

**INDIA FINSEC LIMITED**

ANNUAL REPORT  
FOR THE FINANCIAL YEAR 2013-14  
CIN NO: L65923DL1994PLC060827

REGD. OFFICE: - D-16, 1st FLOOR, ABOVE ICICI BANK, PRASHANT VIHAR, SECTOR-14, ROHINI, NEW DELHI-110085

**NOTICE**

Notice is hereby given that the Annual General Meeting of the Members of India Finsec Limited will be held on Monday, 28<sup>th</sup> July, 2014 at 12:00 P.M. at the Registered Office of the Company at D-16, Prashant Vihar, Sector-14, Rohini, New Delhi-110 085 to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors' and Directors' thereon.
2. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.
3. To appoint Director in place of Mr. Gopal Bansal who retires by rotation & being eligible offers himself for reappointment.

For and on Behalf of the Board  
**For India Finsec Ltd**

Date: 20<sup>th</sup> June, 2014  
Place: Delhi

Sd/-  
Gopal Bansal  
Managing Director  
(Din: 01246420)

## NOTES:

- A. **APPOINTMENT OF PROXY:** A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
- B. **Corporate Members:** Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. Members/ Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- D. **Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. Members are requested to notify any change in their address/ mandate/ bank details immediately to the share transfer Agent of the Company- M/s Skyline Financial Services Pvt Ltd., D-153/A, Okhla Industrial Area, Phase-I, New Delhi- 110 020.
- F. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 21<sup>st</sup> July, 2014 to Monday, 28<sup>th</sup> July, 2014 (both days inclusive).
- G. **Inspection of Documents:** Documents referred to in the Annual General Meeting Notice are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- H. **Voting through electronic means**
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):
- The instructions for e-voting are as under:
- (i) The Notice of the AGM of the Company *inter alia* indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members.
  - (ii) NSDL shall also be sending the User-ID and Password, to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository Participants(s). For members who have not registered their email address, can use the details as provided above.
  - (iii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iv) Click on Shareholder - Login

- (v) Put user ID and password as initial password noted in step (i) above. Click Login.
  - (vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vii) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
  - (viii) Select "EVEN" of India Finsec Limited
  - (ix) Now you are ready for e-Voting as Cast Vote page opens
  - (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (xi) Upon confirmation, the message "Vote cast successfully" will be displayed
  - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote
  - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [cscrachna@gmail.com](mailto:cscrachna@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on July 22nd, 2014 (12:00 pm) and ends on July 23rd, 2014 (05:00 pm). 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 30th June, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, Monday, 30th June, 2014.
- VII. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30th June, 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- VIII. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX. The Results shall be declared on the date of AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of NSDL within two(2) days of passing of the resolutions and communicated to the BSE Limited.

I. **Scrutinizer:** The Company has appointed Ms. Rachna Bhasin, Practicing Company Secretary, as the Scrutinizer for the above said purpose.

## DIRECTORS' REPORT

### Dear Members

Your Directors present the Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March, 2014.

### Financial Highlights

Particulars	Financial Year ended (in Rupees)	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Total Income	6,80,94,846.22	4,83,10,509.81
Total Expenditure	6,78,18,946.66	4,69,16,780.22
Profit/ (Loss) before tax	2,75,899.56	13,93,729.59
Profit/ (Loss) after tax	2,34,653.56	10,12,298.59
Paid-up Share Capital	19,44,17,150	13,44,17,150
Reserves and Surplus	15,39,70,933.65	15,38,08,129.09

### Year in Retrospect

During the year under review total Income of the Company was Rs. 6.81 Cr as against Rs. 4.83 Cr in the previous year. The Company made a profit after tax of Rs. 0.02 Cr as against a profit after tax of Rs. 0.10 Cr in the previous year. Your Directors are putting in their best efforts to improve the performance of the Company.

### Material changes and commitments affecting the financial position of the Company after the close of financial year

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company-31<sup>st</sup> March, 2014 till the date of this report.

### Dividend

In view of marginal profits made by the Company, your Directors regret their inability to recommend any dividend.

### Public Deposits

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

### Auditors

M/s V.N. Purohit & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.



## **Auditors' Report**

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

## **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

- a. Conservation of Energy & Technology Absorption:** Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not quite relevant to its functioning.
- b. Export Activities:** There was no export activity in the Company during the year under review. The Company has no immediate plans for export in the near future as well.
- c. Foreign Exchange Earnings and Outgo:** There was no Foreign Exchange earnings and outgo during the year under review.

## **Particulars of Employees**

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

## **Vigil Mechanism**

The Board of Directors have established Vigil Mechanism for directors and employees.

## **Directors**

During the year under review, there has been no change in the composition of the Board of Directors of the Company.

## **Company Secretary**

During the year under review, Ms. Rachna Bhasin resigned from the post of the Company Secretary of the Company w.e.f. 10<sup>th</sup> February, 2014.

## **Directors' Responsibility Statement**

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a.** in preparation of the annual accounts, the applicable accounting standards have been followed;
- b.** the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and of the profit of the Company for the year ended on that date;
- c.** the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- d. the Directors have prepared the Annual Accounts on a going concern basis.
- e. the directors had laid down internal financial controls to be followed by the company and that such internal controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that systems were adequate and operating effectively.

#### **Stock Exchange Listing**

The Equity Shares of the Company are listed at the BSE (SME Exchange). The Company has already paid listing fees for the financial year 2013-14 to the BSE.

