,485</b>	<b>1,256,205</b>
<b>22 Revenue from operations</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31st March 2017</b>	<b>31st March 2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<u>Sale of Products</u>	38,708,553	37,534,015
Shares & Securities		
<u>Rendering of Services</u>	-	3,376,071
Professional Services		
<u>Income from Investments &amp; Loans</u>		
Interest on unsecured loans	46,015,104	32,311,116
Interest on Bonds	-	286,535
Income from Mutual Funds	1,905,833	1,499,550
Prepayment Charges	428,288	-
Loan Processing Fees	952,962	-
	<b>88,010,740</b>	<b>75,007,287</b>
<b>23 Other Income</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31st March 2017</b>	<b>31st March 2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Dividend from equity shares	16,889	27,222
Interest on fixed deposits	154,383	-
Interest on refund	-	550,556
Gain on Future & Options	1,008,302	182,366
Miscellaneous Income	15,173	-
	<b>1,194,747</b>	<b>760,144</b>
<b>24 Purchase of stock in trade goods</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31st March 2017</b>	<b>31st March 2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Shares & Securities	57,094,828	36,653,609



57,094,828

36,653,609

<b>25 Changes in inventories</b>	<b>For the year ended 31st March 2017</b>	<b>For the year ended 31st March 2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Inventories at the beginning of the year - Stock in trade	12,101,196	12,253,377
Less: on account of disposal of subsidiary	(480,000)	-
Less : Inventories at the end of the year -Stock in trade	24,879,742	12,101,196
	<b>(13,258,546)</b>	<b>152,181</b>
<b>26 Employee benefit expenses</b>	<b>For the year ended 31st March 2017</b>	<b>For the year ended 31st March 2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Directors' remuneration (Salary)	1,260,000	750,350
Directors' sitting fees	14,915	61,815
Salaries and wages	3,680,905	4,835,953
Bonus	-	25,000
Staff welfare expenses	539,444	395,838
	<b>5,495,264</b>	<b>6,032,956</b>
<b>27 Finance costs</b>	<b>For the period ended 31st March 2017</b>	<b>For the year ended 31st March 2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Bank Charges	2,426	22,242
Interest to banks	14,591	22,490
Interest to others	84,147	258,257
	<b>101,164</b>	<b>302,989</b>
<b>28 Other administrative expenses</b>	<b>For the year ended 31st March 2017</b>	<b>For the year ended 31st March 2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Auditors remuneration	55,590	48,038
Advertisement & Publication charges	74,180	422,049
Business Promotion	4,867,580	1,034,555
Car Insurance	13,335	13,150
DSC Charges Paid	200,000	2,771,000
Commission	341,481	300
Computer Repair & Maintenance	44,095	90,681
Conveyance expenses	524,785	608,275
Demat and STT charges	11,236	1,833
Electricity & Water Expenses	145,609	250,027
Filing Fee & Subscriptions	238,048	622,245



Interest and delay payment charges	53,488	-
Interest not recovered	1,521,261	8,811,205
Listing fees	201,000	508,114
Change in ST Rate	-	328
News Paper, Books & Periodicals	47,337	23,372
Postage, Stamps & Couriers	402,453	270,857
Printing and Stationery	427,997	289,569
Professional charges	752,930	750,534
Rent, Rates and taxes	5,487,000	5,160,000
Repairs & Maintenance	85,241	67,973
Telephone & Mobile expenses	46,080	66,114
Tours & Travelling	1,535,925	212,601
Vehicle Running & Maintenance	343,981	286,741
Website expenses	-	14,950
	<b>17,462,893</b>	<b>22,651,316</b>

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

Name of Enterprise	Country of Origin	Proportion of Ownership/ Interest
IFL Housing Finance Limited	India	100%

30. 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.

