



India Finsec Limited

(L65923DL1994PLC060827)

To,
BSE Limited,
Corporate Relation Department,
1st Floor, New Trading Ring, Rotunda Bldg. ,
P.J. Towers, Dalal Street, Fort, Mumbai -400001.

Date: 06-09-2020

COMPANY CODE NO.: 535667.

Sub. : Submission of Annual Report - 2019-20 of the Company, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the Financial Year 2019-20 along with notice of the 26th Annual General Meeting of the Company, scheduled to be held on Wednesday, the 30th day of September, 2020 at 9.30 a.m. at D-16, First floor, Prashant Vihar, Sector-14, Rohini, New Delhi-110085.


The aforesaid documents are also available on the Company's website at www.indiafinsec.com.

This is for your information and to take the same on record.

Thanking You,

Yours faithfully,

For India Finsec Limited


Vijay Kumar Dwivedi
CS & Compliance officer
Enclosed: As above

D-16, First Floor, above ICICI Bank, Prashant Vihar, Sector - 14,
Rohini, New Delhi - 110085

Tel : 011-47096097 • e-mail id : indiafinsec@gmail.com • Website : www.indiafinsec.com



2020

ANNUAL REPORT

India Finsec Limited



PARTICULARS	Page No
Corporate Information	
Notice of Annual General Meeting	1-13
Board's Report	14-23
Board's Report Annexure	53-66
Management Discussion & Analysis Report	49-52
Corporate Governance Report	53-66
Financial Statements	72
Standalone	
Independent Auditor's Report	
Balance Sheet	
Profit and Loss Account	
Consolidated	98
Independent Auditor's Report	
Balance Sheet	
Profit and Loss Account	
Cash Flow Statement	
Notes to Accounts	

ANNUAL GENERAL MEETING

Date: Wednesday, September 30, 2020 | Time: 9:30 a.m.
Venue: D-16, 1st Floor , Prashant Vihar, Sector 14, Rohini, Delhi - 110085

Corporate Information

Board of Directors	Mr.Gopal Bansal(Chairman &Managing Director)
	Mr.Mukesh Sharma (Non-Executive Director)
	Ms. Purva Mangal (Independent Director)
	Mr. Amit Kumar Agarwal (Independent Director)
	Mrs. Charu Bansal (Independent Director)
	Ms. Himanshi Kashyap (Independent Director)
Audit Committee	Mr. Amit Kumar Agarwal (Chairman)
	Mrs. Purva Mangal (Member)
	Mr.Gopal Bansal (Member)
Nomination & Remuneration Committee	Mr. Amit Kumar Agarwal (Chairman)
	Mrs. Purva Mangal (Member)
	Mr. Mukesh Sharma (Member)
Stakeholders & Relationship Committee	Mr. Amit Kumar Agarwal (Chairman)
	Mrs. Purva Mangal (Member)
	Mr. Gopal Bansal (Member)
Risk Management Committee	Mr. Gopal Bansal (Chairman)
	Mr. Amit Kumar Agarwal (Member)
	Mrs. Purva Mangal (Member)
Chief Financial Officer	Mr. Manoj Kumar Gupta (CFO)
Company Secretary & Compliance Officer	Mr. Vijay Kumar Dwivedi
Registered Office	D-16, 1st Floor, Above ICICI Bank Prashant Vihar, Sector-14,Rohini,New Delhi – 110085
Statutory Auditor	M/s V.N. Purohit & Co. (Chartered Accountants)
Secretarial Auditor	Mrs. Megha Sharan (Practicing Company Secretary)
Internal Auditor	M/s Mukesh M Gupta & Associates (Chartered Accountants)
Registrar and Share Transfer Agent	Skyline Financial Services Private Limited D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020
E-mail Id & Website	indiafinsec@gmail.com & www.indiafinsec.com



Date: September 03, 2019

Dear Members/Directors/Auditors,

You are cordially invited to attend the 26th Annual General Meeting (the “AGM”) of the members of **India Finsec Limited** (“the Company”) to be held on **Wednesday, September 30, 2020 at 9:30 a.m.** at **D-16, First floor, Prashant Vihar, Sector-14, Rohini, New 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/-
Vijay Kumar Dwivedi
Company Secretary**

Enclosures:

1. *Notice to the 26th Annual General Meeting*
2. *Attendance Slip*
3. *Proxy Form*
4. *Form No SH-13*
5. *Form No SH-14*
6. *Route Map to the venue of AGM.*



Notice

Notice is hereby given that the 26th Annual General Meeting (AGM) of the members of **India Finsec Limited** will be held on **Wednesday, September 30, 2020 at 9:30 a.m.** at D-16, First floor, 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, 2020 i.e. Balance Sheet as on March 31, 2020, the Statement of Profit and Loss Account, Cash Flow Statement for the year ended on March 31, 2020 along with the reports of the Board of Directors ("the Board") and the Auditors thereon.