#### **Audit Committee**

Pursuant to Clause 52 of Listing Agreement and Section 292A of the Companies Act, 1956, The Audit Committee has been constituted with three directors as its members namely Mr. Gopal Bansal, Mr. Basant Mittal and Ms. Charu Goyal.

#### **Corporate Governance**

Clause 52 of the Listing Agreement relating to the Corporate Governance is applicable to the Company. The Company is complying with the provisions of Clause 52 of the Listing Agreement.

#### **Acknowledgement**

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees; support and co-operation extended by the valued business associates of the Company.

For and on Behalf of the Board  
**For India Finsec Ltd**

Date: 20<sup>th</sup> June, 2014  
Place: Delhi

Sd/-	Sd/-
Gopal Bansal	Mukesh Sharma
Managing Director	Director
(DIN: 01246420)	(DIN: 00274217)



## CORPORATE GOVERNANCE REPORT

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

The Board of Directors are focused on the meeting their prime objective of maximization of shareholders wealth. The Listing Agreement entered into by the Company with the Stock Exchanges 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 shareholders
- Operating under the purview of the statute.
- Ethical Practices
- Shareholder's wealth maximization

As a part of the compliances of the revised Clause 52 of Listing Agreement, the Company presents hereunder the required disclosures in the form of a Report for information of all the stakeholders.

### BOARD OF DIRECTORS

The Board of Directors comprises FOUR members consisting of TWO Independent-Non executive directors.

#### Composition and Category of Directors:

Name	Designation	Category	No. of other Director-ships	Attendance at Board Meetings	Attendance at previous AGM
GOPAL BANSAL	Managing Director	Executive	2	YES	YES
MUKESH SHARMA	Whole-Time Director	Executive	1	YES	YES
BASANT MITTAL	Director	Non-Executive	NIL	YES	YES
CHARU GOYAL	Director	Non-Executive	NIL	YES	YES

### Meetings of the Board of Directors

The Board of Directors met 8 times during the financial year.

### 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.

- Half yearly results of the Company
- Minutes of the Audit Committee and other Committee meetings
- Details of Agreements entered into by the Company
- Particulars of Non-Compliance of any statutory or Listing requirement

### **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 2013-2014 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 2013-2014, as required under Clause 52 of the Listing Agreement with the Stock Exchanges.

**For India Finsec Limited**

**Date: 20<sup>th</sup> June, 2014**

**Place: Delhi**

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

### **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 three committees viz. Audit Committee, Remuneration Committee and Investor Grievance Committee.

### **AUDIT COMMITTEE**

#### **Terms of Reference:**

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

1. Review of the 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 292A of the Companies Act, 1956 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.

During the year, Four Audit Committee meetings were held respectively on 22.05.2013, 10.08.2013, 28.11.2013 and 17.02.2014.

**Composition of Audit committee:**

The Audit Committee of the Company was constituted as follows:

Meetings of the Committee and Attendance of the Members during 2013-2014	Meetings held	Meetings Attended
Mr. Basant Mittal	4	4
Ms. Charu Goyal	4	4
Mr. Gopal Bansal	4	3

**4. REMUNERATION COMMITTEE:**

**Terms of Reference:**

The 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 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 Remuneration Committee of the Company is constituted as on 18.10.2013 with three directors, viz.

Mr. Basant Mittal
Ms. Charu Goyal
Mr. Gopal Bansal

**Meetings of the Committee and Attendance**

The Remuneration Committee did not meet during the year since there were no occasions which called for it.

## Remuneration Policy:

The remuneration of the Executive Director is fixed by the 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.

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

## 5. SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE

### Composition as on date

The Investor's Grievance Committee of the Company has been constituted with Three Directors viz.

Mr. Basant Mittal
Ms. Charu Goyal
Mr. Gopal Bansal

No investor complaints are pending as on the date of Director's Report. The Company does not have any pending share transfers as on the date of Director's Report.

## 6. ANNUAL GENERAL MEETINGS

Details of last three Annual General Meeting is given below:

Day	Date	Time	Venue
FRIDAY	30.09.2011	12:00 P.M.	D-16, First Floor, Main Outer Ring Road, Prashant Vihar, New Delhi-110085.
SATURDAY	29.09.2012	12:00 P.M.	340/1, Than Singh Nagar, Anand Parvat, New Delhi-110005.
MONDAY	30.09.2013	11:00 A.M.	D-16, Prashant Vihar, Sector-14, Rohini, New Delhi-110085

**No resolution was placed for voting by Postal ballot in the previous Annual General Meeting.**

## 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 as prescribed in Annexure 1D of the revised Clause 52 of the Listing Agreement with Stock Exchanges.
- 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 adopted with the Code of Conduct applicable to all Directors, senior management and employees. The Declaration as required under Clause 52 is as below:

“All the Directors and Senior Management of the Company have affirmed compliance with the Company’s Code of Conduct for the financial year ended 31<sup>st</sup> March, 2014”

For and on behalf of the Board

Place: Delhi  
Date: 20.06.2014

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

- **CEO Certification:** The Executive Director has given a certificate as contemplated in Clause 52 of the Listing Agreement.
- The requirements of the Audit and other Committees as contemplated in Clause 52 have been complied with as per the report set above in respect of the same.

## 8. MEANS OF COMMUNICATION

The Company has published financial results within time specified i.e. 48 hours as required by the Listing agreement. 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 Listing Agreement.