**31. Related party disclosures/ transactions**

(a) Related Parties Covered: -

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

(b) Transaction with related parties:-

Transactions With	Nature of Transaction	31/03/2017 (Rs.)	31/03/2016(Rs.)
<b>Key Management Personnel:-</b>			
Mr. Gopal Bansal	Remuneration	1,380,000	510,350

	Sitting Fees Paid	Nil	18,000
<b>Mr. Mukesh Sharma</b>	Remuneration	240,000	240,000
	Sitting Fees Paid	Nil	12,000
<b>Mr. Manoj Kumar Gupta</b>	Remuneration	960,000	960,000
<b>Ms. Richa Sharma</b>	Remuneration	154,750	196,440
<b>Ms. Varsha Bharti</b>	Remuneration	72,030	Nil
<b>Relatives of Key Management Personnel (KMP):-</b>			
<b>Ms. Sunita Bansal</b>	Rent Paid	780,000	780,000
<b>Enterprises owned or significantly influenced by KMP or their Relatives:-</b>			
<b>M/s Gopal Bansal (HUF)</b>	Rent Paid	780,000	780,000

### 32. 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	31st March 2017 (Rs.)	31st March 2016 (Rs.)
<b>Segment Revenue :-</b>		
Loan Financing	47,396,354	32,311,116
Trading in Shares & Securities	40,614,385	39,529,688
Unallocable	3,335,722	4,472,127
<b>Total Revenue</b>	<b>91,346,463</b>	<b>76,312,931</b>
<b>Segment Results :-</b>		
(Profit/ loss before interest and taxes)		
Loan Financing	40,666,032	32,311,116
Trading in Shares & Securities	(3,233,132)	3,269,398
Unallocable	-	-
Less: Finance Cost	(101,164)	(302,989)
Less: Other unallocable expenditure (net)	(13,268,403)	(25,370,841)



Add:Other unallocable income	-	-
<b>Total Profit Before Taxes</b>	<b>24,063,333</b>	<b>9,906,684</b>
<b>Capital Employed</b>		
(Segment Assets - Segment Liabilities)		
Loan Financing	288,820,714	390,921,055
Trading in Shares & Securities	24,879,742	13,021,142
Unallocable	120,897,462	28,256,777
<b>Total</b>	<b>434,597,919</b>	<b>432,198,974</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.

33. 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.

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

35. <b>Particulars</b>	<b>31/03/2017 (Rs.)</b>	<b>31/03/2016 (Rs.)</b>
Earnings/ Remittances / Expenditure in Foreign Currency	Nil	Nil
36. <b>Particulars</b>	<b>31/03/2017 (Rs.)</b>	<b>31/03/2016 (Rs.)</b>
Contingent Liability not provided for	Nil	Nil

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

38. 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 2017

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/-  
**Varsha Bharti**  
Company Secretary  
MN-37545

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2017

Note -13 (Fixed Assets)