Item No. 2 – Re-appointment of Mr. Mukesh Sharma as a director liable to retire by rotation

To re-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.

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Mukesh Sharma (DIN 00274217), who retire by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

Item No. 3 – To appoint Mr. Amit Kumar Agarwal (DIN:08768575) as a Non-Executive Independent Director

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 Sections 149, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the provisions of SEBI Listing Regulations, 2015, including any modification or amendment thereof, **Mr.Amit Kumar Agarwal (DIN: 08768575)**, who was appointed as an Additional Director by the Board of Directors in their meeting held on 6th July, 2020 and who holds office as such only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice, pursuant to the provisions of Section 160 of the Act, from a member signifying his intention to propose **Mr. Amit Kumar Agarwal**, as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 6th July, 2020 and whose office shall not be liable to retire by rotation.”

Item No. 4 – To appoint Mrs. Charu Bansal (DIN: 06632839) as a Non-Executive Independent Director

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 Sections 149, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the provisions of SEBI Listing Regulations, 2015, including any modification or amendment thereof, **Mrs. Charu Bansal(DIN: 06632839)**, who was appointed as an Additional Director by the Board of Directors in their meeting held on 24th August, 2020 and who holds office as such only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice, pursuant to the provisions of Section 160 of the Act, from a member signifying his intention to propose **Mrs. Charu Bansal**, as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 24th August, 2020 and whose office shall not be liable to retire by rotation.”



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.
- (v) **With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.**
- (vi) **As per SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/73 dated April 20, 2018, members holding shares in Physical forms are requested to submit their PAN details and Bank Details to the RTA of the Company.**
- (vii) Members who have not registered their email addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically

3. Book Closure

Register of Members and Share Transfer Books of the Company will remain closed from **September 23, 2020 to September 30, 2020** (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 4, 2020 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 23, 2020** (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. Hard copies of the full annual reports will be sent to those shareholders who will request the same.



- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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. • 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.
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none"> • 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).

- (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.**

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

(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 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.
- 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 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, under help section or write an email to 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 23, 2020**, may obtain their user ID and password for e-voting from the Company’s Registrar and Share Transfer Agent or CDSL.

(II) Voting Through Ballot Paper

Members who have not exercised the option of Remote E-voting shall be entitled to participate and vote at the venue of the AGM on the date of the AGM i.e. **Wednesday, September 30, 2020**. 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. Manish Kumar, Company Secretary in Practice ((M. No. A43111, COP No. 15931), 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 later than forty eight hours 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 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, name, bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, e-mail address, contact numbers, etc., for providing efficient and better services 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. Details as per Regulation 36(3) of Listing Regulations Clause 1.2.5 of the SS-2, in respect of the Directors seeking appointment/ re- appointment at the Annual General Meeting attached as Annexure –I & II, forms integral part of the notice.

12. 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)

13. 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.

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.



(a) The term of Managing Director's re-appointment is for a period of 5 years with effect from January 16, 2021 till January 15, 2026.

(b) The re-appointment of the Managing Director shall be without remuneration. Further, no sitting fee shall be payable to the Managing Director during his tenure for attending any meeting of the Board or a Committee thereof.

(c) The Managing Director shall be reimbursed for all the expenses incurred by him/her for travelling, boarding and lodging during his/her business trips conducted on behalf of the Company. These reimbursement of expenses will not be included in the calculation of the remuneration of the Managing Director.

(d) The Managing Director shall adhere to various policies, code of conduct, staff rules of the Company as may be applicable by virtue of his office for the purpose of discharging his official duties/powers as delegated by the Board from time to time.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Gopal Bansal under Section 190 of the Companies Act, 2013.