## 9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting Schedule: Monday the 28<sup>th</sup> July, 2014 at 12.00 p.m. at D-16, 1st Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085.

- 1) Financial Calendar (2014-2015) (Tentative) :  
The Financial year of the Company is 1<sup>st</sup> April to 31<sup>st</sup> March.

Financial Year reporting for	Proposed date
Un-audited Financial Results for half year ended 30.09.2014	Last week of October, 2014
Un-audited Financial Results for half year ended 31.03.2015	Last week of April, 2015
Annual General Meeting	August, 2015

- 2) Dates of Book Closure : 21<sup>st</sup> July, 2014 to 28<sup>th</sup> July, 2014 (both days inclusive)
- 3) Dividend Payment Date : Not Applicable
- 4) Listing at Stock Exchanges : Bombay Stock Exchange Ltd (SME Platform)
- 5) Listing Fees : The Listing fees for the year 2013-2014 paid to BSE





10) Registrar & Share Transfer Agents : Skyline Financial Services Pvt Ltd  
D-153 A, 1st Floor, Okhla Industrial Area,  
Phase - I, New Delhi - 110 020  
Tel No. 011-26812682

11) Share Transfer process : 63.07% shareholding is in demat mode and no physical share transfer request is pending as on the date of this report.

12) Shareholding pattern as on: 31<sup>st</sup> March, 2014.

Category	Number of Equity Shares held	% of Shareholding
Promoters	69,52,065	35.76
Corporate Bodies	69,73,650	35.87
Overseas Corporate Bodies	-----	-----
Public	55,16,000	28.37
<b>Total</b>	<b>1,94,41,715</b>	<b>100.00</b>

13) Dematerialization of shares: The Company has entered into an Agreement with M/s Skyline Financial Services Pvt. Limited as Registrar and Share Transfer Agents.

14) Outstanding Bonds/ Convertible Instruments : NIL

Address for Communication and Registered Office : D-16, 1ST Floor, Above ICICI Bank  
Prashant Vihar, Sector-14, Rohini  
New Delhi-110085  
Tel: 011- 45805612  
E-Mail: indiafinsec@yahoo.com



**V. N. PUROHIT & CO.**  
CHARTERED ACCOUNTANTS  
(ESTD. 1961)

214, New Delhi House, 2<sup>nd</sup> Floor,  
27, Barakhamba Road,  
New Delhi - 110001  
Telefax: 43596011  
Email: vnpdelhi@vnpaudit.com  
Website: www.vnpaudit.com

## Independent Auditors Report

To The Members of  
M/s. India Finsec Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of India Finsec Limited (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for 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 Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are g-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 conducted our audit in accordance with the Standards of Auditing issued by the Institute of Chartered Accountants of India. 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014; and
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amended) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by sub-section (3) of section 227 of the Companies Act, 1956, we report that:
  - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - (iii) The Balance Sheet and profit and Loss Account and the cash flow statements dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2014 and taken on records by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956.



As per Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 1998 issued by Reserve Bank of India vide Notification No. DFC 117/DG(SPT)-98 dated January 2, 1998, we further report to the extent to which matters specified therein are applicable to the company that :

- (i) The company is a Non-Banking Financial Company not accepting public deposit and the certificate of registration no. B-14-00127 dated 09.03.12 from Reserve Bank of India has been issued to the company.
- (ii) The Board of Directors of the company has passed a resolution for the non-acceptance of any public deposits.
- (iii) The company has not accepted any public deposits during the relevant year.
- (iv) 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.

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

Sd/-  
O.P.Pareek  
Partner  
M.No. 014238

Date: 30.05.2014  
Place: New Delhi



**Annexure to Independent Auditors Report**

Referred to in Paragraph 1 under the heading "report on other legal and regulatory requirements" of our report of even date

1. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
2. In respect of Inventories consisting of shares and securities held in other Company :
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
  - a) In our opinion, and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured during the year to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements as per clause (iii) (e) of paragraph 4 of the order are not applicable in case of the company.
  - b) The Company has not taken any loans, secured or unsecured during the year from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements as per clause (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable in case of the company.

4. In our opinion, and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods or services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. As explained and according to information given to us there has not been any contract or arrangement referred to in section 301 of the Act, particulars of which need to be entered in the register required to be maintained under section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the company.
7. In our opinion, the Company has an internal audit system commensurate with the size of the company and the nature of its business.
8. The cost record maintained by the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 are not applicable to the company.
9. In respect of statutory dues:
  - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amount payable in respect of the aforesaid statutory dues were outstanding as at 31.03.2014 for a period of more than six months from the date of becoming payable.
  - b) According to the 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.
10. The company does not have accumulated losses at the end of financial year. The company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. According to the information and explanations given to us the company has not taken any loan from any financial institution or bank or debenture holder.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, and in our opinion, adequate documents and records are maintained.
13. The Company is not a chit fund, nidhi or mutual benefit society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.