Tangible Assets	Useful Life (years)	Gross block				Depreciation				Amount(in Rs.) Net Block	
		Balance as at 1 April, 2016	Additions	Sales/Adjustments	Balance as at 31 March, 2017	Balance as at 1 April, 2016	Depreciation during the year	Sales/Adjustments	Balance as at 31 March, 2017	W.D.V. as on 31.03.2017	W.D.V. as on 31.03.2016
		<b>(i) Tangible Assets</b>									
(a) Air conditioner	5	25,300	29,200	-	54,500	24,035	12,764	-	36,799	17,701	1,265
(b) Computers	3	951,313	-	309,677	641,636	692,277	31,980	102,887	621,370	20,267	259,036
(c) Furniture & Fixtures	10	246,780	-	201,780	45,000	66,251	2,474	28,768	39,957	5,043	180,529
(d) Fire Resistant Cabinet	10	105,706	-	-	105,706	5,548	25,973	-	31,521	74,185	100,158
(d) I.P. Camera	5	22,000	-	-	22,000	19,320	1,580	-	20,900	1,100	2,680
(e) LCD TV	3	62,450	-	-	62,450	51,891	6,764	-	58,655	3,795	10,559
(f) Mobile Phone	5	318,439	11,400	-	329,839	169,975	72,636	-	242,611	87,228	148,464
(g) Motor Car-Civic	8	1,554,495	-	-	1,554,495	1,191,595	127,691	-	1,319,286	235,209	362,900
(h) Motor Car-Wagon R	8	404,059	-	-	404,059	248,663	51,067	-	299,730	104,329	155,396
(i) Inverter	5	14,500	-	-	14,500	1,486	5,908	-	7,394	7,106	13,014
(j) Oil Heater 9 pin	5	6,500	-	-	6,500	5,290	638	-	5,928	572	1,210
(k) RO Systems	5	10,000	-	-	10,000	7,843	1,086	-	8,929	1,071	2,157
(l) CCTV Camera	5	72,000	-	-	72,000	32,816	17,682	-	50,498	21,502	39,184
(m) Scooter	8	50,721	-	-	50,721	11,197	12,402	-	23,599	27,122	39,524
(n) Scooty Activa	8	58,782	-	-	58,782	24,455	10,893	-	35,348	23,434	34,327
(o) Refrigerator	5	-	13,700	-	13,700	-	5,989	-	5,989	7,711	-
(p) Generator	15	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		3,903,045	54,300	511,457	3,445,888	2,552,642	387,527	131,655	2,808,514	637,375	1,350,403
<b>Previous Year</b>		2,997,762	905,283	-	3,903,045	1,939,445	613,197	-	2,552,642	1,350,403	1,058,317



**IN TERMS OF OUR REPORT ATTACHED  
FOR V.N. PUROHIT & CO.  
Chartered Accountants  
Firm Regn No. 304040E**

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

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

**Sd/-  
Manoj Kumar Gupta  
CFO**

**Sd/-  
Varsha Bharti  
Company Secretary  
MN-37545**

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

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

**New Delhi, the 30th Day of May, 2017**



September 05, 2017

Dear Members/Directors/Auditors,

You are cordially invited to attend the 23<sup>rd</sup> Annual General Meeting (the “AGM”) of the members of **India Finsec Limited** (“the Company”) to be held on **Saturday, September 30, 2017 at 11:00 a.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 herewith. As per section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their votes by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are enclosed with the Notice.

Thanking You,

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

Sd/-  
**Varsha Bharti**  
**Company Secretary**

*Enclosures:*

- 1. Notice to the 23rd Annual General Meeting*
- 2. Attendance Slip*
- 3. Proxy Form*
- 4. Route Map to the venue of AGM.*



## **Notice to the 23<sup>rd</sup> Annual General Meeting**

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting (AGM) of the members of **India Finsec Limited** will be held on **Saturday, September 30, 2017 at 11:00 a.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:**

#### **Item No. 1 - Adoption of financial Statements**

To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the company for the year ended March 31, 2017 i.e. Audited Balance Sheet as on March 31, 2017, the Statement of Profit and Loss Account, for the year ended on March 31, 2017 along with the reports of the Board of Directors ('the Board') and the Auditors thereon.

#### **Item No. 2 - Appointment of Mr. Mukesh Sharma as a director liable to retire by rotation**

To appoint Mr. Mukesh Sharma, Non- Executive Director (DIN:00274217), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

#### **Item No. 3 - Re-appointment of Auditors**

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 2017-2018 to hold office till the conclusion of the next Annual General Meeting (AGM) to be held in the calendar year 2018 and that Board of Directors of the Company be and are hereby authorized 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, 2018 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:**

#### **Item No. 4 – Increase in Authorised Share Capital of the Company and consequently alteration of the capital clause in the Memorandum of Association of the Company.**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 13 sub-section (1), read with Section 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) Authorised Share Capital of the Company be and is hereby increased from the existing Rs. 25,00,00,000 (Twenty Five Crores) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) to Rs. 30,00,00,000 (Rupees Thirty crores) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs. 10/- (Rupees ten only) each, by creation of additional 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/-(Rupees ten only) each.”

**“RESOLVED FURTHER THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

V. The Authorised Share Capital of the Company is Rs. 30,00,00,000 (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs. 10/- (Rupees ten only) each.”