In compliance with the provisions of Sections 197, 198 read with Schedule V and other applicable provisions of the Act, the terms and conditions of re-appointment and remuneration specified in the resolution are now being placed before the Members in General Meeting for your approval.

The Board of Directors recommends the passing of this Resolution by Special Resolution.

Other than Mr. Gopal Bansal, none of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP is in any way concerned or interested, financially or otherwise, in the resolution at Item No. 6 of the accompanying Notice.

Mr. Gopal Bansal is not related to any other Director or KMP of the Company. For further details of Mr. Gopal Bansal, Kindly refer Annexure-I.

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

**Sd/-
Vijay Kumar Dwivedi
Company Secretary**

**Date: 03.09.2020
Place: New Delhi**


Annexure I to the Notice

Additional Information of Director seeking re-appointment at the 26th Annual General Meeting pursuant to Secretarial Standards and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Mr. Gopal Bansal
Current Position	Managing Director
DOB	13.09.1975
Qualification	Fellow Chartered Accountant
Experience	Managerial Experience
Date of first Appointment	15.07.2011
Details of remuneration sought & Terms of Appointment	As per Item No. 6 read with explanatory statement thereto
Shareholding in the Company	35,33,741 equity shares (140.17%) as on March 31, 2020
Relationship with Other Directors	Not related to any director
Other Directorships	3

Statement of general information as per Part II of Section II of Schedule V:

Nature of Industry	Non-Banking Finance Company	
Date or Expected date of commencement of commercial production	Not Applicable	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in prospectus	Not Applicable	
Financial performance based on given indicators	Financial Year 2019-20	Financial Year 2018-19
Total Income (in Rs.)	2,93,39,200	3,77,13,590
Profit/(Loss) after tax (in Rs.)	(1,48,72,090)	32,69,860
Foreign Investments or collaborations	Not Applicable	

Information about Appointee

Background	Mr. Gopal Bansal is the Managing Director of the company with specific Experience in the field of finance & taxation.
Past Remuneration	Nil
Recognition Awards	-
Job profile and his suitability	Managing Director
Remuneration Proposed	As per Item no. 6 read with explanatory statement thereto.
Comparative Remuneration	No industry benchmark available to ascertain
Pecuniary Relationship	Besides shareholding of 35,33,741 equity shares, Mr. Gopal Bansal does not have any pecuniary relationship with the Company. He is the promoter of the Company.

Other information

Reasons of loss or inadequate profits	The Company is passing special resolution pursuant to the proviso to the sub-section (1) of Section 197 read with Schedule V of the Companies Act, 2013 and as a matter of abundant precaution to bring the matter into the knowledge of shareholders. The Company has incurred loss of Rs. 1,48,72,090 during the financial year.
Steps taken or proposed to be taken for improvement	The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position.
Expected increase in productivity and profits	Barring unforeseen circumstances, the Company hopes to increase the revenue and profits by improved margins in near future.

**Annexure II to the Notice**

Additional Information of Director seeking re-appointment at the 26thAnnual General Meeting pursuant to Secretarial Standards and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Director	Mr. Mukesh Sharma	Mr. Amit Kumar Agarwal	Mrs. Charu Bansal	Ms. Himanshi Kashyap
Date of Birth	20.04.1978	26.12.1983	03.11.1989	16.10.1995
Qualifications	M.Com	Chartered Accountant	B.Com & C.S.	Graduate
Remuneration last drawn (In Rupees)	-	-	-	-
Nature of his expertise in specific functional areas	Financial & Portfolio Management	Finance and Taxation	Listing Compliances	Banking relation
Brief Profile	Mr. Mukesh Sharma having expertise in the field of financing, investment, management consultancy and Finance etc. He was appointed as a Director on December 18, 2006. Thereafter, as per his knowledge and experience, the members of the Company had re-appointed him as Whole Time Director of the Company during the financial year 2016-17. Due to his busy schedule and some other commitments elsewhere, he was designated as Non- Executive Director w.e.f. 14 th August, 2017. Presently, he is providing valuable services to the Company.	Mr. Amit Kumar Agarwal has over 8 years of experience in the field of finance and Taxation matters. his knowledge and experience can help the Company in a significant way.	Mrs. Charu Bansal is Commerce Graduated & an Associate Member of Institute of Company Secretaries of India, having over 7 years of working experience in all Secretarial and Legal Compliances related to SEBI, BSE, ROC & Listing Compliance.	Ms. Himanshi Kashyap is a Graduate and having over 4 years of working experience in the field of Finance, Banking relation & Audit.
Name of other Public Companies in which the person holds the Directorships	Nil	IFL Housing Finance Limited	IFL Housing Finance Limited	IFL Enterprises Limited
Name of the Public Companies in which the person holds the Memberships of committees of the Board	Nil	Nil	IFL Housing Finance Limited	IFL Enterprises Limited
Shareholding in the Company (Equity)	12,92,540 shares (5.18%) as on March 31, 2020	Nil	Nil	Nil
Relationship with other Directors/Manager/Key Managerial Personnel	Nil	Nil	Nil	Nil
Number of Board Meetings attended during the FY 2018-19	Ten out of Ten Meeting.	-	-	-