14. The Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and other investments held by the company, in its own name.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by other from bank or financial institutions.
16. As per information and explanations given to us, the company has not obtained any term loans during the year and no term loans are outstanding on the company at the end of year.
17. According to the information and explanations given to us, no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us no preferential allotment of shares has been made by the company to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures. Hence the requirements of clause (xix) of paragraph 4 of the Order are not applicable to the company.
20. As explained to us, the management has disclosed on the end use of money raised by public issues and the same has been verified.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

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

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

**Place: New Delhi**  
**Date: 30.05.2014**

# INDIA FINSEC LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Notes	[Amount in Rupees]	
		As at 31st March 2014	As at 31st March 2013
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	3	194,417,150.00	134,417,150.00
Reserves and Surplus	4	153,970,933.65	153,808,129.09
<b>Non-Current Liabilities</b>			
Long-term Borrowings	5	551,927.50	717,361.60
Long-term Provisions	6	618,549.00	546,700.00
Deferred Tax Liability (net)		-	-
<b>Current liabilities</b>			
Short-term Borrowings	7	-	15,670,221.00
Trade Payables	8	318,554.00	1,488,150.00
Other Current Liabilities		-	-
Short-Term Provisions	9	85,253.00	430,662.00
<b>Total</b>		<b>349,962,367.15</b>	<b>307,078,373.69</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
(i) Tangible Assets		28,357,862.00	1,380,490.00
(ii) Intangible Assets		-	-
Capital Work-in-Progress		-	-
Non-Current Investments		-	-
Long-term loan and advances		-	-
Capital & amortised expenses not w/off	11	607,985.20	818,484.20
Deferred Tax Assets (net)	12	98,179.00	54,172.00
<b>Current Assets</b>			
Current Investments		-	-
Inventories	13	9,799,802.09	8,858,522.92
Cash and Cash Equivalents	14	2,657,405.19	574,107.55
Trade Receivables	15	6,634,854.07	1,559,857.02
Short-term loan and advances	16	298,683,348.00	290,361,611.00
Other current assets	17	3,122,931.60	3,471,129.00
<b>Total</b>		<b>349,962,367.15</b>	<b>307,078,373.69</b>

Summary of significant accounting policies

2

Notes on Financial Statements

26-37

The 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/-

O.P. Pareek

Partner

Membership No. 014238

Sd/-

Gopal Bansal  
Managing Director  
DIN - 01246420

Sd/-

Mukesh Sharma  
Whole-time director  
DIN - 00274217

New Delhi, the 30th day of May 2014



**INDIA FINSEC LIMITED**

STATEMENT OF TRADING &amp; PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2014

Particulars	Notes	[Amount in Rupees]	
		From 1st April 2013 to 31st March 2014	From 1st April 2012 to 31st March 2013
<b>A. CONTINUING OPERATIONS</b>			
<b>INCOME:</b>			
Revenue from operations	18	67,746,173.53	47,854,103.92
Other Income	19	348,672.69	456,405.89
<b>Total Revenue</b>		<b>68,094,846.22</b>	<b>48,310,509.81</b>
<b>EXPENDITURE:</b>			
Purchases of stock in trade	20	61,026,264.33	40,512,227.78
Changes in inventories	21	(941,279.17)	(3,760,482.55)
Employee Benefit expenses	22	3,970,702.00	2,524,554.00
Financial Cost	23	366,278.80	1,743,695.18
Depreciation & Amortise expenses	24	659,536.00	692,884.00
Other Administrative expenses	25	2,737,444.70	5,203,901.81
<b>Total Expenses</b>		<b>67,818,946.66</b>	<b>46,916,780.22</b>
<b>Profit/(loss) before tax provision</b>		<b>275,899.56</b>	<b>1,393,729.59</b>
<b>Tax expenses</b>			
Current Tax		85,253.00	430,662.00
Deferred tax		(44,007.00)	(49,231.00)
<b>Total Tax Expenses</b>		<b>41,246.00</b>	<b>381,431.00</b>
<b>Profit/ (loss) for the year after tax (PAT)</b>		<b>234,653.56</b>	<b>1,012,298.59</b>
Less: Contingent provision against standard assets		71,849.00	546,700.00
Less: Special reserve u/s 45-IC of the RBI Act, 1934		46,931.00	202,460.00
<b>Net profit transfer to appropriation</b>		<b>115,873.56</b>	<b>263,138.59</b>
<b>Earning per share (EPS)</b>			
[nominal value of share Rs. 10/-]			
Basic		0.0121	0.0753
Diluted		0.0128	0.8185

Summary of significant accounting polices

2

Notes on Financial Statements

26-37

The 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/-

O.P. Pareek

Partner

Membership No. 014238

Sd/-

Gopal Bansal  
Managing Director  
DIN - 01246420

Sd/-

Mukesh Sharma  
Whole-time director  
DIN - 00274217

New Delhi, the 30th day of May 2014



**INDIA FINSEC LIMITED**
**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2014**

[Amount in Rupees]