**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate."

**Item No. 5 – To issue equity shares on preferential basis to Non- Promoter.**

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 62, 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules made thereunder(including any statutory modification(s) or re-enactment thereof for the time being in force) ("the Act") to the extent notified and in effect and in accordance with the provisions of the Memorandum and Articles of Association of the Company and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009("SEBI (ICDR Regulations)"), Listing Agreements entered into by the Company with the Stock Exchanges on which the Company's shares are listed, or any other relevant authority from time to time and any other applicable laws/rules/regulations and subject to the consent/approval of any other authorities/institutions, consent of the Company be and is hereby accorded to the Board to offer, issue, allot and deliver 30,75,000 equity shares of face value of Rs. 10/- each fully paid up at a price of Rs.16.28/-(Rupees Sixteen and Paise Twenty Eight only) each aggregating to Rs. 5,00,61,000 (Rupees Five Crores Sixty One Thousand only) to the following categories of persons on a preferential basis for cash:

S. No.	Name of the proposed allottees	No. of equity shares	Category
1.	MBM Bearings (Rajasthan) Private Limited	12,30,000	Body Corporate/General Public/Non Promoter Category
2.	Geet Infracon Private Limited	12,30,000	Body Corporate/General Public/Non Promoter Category
3.	Value Distributors Private Limited	6,15,000	Body Corporate/General Public/Non Promoter Category

and the aforesaid shares shall be issued and allotted on such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include any duly authorized Committee thereof at the time of issue or allotment) in accordance with SEBI (ICDR) Regulations, 2009 or any other provisions of the law as may be prevailing at the time."

**"RESOLVED FURTHER THAT** in accordance with the provisions of SEBI (ICDR Regulations), 2009, the "Relevant Date" for the purpose of determining the price of equity shares is August 31, 2017, which is 30 days prior to the date of this Annual General Meeting i.e. September 30, 2017."

**"RESOLVED FURTHER THAT** the issue of equity shares on a preferential basis, as mentioned herein above shall be subject to the following terms and conditions:

- h. The equity shares shall be allotted in dematerialized form within 15 days from the date of Annual general Meeting (AGM) or from the date of getting in- principle approval from Stock Exchanges or such other statutory approval, as may be required, whichever is later;
- i. Each equity share of face value of Rs. 10/- each;
- j. The cost of acquisition of each equity share of face value of Rs. 10/- each will be Rs.16.28/- each which is calculated as per Regulation 76 of the SEBI (ICDR) Regulations, 2009;



- k. The number of equity shares and the price per equity share shall be appropriately be adjusted subject to the Companies Act, 2013 and SEBI (ICDR) Regulations, 2009, for corporate actions such as bonus issue, right issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring.”

**“RESOLVED FURTHER THAT** the Equity shares to be issued and allotted on a preferential basis to the proposed allottees belonging to non- promoter category, shall be locked in for such period as specified under Regulation 78 of the SEBI (ICDR) Regulations, 2009.”

**“RESOLVED FURTHER THAT** the proposed allottees pursuant to the aforesaid preferential allotment and the equity shares to be allotted shall rank pari passu in all respects including as to dividend, with the existing equity shares of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the shareholders of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and utilisation of proceeds of the Equity Shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director(s) or to any Committee of the Board or any other Officer(s) of the Company to give effect to the aforesaid resolution.”

**“RESOLVED FURTHER THAT** all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

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

Sd/-

Date: 05.09.2017  
Place: New Delhi

**Varsha Bharti  
Company Secretary**

**Notes:**

1. The Statement is annexed with the Notice in respect of Special Business (Item No.4 & Item No. 5), 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 22, 2017 to September 30, 2017** (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 September 01, 2017 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 22, 2017** (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 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 **Wednesday, September 27, 2017 (10:00 a.m.)** and ends on **Friday, September 29, 2017 (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 22, 2017**, 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
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - 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>
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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 <b>OR</b> Date of Birth (DOB)	<p>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.</p> <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 22, 2017**, 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. **Saturday, September 30, 2017**. 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 (✓) 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) Mr. Nakul Kumar, Company Secretary in Practice (Membership No. 35669) 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 de-materialized form. *Members who have not yet got their shares de-materialized, 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 de-materialization 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 102(1) of the Companies, Act, 2013)**

**Item No. 4**

The present authorised capital of the Company is Rs. 25,00,00,000 (Twenty Five Crores) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each. A separate proposal for Preferential Issue of 30,75,000 (Thirty Lakhs Seventy Five Thousand) Equity Shares of face value of Rs. 10 each has been submitted for the approval of Shareholders under item no. 5 of this Notice. The preference capital component of authorised capital is sought to be reclassified to enable this issue.

As per the provisions of Sections 13 of the Companies Act, 2013, a Company can alter the Share Capital Clause of its Memorandum of Association with the consent of Shareholders. On reclassification of authorised capital, it would be necessary to amend Clause V of the Memorandum of Association.

The Resolution seeks approval of Members to reclassify the Share Capital and to amend the said Clause.

The Board of Directors recommends the passing of this Resolution by ordinary resolution.

None of the Directors / key managerial persons of the Company or their relatives is interested, financially or otherwise, in the aforesaid resolution.

**Item No. 5**

Your Company's business is growing and the funds are required by the Company for meeting its capital requirements and permissible business investments as allowed under applicable laws.

It is proposed to raise funds by issue of equity shares through preferential allotment subject to statutory approvals and compliances as may be required to be obtained and complied with under applicable laws in India.

The Board at its meeting held on 05<sup>th</sup> September, 2017 approved the proposed issue of up to 30,75,000 (Thirty Lakhs Seventy Five Thousand Only) equity shares of face value Rs. 10 each, on a preferential basis having face value of Rs. 10/- (Rupees Ten Only) for cash at a price of Rs. 16.28/- (Rupees Sixteen and Paise Twenty Eight Only) per Equity Share aggregating upto Rs. 5,00,61,000/- (Rupees Five Crores Sixty One Thousand Only), including premium of Rs. 6.28/- (Rupees Six and Paise Twenty Eight Only) per Equity Share, to the below mentioned proposed non –promoters allottees in accordance with the provisions of the SEBI (ICDR) Regulations on such terms and conditions and in such manner, as the Board may, in its discretion, think fit (“Preferential Issue”).

**The name of the proposed allottees, the identities of the persons who are ultimate beneficial owner of the shares and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control:**

S. No.	Name of the proposed allottees	PAN	Category	Pre-holding (%)	No. of equity shares proposed to be	Consideration payable	Post holding (%)	Beneficial Ownership



					allotted			
1.	MBM Bearings (Rajasthan) Private Limited	AACCM7145H	Non-promoter Body Corporate	0	12,30,000	2,00,24,400	4.39	Mrs. Kripa Devi Bansal, Mrs. Pinki Sharma and Mr. Vishnu Kumar Bansal holds more than 10% shares in the Company. Mr. Sanjay Kumar Sharma and Mr. Sushil Kumar Sharma are the directors and promoters of the Company and manages the Company.
2.	Geet Infracon Private Limited	AADCG3433D	Non-promoter Body Corporate	1.40	12,30,000	2,00,24,400	5.64	No person holds more than 10% shares in the Company. The Company is managed by Mrs. Rinku Goyal and Mr. Yogesh Bansal, directors and promoters of the Company.
3.	Value Distributors Private Limited	AACCV9202C	Non-promoter Body Corporate	0	6,15,000	1,00,12,200	2.20	No person holds more than 10% shares in the Company. The Company is managed by



								Mr. Naveen Kumar Gupta and Mr. Sushil Kumar Gupta, directors and promoters of the Company.
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The proposed issue and allotment of the Equity Shares will inter-alia be governed by the Companies Act, 2013 read with the rules framed there under (including any statutory modification or re-enactment thereof for the time being in force), the articles of association of the Company, the listing agreement entered into between the Company and BSE Limited where the equity shares of the Company are listed, the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 (“SEBI ICDR Regulations”) as amended from time to time. The issuance of the Equity Shares to the Investors on a preferential basis will be subject to customary conditions including applicable governmental and regulatory approvals and other third party approvals. The satisfaction of these conditions is not necessarily within the control of the Company. The Equity Shares allotted to the Investor shall rank pari-passu with all other equity shares of the Company in respect of all rights including dividend.