	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and after extra-ordinary items as per	275,899.56	1,393,729.59
<b>Adjustments for items not included:</b>		
Net prior year adjustments		
Depreciation and Amortisation Expense	659,536.00	692,884.00
(Profit)/Loss on sale/discard of assets (net)		
Operating Profit before working capital changes	935,435.56	2,086,613.59
<b>Adjustment for Working capital:</b>		
(Increase)/ decrease in current loans and advances	(8,321,737.00)	76,997,859.00
(Increase)/ decrease in Trade receivables	(5,074,997.05)	(1,559,857.02)
(Increase)/ decrease in inventories	(941,279.17)	(3,760,482.55)
(Increase)/ decrease in other current assets	348,197.40	(2,851,555.00)
Increase/ (decrease) in short term borrowings	(15,670,221.00)	10,670,221.00
Increase/ (decrease) in current liabilities	(1,169,596.00)	(80,996,850.00)
Cash generated from operations	(29,894,197.26)	585,949.02
Direct Taxes Paid	(430,662.00)	(344,761.00)
<b>Net cash flow from operating activities (A)</b>	<b>(30,324,859.26)</b>	<b>241,188.02</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale/(Purchase) of fixed assets	(27,426,409.00)	(130,390.00)
Sale/(Purchase) of investments		
Expenses amortised or capitalised		(1,005,382.00)
<b>Net cash flow from investing activities (B)</b>	<b>(27,426,409.00)</b>	<b>(1,135,772.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of Share Capital	60,000,000.00	
Share Application Money		
Increase/ (decrease) in long-term borrowings	(165,434.10)	(397,822.50)
<b>Net cash flow from financing activities (C)</b>	<b>59,834,565.90</b>	<b>(397,822.50)</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>2,083,297.64</b>	<b>(1,292,406.48)</b>
Add: Opening cash and cash equivalents	574,107.55	1,866,514.03
<b>Closing cash and cash equivalents</b>	<b>2,657,405.19</b>	<b>574,107.55</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	1,366,691.00	164,773.00
Deposit with banks in current accounts	1,290,714.19	409,334.55
<b>Total cash and cash equivalents</b>	<b>2,657,405.19</b>	<b>574,107.55</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/-  
O.P. Pareek  
Partner  
Membership No. 014238

Sd/-  
Gopal Bansal  
Managing Director  
DIN - 01246420

Sd/-  
Mukesh Sharma  
Whole-time director  
DIN - 00274217

New Delhi, the 30th day of May 2014

## **INDIA FINSEC LIMITED**

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD  
FROM 1<sup>ST</sup> APRIL 2013 TO 31<sup>ST</sup> MARCH 2014

### **1. Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended from time to time) and the relevant provisions of the Companies Act, 1956.

The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies not specifically referred, are consistently applied from the past accounting periods.

### **2. Summary of significant accounting policies**

#### **a. Revenue recognition**

Having regard 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.

#### **b. Fixed assets:**

Fixed Assets are valued at cost of purchase and/or construction as increased by necessary expenditure incurred to make them ready for use in the business.

#### **c. Inventories**

Inventories include investments in shares of other companies. The company classifies such investments as inventory and valuation of them has been made at lower of cost or market value. However, unquoted investments are stated at cost.

#### **d. Depreciation**

The company charged depreciation on its fixed assets according to Written- Down Value Method as per rates prescribed under Schedule XIV of the Companies Act, 1956 on pro rata basis.

#### **e. Taxes on income**

Current taxes on income have been provided by the Company in accordance with the relevant provisions of the Income Tax Act, 1961. Deferred Taxes has been recognised on timing differences between accounting income and taxable income subject to consideration of prudence.

**INDIA FINSEC LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2013 TO 31ST MARCH 2014

3. Share capital	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
<b>Authorised shares</b>		
2,04,50,000 Equity Shares of Rs.10/- each (Previous year 1,34,50,000)	204,500,000.00	134,500,000.00
<b>Issued, subscribed and fully paid- up shares</b>		
1,94,41,715 Equity Shares of Rs.10/- each fully paidup (Previous year 1,34,41,715)	194,417,150.00	134,417,150.00
<b>Total issued, subscribed and fully paid- up share capital</b>	<b>194,417,150.00</b>	<b>134,417,150.00</b>

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

	As at 31st March 2014		As at 31st March 2013	
	No.	(Rupees)	No.	(Rupees)
Share Capital at the beginning of the period	13,441,715	134,417,150.00	1,920,245	19,202,450.00
Issue during the period: -				
Equity share capital - Bonus Issue	-	-	11,521,470	115,214,700.00
Equity share capital - IPO	6,000,000	60,000,000.00	-	-
<b>Outstanding at the end of the period</b>	<b>19,441,715</b>	<b>194,417,150.00</b>	<b>13,441,715</b>	<b>134,417,150.00</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.

60,00,000 Equity Shares were allotted on 06/06/2013 pursuant to IPO of the Company.

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

	As at 31st March 2014		As at 31st March 2013	
	Nos.	% holding	Nos.	% holding
Fidelo Foods (P) Ltd	4,537,050	23.34%	-	0.00%
Mukesh Sharma	1,292,540	6.65%	-	0.00%

**4. Reserves and surplus**

	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
<b>Securities premium account</b>		
Opening balance	152,006,050.00	267,220,750.00
Add: Premium on share capital	-	-
Less: Utilized/transfer during the period	-	115,214,700.00
Closing balance	152,006,050.00	152,006,050.00
<b>Special reserves u/s 45-IC of the RBI Act, 1934</b>		
Opening balance	465,854.00	263,394.00
Add: transfer from P&L a/c during the year	46,931.00	202,460.00
Less: Utilized/transfer during the period	-	-
Closing balance	512,785.00	465,854.00
<b>Surplus/ (deficit) in statement of profit &amp; loss</b>		
Balance as per last financial statements	1,336,225.09	1,073,086.50
Add: Profit/ (loss) for the year	115,873.56	263,138.59
Less: Utilized/transfer during the period	-	-
Net (deficit) in statement of profit and loss	1,452,098.65	1,336,225.09
	<b>153,970,933.65</b>	<b>153,808,129.09</b>