The Company submits the following information for taking appropriate decision for approval of the proposed resolution set out in Item No. 5 of the Notice of the meeting by way of Special Resolution:

**Objects of the above preferential issue:**

The Company’s business is growing and the funds are required by the Company for meeting its capital requirements and permissible business investments as allowed under applicable laws.

**Total No. of shares or other securities to be issued:**

30,75,000(Thirty Lakhs Seventy Five Thousand Only) Equity Shares

**Class or classes of persons to whom the allotment is proposed to be allotted**

Non-promoter and Non-QIBs

**Terms of Issue of Equity shares, if any:**

The Equity Shares allotted in terms of this resolution shall rank pari passu with existing equity shares of the Company in all respects.

**Relevant Date:**

The relevant date as per the ICDR Regulations for the determination of the price per equity share pursuant to the preferential allotment is August 31, 2017 (“Relevant Date”) (i.e. 30 days prior to the date of proposed AGM which is September 30, 2017, to approve the proposed preferential issue).The proposal of the promoters, directors or key managerial personnel of the issue to subscribe to the offer.

**Pricing of Preferential Issue:**

The price of equity shares to be issued is fixed at Rs. 16.28 per equity share in accordance with the price determined in terms of Regulation 76 of the ICDR Regulations.

**Basis on which the price has been arrived at:**

The Company is listed on BSE Limited and the equity shares of the Company are frequently traded in accordance with Regulation 71A of the ICDR Regulations.



In terms of ICDR Regulations, the equity shares shall be allotted at a price not less than higher of the following:

- a. Average of the weekly high and low of the volume weighted average prices of the equity shares of the Company quoted on the stock exchange, during the twenty six weeks preceding the Relevant Date or
- b. Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the stock exchange, during the two weeks preceding the Relevant Date.

Accordingly, price per equity share to be issued is fixed at Rs. 16.28/-, which has been calculated in accordance with the above provisions.

Since the equity shares of the Company have been listed on the recognized stock exchanges for a period of more than 26 weeks prior to the Relevant Date, the Company is not required to re-compute the price per equity share.

**Intention of the Promoters, Directors or Key Managerial Personnel to subscribe to the offer.**

None of the promoters, directors or key managerial personnel intend to subscribe to the proposed issue.

**Proposed time within which the allotment shall be completed:**

As required under the ICDR Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 days from the date of such approval(s), as the case may be.

**No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:**

During the year, no preferential allotment has been made to any person.

**Change in control, if any, in the Company that would occur consequent to the preferential offer:**

There shall be no change in management or control of the Company pursuant to the issue of the equity shares.

**The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**

Not Applicable.

**Lock in period:**

The proposed allotment of the equity shares, shall be subject to a lock-in as per the requirements of ICDR Regulations.

**Auditor's Certificate:**

A certificate from M/s. VN Purohit & Co., Statutory Auditors of the Company, certifying that the issue of equity shares is being made in accordance with requirements of ICDR Regulations shall be placed before the general meeting of the shareholders.

Relevant documents are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting. Additionally, copies of the relevant documents are available for inspection at the corporate office of the Company and will also be made available at the Meeting.

**Undertaking:**

- I. The issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- II. If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

The shareholding pattern of the issuer before and after the preferential issue as given below:-

S.No	Category	Pre- Issue (as on 30th June, 2017)		Post Issue	
		No. of shares	% of share holding	No. of shares	% of share holding
<b>A</b>	<b>Promoters' holding :</b>				
1	<b>Indian :</b>				
	Individual /HUF	4840015	19.41	4840015	17.28
	Bodies Corporate	4537050	18.19	4537050	16.19
	Sub Total	9377065	37.60	9377065	33.47
2	<b>Foreign Promoters</b>	NIL	NIL	NIL	NIL
	<b>Sub Total (A)</b>	<b>9377065</b>	<b>37.60</b>	<b>9377065</b>	<b>33.47</b>
<b>B</b>	<b>Non-Promoters' holding:</b>				
1	<b>Institutional Investors</b>	NIL	NIL	NIL	NIL
2	<b>Non-Institution:</b>				
	Bodies Corporate	2974075	11.92	6049075	21.59
	Individual	11819575	47.39	11819575	42.19
	HUF	771000	3.09	771000	2.75
	Clearing Members	NIL	NIL	NIL	NIL
	NRI	NIL	NIL	NIL	NIL
	<b>Sub Total(B)</b>	<b>15564650</b>	<b>62.40</b>	<b>18639650</b>	<b>66.53</b>
	<b>GRAND TOTAL(A+B)</b>	<b>24941715</b>	<b>100</b>	<b>28016715</b>	<b>100</b>



The consent of the members is now being sought under Section 42 and 62 of the Companies Act, 2013 read with rules framed there under, Chapter VII of the SEBI ICDR Regulations, and provisions of the listing agreement executed by the Company with the BSE Limited where the equity shares of the Company are listed.

None of the Directors and Key Managerial Personnel along with their relatives may be deemed to be concerned or interested in the aforesaid resolution except to the extent of their shareholding, if any.

The Board of Directors of the Company believes that the aforesaid preferential issue is in the best interest of the Company and hence, recommends the special resolution for the approval of the shareholders.

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

**Date: 05.09.2017  
Place: New Delhi**

**Sd/-  
Varsha Bharti  
Company Secretary**



### Annexure to the Notice

Additional Information of Director seeking re-appointment at the 23<sup>rd</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 s a Director as on December 18, 2006. Thereafter, as per his knowledge and experience, the members of the Company had re-appointed him as Whole Time Director of the Company during the financial year 2016-17. Presently, he is providing valuable services to the Company.
<b>Name of the Listed Entities in which the person holds the Directorships</b>	IFL Enterprises Limited
<b>Name of the Listed Entities in which the person holds the Memberships of committees of the Board</b>	IFL Enterprises Limited
<b>Shareholding in the Company (Equity)</b>	12,92,540 shares (5.18% ) as on March 31, 2017
<b>Relationship with other Directors/Manager/Key Managerial Personnel</b>	Nil
<b>Number of Board Meetings attended during the FY 2016-17</b>	Thirteen out of Thirteen 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 Third Annual General Meeting** of the Shareholders of **India Finsec Limited** held on **Saturday, September 30, 2017 at 11:00 a.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 Third Annual General Meeting dated September 05, 2017 for e-voting process. The E-voting period starts from September 27, 2017 at 10:00 a.m., and will end on September 29, 2017 at 5:00 p.m. The voting module shall be disabled by CDSL 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/behalf at the 22<sup>nd</sup> Annual General Meeting of the Company to be held on **Saturday, September 30, 2017 at 11:00 a.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 audited financial statement consisting of Balance Sheet for the year ended March 31, 2017 and the Statement of Profit and Loss, Cash Flow Statement for the year ended on March 31, 2017 along with the reports of the Board of Directors and the Auditors thereon.
2.	To appoint a Director in place of Mr. Mukesh Sharma, Non-Executive 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 in Authorised Share Capital of the Company and consequently alteration of the capital clause in the Memorandum of Association of the Company.
5.	To issue equity shares on preferential basis to non-promoter.

Signed this..... Day of.....2017

Signature of the member.....

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

Affix Re. 1/- Revenue Stamp
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**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

**ROUTE MAP TO THE VENUE OF 23<sup>RD</sup> ANNUAL GENERAL MEETING OF THE COMPANY**