**INDIA FINSEC LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2013 TO 31ST MARCH 2014

<b>5. Long-term Borrowings</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Secured		
ICICI Bank Car Loan	551,927.50	717,361.60
	<u>551,927.50</u>	<u>717,361.60</u>
<b>6. Long-term provisions</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Contingent provision against standard assets*		
Opening Balance	546,700.00	546,700.00
Add: Addition(written off) during the year	71,849.00	
	<u>618,549.00</u>	<u>546,700.00</u>
*A contingent provision against standard assets has been created at 0.25% of the outstanding standard assets in terms of the RBI circular Ref. No. DNBS(PD) CC No. 225/03.02.001/2011-12 dated July 1, 2011.		
<b>7. Short-term Borrowings</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Unsecured loans	-	15,670,221.00
	<u>-</u>	<u>15,670,221.00</u>
<b>8. Trade Payables</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Audit fee payable	5,618.00	11,236.00
Rent payable	-	108,000.00
Salary payable	277,699.00	314,466.00
Electricity charges payable	-	4,981.00
TDS payable	35,237.00	220,949.00
Sundry creditors	-	317,278.00
Professional charges payable	-	511,240.00
	<u>318,554.00</u>	<u>1,488,150.00</u>
<b>9. Short-term provisions</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Provision for income tax	85,253.00	430,662.00
	<u>85,253.00</u>	<u>430,662.00</u>
<b>11. Capital &amp; amortised expenses not w/off</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Deferred revenue expenses		
Opening Balance	818,484.20	23,601.20
Add: addition during the year	-	1,005,382.00
Less: written off during the year	210,499.00	210,499.00
	<u>607,985.20</u>	<u>818,484.20</u>
<b>12. Deferred tax assets (net)</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<u>Disallowances under the Income Tax Act,1961</u>		
Opening Balance	54,172.00	4,941.00
Add: Addition(written off) during the year	44,007.00	49,231.00
	<u>98,179.00</u>	<u>54,172.00</u>
<b>13. Inventories</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Shares, Securities and Bonds	9,799,802.09	8,858,522.92
	<u>9,799,802.09</u>	<u>8,858,522.92</u>



**INDIA FINSEC LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2013 TO 31ST MARCH 2014

<b>14. Cash and cash equivalents</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Cash in hand	1,366,691.00	164,773.00
Balances with banks	1,290,714.19	409,334.55
	<b>2,657,405.19</b>	<b>574,107.55</b>
<b>15. Trade Receivables</b> (Unsecured and considered good)	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Outstanding for a period exceeding six months	-	-
Others	6,634,854.07	1,559,857.02
	<b>6,634,854.07</b>	<b>1,559,857.02</b>
<b>16. Short-term loan and advances</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Loans portfolio* (recoverable in cash or kind, unsecured, considered good)	247,419,569.00	218,680,059.00
(A)	<b>247,419,569.00</b>	<b>218,680,059.00</b>
Advances against investment & others (recoverable in cash or kind, unsecured, considered good)	46,287,551.00	68,131,933.00
(B)	<b>46,287,551.00</b>	<b>68,131,933.00</b>
Balance with government authorities Tax deposited / TDS	4,976,228.00	3,549,619.00
(C)	<b>4,976,228.00</b>	<b>3,549,619.00</b>
<b>Total (A + B + C)</b>	<b>298,683,348.00</b>	<b>290,361,611.00</b>
*Standard Assets - as per The classification of loans under the RBI guidelines.		
<b>17. Other current assets</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Deposit with BSE against IPO	600,000.00	-
Prepaid expenses	2,522,931.60	16,129.00
Advance against property	-	3,350,000.00
Advance against expenses	-	105,000.00
	<b>3,122,931.60</b>	<b>3,471,129.00</b>
<b>18. Revenue from operations</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31st March 2014</b>	<b>31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<u>Sale of Products</u> Shares, Securities and Bonds	40,597,814.48	24,544,223.54
<u>Income from Investments &amp; Loans</u> Interest on unsecured loans	26,968,383.00	22,911,984.00
Interest on FDR	-	2,722.00
Interest on Bonds	77,328.75	395,174.38
Profit from Mutual Funds	102,647.30	-
	<b>67,746,173.53</b>	<b>47,854,103.92</b>
<b>19. Other Income</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31st March 2014</b>	<b>31st March 2013</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Income from F&O market	-	425,914.14
Divident from equity shares	19,954.90	30,487.30
Divident from mutual funds	328,672.79	-
Short & excess	45.00	4.45
	<b>348,672.69</b>	<b>456,405.89</b>



**INDIA FINSEC LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2013 TO 31ST MARCH 2014

<b>20. Purchase of trade goods</b>	<b>For the year ended 31st March 2014 (Rupees)</b>	<b>For the year ended 31st March 2013 (Rupees)</b>
Shares, Securities and Bonds	61,026,264.33	40,512,227.78
	<u>61,026,264.33</u>	<u>40,512,227.78</u>
<b>21 Changes in inventories</b>	<b>For the year ended 31st March 2014 (Rupees)</b>	<b>For the year ended 31st March 2013 (Rupees)</b>
Inventories at the beginning of the year - Stock in trade	8,858,522.92	5,098,040.37
Less : Inventories at the end of the year -Stock in trade	9,799,802.09	8,858,522.92
	<u>(941,279.17)</u>	<u>(3,760,482.55)</u>
<b>22. Employee benefit expenses</b>	<b>For the year ended 31st March 2014 (Rupees)</b>	<b>For the year ended 31st March 2013 (Rupees)</b>
Director remuneration	540,000.00	120,483.00
Salaries and wages	3,226,601.00	2,218,640.00
Staff welfare expenses	204,101.00	185,431.00
	<u>3,970,702.00</u>	<u>2,524,554.00</u>
<b>23. Finance costs</b>	<b>For the period ended 31st Dec 2014 (Rupees)</b>	<b>For the year ended 31st March 2013 (Rupees)</b>
Bank Charges	8,597.33	6,431.50
Interest on car loan	87,226.90	101,605.50
Interest on loan	269,654.57	1,634,908.18
Interest on tax deposit	800.00	750.00
	<u>366,278.80</u>	<u>1,743,695.18</u>
<b>24. Depreciation &amp; amortise expenses</b>	<b>For the year ended 31st March 2014 (Rupees)</b>	<b>For the year ended 31st March 2013 (Rupees)</b>
Depreciation charged	449,037.00	482,385.00
Deferred revenue expenditure w/off	210,499.00	210,499.00
	<u>659,536.00</u>	<u>692,884.00</u>
<b>25. Other administrative expenses</b>	<b>For the year ended 31st March 2014 (Rupees)</b>	<b>For the year ended 31st March 2013 (Rupees)</b>
Auditors remuneration	11,236.00	11,236.00
Advertisement & Publication charges	33,482.40	
Business Promotion		604,524.16
Car Insurance	24,526.00	32,445.00
Commission paid	569,663.00	215,000.00
Computer Repair & Maintenance	60,445.00	46,442.00
Conveyance expenses	164,773.00	161,852.00
Dmat A/c charges	1,286.80	110.65
Electricity & Water Expenses	79,130.00	59,801.00
Filing fee & Subscriptions	93,763.00	157,832.00
Loss on future & option contracts	17,059.50	
News Paper, Books & Periodicals	15,261.00	14,935.00
Postage, Stamps & Couriers	63,584.00	47,310.00
Printing and Stationery	157,141.60	163,890.00
Professional charges	489,203.40	1,199,600.00
Rent expenses	360,000.00	1,220,000.00
Repairs & Maintenance	51,930.00	22,760.00
Sponsorship Expenses		941,697.00
Telephone & Mobile expenses	66,222.00	36,206.00
Tours & Travelling	250,083.00	60,920.00
Vehicle Running & Maintenance	225,385.00	197,341.00
Webisode expenses	3,270.00	10,000.00
	<u>2,737,444.70</u>	<u>5,203,901.81</u>

## INDIA FINSEC LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD  
FROM 1<sup>ST</sup> APRIL 2013 TO 31<sup>ST</sup> MARCH 2014

26. 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.

27. Provisions of Accounting Standard (AS) - 17 issued by the ICAI on 'Segment Reporting' are not been applicable to the Company.
28. In view of present uncertainty regarding generation of sufficient future income, net deferred tax asset or liability has not been recognized in these accounts on prudent basis.
29. In the opinion of the management, the current assets, loans and advances have a reliable value in the ordinary course of business is not less than the amount at which they are stated in the Balance Sheet.
30. The management has not charged depreciation on office premises considering the present scenario of the Company. Due to this reason, there is an overstatement of profit in the books to the extent of Rs. 10,09,726 in the current financial year

31. **Related party disclosures/ transactions**

(a) Related Parties Covered: -

(i)	Key Management Personnel	Sh. Gopal Bansal- Managing Director Sh. Mukesh Sharma- Whole- time Director Sh. Basant Mittal- Director Ms. Charu Goyal- Director
(ii)	Relatives of Key Management Personnel having direct/ indirect control or significant influence	Ms. Sunita Bansal Mrs. Ganga Devi Bansal
(iii)	Enterprises owned or significantly influenced by the persons as stated in (i) & (ii) Above.	Gopal Bansal (HUF)

(b) Transactions with Related Parties: -

Enterprises owned by or significantly influenced by the Key Management Personnel or their Relatives			
Transactions With	Nature of Transaction	31/03/2014 (Rs.)	31/03/2013 (Rs.)
Gopal Bansal	Remuneration Given	3,00,000	66,935
Mukesh Sharma	Remuneration Given	2,40,000	53,548
Sunita Bansal	Rent Paid	1,80,000	6,10,000
	Security Recovered	3,00,000	-
	Purchase of Property	1,35,00,000	-
	Advance against Property	-	13,75,000
Gopal Bansal (HUF)	Rent Paid	1,80,000	6,10,000
	Security Recovered	3,00,000	-

	Purchase of Property	1,35,00,000	Nil
	Advance against Property	-	13,75,000
Ganga Devi Bansal	Advance Recovered	Nil	2,00,000

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

33. <b>Particulars</b>	<b>Current Period</b>	<b>Previous Year</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Earnings/ Remittances and/ or Expenditure in Foreign Currency	Nil	Nil

34. Quantitive Information in respect of Opening Stock, Purchases, Sales and Closing Stock pursuant to Schedule VI of the Companies Act, 1956 are as per list attached.

34. <b>Particulars</b>	<b>Current Period</b>	<b>Previous Year</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Contingent Liability not provided for	Nil	Nil

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

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

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

Signed for the purpose of Identification

**FOR V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn. 304040E

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

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

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

*sd/-*  
**Mukesh Sharma**  
Whole Time  
DIN : 00274217

New Delhi, the 30<sup>th</sup> day of May 2014

INDIA FINSEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2013 TO 31ST MARCH 2014

Note - 10 (Fixed Assets)

[Amount in Rupees]

Tangible assets	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	WDV	Balance as at 1 April, 2013	Additions / Deletion	Balance as at 31 March, 2014	Balance as at 1 April, 2013	Depreciation during the year	Balance as at 31 March, 2014	W.D.V. as on 31.03.14	W.D.V. as on 31.03.2013
(f) Tangible Assets									
(a) Aircondition	13.91%	25,300.00	-	25,300.00	8,742.00	2,303.00	11,045.00	14,255.00	16,558.00
(b) Computers	40.00%	511,904.00	-	511,904.00	357,621.00	61,713.00	419,334.00	92,570.00	154,283.00
(c) Furniture & Fixtures	18.10%	45,000.00	-	45,000.00	24,631.00	3,687.00	28,318.00	16,682.00	20,369.00
(d) I.P. Camera	13.91%	22,000.00	-	22,000.00	3,096.00	2,630.00	5,726.00	16,274.00	18,904.00
(e) LCD TV	13.91%	22,800.00	-	22,800.00	7,492.00	2,129.00	9,621.00	13,179.00	15,308.00
(f) Mobile Phone	13.91%	154,190.00	12,350.00	166,540.00	25,870.00	18,522.00	44,392.00	122,148.00	128,320.00
(g) Motor Car-Civic	25.89%	1,554,495.00	-	1,554,495.00	534,021.00	264,201.00	798,222.00	756,273.00	1,020,474.00
(h) Motor Car-Wagnar	25.89%	-	404,059.00	404,059.00	-	91,714.00	91,714.00	312,345.00	-
(i) Oil Heater 9 pin	13.91%	6,500.00	-	6,500.00	226.00	873.00	1,099.00	5,401.00	6,274.00
(j) RO Systems	13.91%	-	10,000.00	10,000.00	-	1,265.00	1,265.00	8,735.00	-
(k) Property at Delhi	0.00%	-	27,000,000.00	27,000,000.00	-	-	-	27,000,000.00	-
<b>Total</b>		<b>2,342,189.00</b>	<b>27,426,409.00</b>	<b>29,768,598.00</b>	<b>961,699.00</b>	<b>449,037.00</b>	<b>1,410,736.00</b>	<b>28,357,862.00</b>	<b>1,380,490.00</b>
Previous year		2,211,799.00	130,390.00	2,342,189.00	479,314.00	482,385.00	961,699.00	1,380,490.00	1,732,485.00

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

Sd/-  
Gopal Bansal  
Managing Director  
DIN - 01246420

Sd/-  
Mukesh Sharma  
Whole-time director  
DIN - 00274217

New Delhi, the 30th day of May 2014

## INDIA FINSEC LIMITED

Annexure - 2

### DEPRECIATION CHART FOR THE YEAR ENDED 31.03.2014

PARTICULARS	RATE OF DEP.	GROSS BLOCK AS ON 01.04.2012	ADDITION BEFORE 180 DAYS	ADDITION AFTER 180 DAYS	GROSS BLOCK AS ON 31.03.2013	DEPRECIATI ON	NET BLOCK AS ON 31.03.2014
Computer	60%	51,845.00	-	-	51,845.00	31,107.00	20,738.00
Plant & Machinery	15%	1,396,839.00	414,059.00	12,350.00	1,823,248.00	272,561.50	1,550,686.50
Furniture & Fixtures	10%	29,524.00	-	-	29,524.00	2,952.00	26,572.00
<b>TOTAL</b>		<b>1,478,208.00</b>	<b>414,059.00</b>	<b>12,350.00</b>	<b>1,904,617.00</b>	<b>306,620.50</b>	<b>1,597,996.50</b>

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

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

New Delhi, the 30th day of May 2014



## INDIA FINSEC LIMITED

Annexure - 3

### QUANTITATIVE DETAILS OF PRINCIPLE ITEMS

Item Name	Unit	Opening Stock	Purchase during the previous year	Sales during the previous year	Closing Stock	Shortage/Excess if any
Shares & Securities	Nos.	130,857	1,911,065	1,523,065	518,857	-
Silver	Gms.	-	30,824	-	30,824	-
Bonds	Nos.	7,278	20,000	7,278	20,000	-
<b>TOTAL</b>		130,857	1,911,065	1,523,065	518,857	-

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

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

New Delhi, the 30th day of May 2014



**India Finsec Limited**  
(L65923DL1994PLC060827)

Date: 30-05-2014

To  
The Bombay Stock Exchange  
PJ Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

Sub: Submission of Form A  
Ref: BSE Code 535667

Dear Sir,

Please find enclosed Form A as required under Clause 33 (a) of Listing Agreement.

**FORM A**

1.	Name of the Company	INDIA FINSEC LIMITED
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of audit observation	Un-qualified
4.	Frequency of observation	Not applicable

You are requested to take the information into your record.

Thanking you.

For India Finsec Ltd

Sd/-  
Gopal Bansal  
Managing Director

For India Finsec Ltd

Sd/-  
Basant Mittal  
Audit Committee Chairman

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

Sd/-  
O.P. Pareek  
Partner