BOARD REPORT

To,

The Members,

Your Directors are pleased to present the Company's 26th Annual Report on the business & operations of the Company and Audited Statement of Accounts Statements (Standalone & Consolidated) for the year ended 31st March 2020 along with the Auditor's Report thereon.

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.

FINANCIAL PERFORMANCE

Particulars	Financial year ended (Rs. In '000')			
	Standalone		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Total Income	29,339.20	37,713.59	181,063.98	101,548.24
Total Expenditure	44,147.56	33,455.09	141,283.91	75,477.09
Profit/(Loss) before tax	-14,808.36	4,258.50	39,780.07	26,071.15
Profit/(Loss) after tax	-14,872.09	3,269.86	27,481.06	19,970.26
Paid-up Share Capital	249,417.15	249,417.15	249,417.15	249,417.15

STATE OF COMPANY'S AFFAIRS/BUSINESS OVERVIEW

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

During the financial year 2019-20, total revenue on standalone basis has been decreased to Rs. 2,93,39,200 as against Rs. 3,77,13,590 in the previous year registering a decline of 22.20%. However, the group registered a loss of Rs. 1,48,72,090 in current year as against a net profit of Rs. 32,69,860 in the previous year.

On a consolidated basis, the group achieved revenue of Rs. 18,10,63,980 as against Rs. 10,15,48,240 during the previous year, registering a growth of 78.30%. The Profit after Tax for the current year is Rs. 2,74,81,060 as against the previous year profit of Rs. 1,99,70,260 registering a growth of 37.61%

Your Company has been able to achieve substantial market share, steady price for its products by taking up newer challenges.

DIVIDEND

During the year under review the Board of Directors has not recommended any dividend on equity shares of the Company.

TRANSFER TO RESERVES

In terms of Section 45-IC of the RBI Act 1934, the Company registered as NBFC with RBI is required to transfer at least 20% of its Profit after tax to a Reserve Fund before dividend is declared. As at the year end, the Company incurred a loss of Rs. of 1,48,72,090/-therefore there is no need to transfer to the Reserve Fund.

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.

MATERIAL CHANGES AND COMMITMENTS

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

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 2019-20. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

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.

AUDITORS

STATUTORY AUDITOR

M/s V. N. Purohit & Co., Chartered Accountants was appointed as the Statutory Auditors of the Company to hold office for a period of 4 years i.e. from the conclusion of the 24th Annual General Meeting of the Company held on 29th September, 2018 till the conclusion of the 28th AGM to be held in the year 2022.

Auditor's Report

The Auditor's Report for Financial Year Ended March 31, 2020 is unmodified i.e. 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 AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, the Company had appointed Ms. Megha Sharan, Practicing Company Secretary (Membership No.: F9802; Certificate of Practice No.: 12171) to undertake the Secretarial Audit of the Company for FY 2019-20.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by SEBI, Ms. Megha Sharan issued the Annual Secretarial Compliance Report, confirming compliance by the Company of the applicable SEBI Regulations and circulars / guidelines issued thereunder.

The Secretarial Audit Report is appended as Annexure- I to this Report. There is no adverse remark, qualification, reservation or disclaimer in the Secretarial Audit Report.

Secretarial Audit Report of Subsidiary Company

The Secretarial Audit Report of M/s IFL Housing Finance Limited, subsidiary of India Finsec Limited, for the financial year ended March 31, 2020 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-II)*



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, 2020. 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. The Report does not contain any qualification, observation, reservation, adverse remark or disclaimer.

MAINTENANCE OF COST RECORDS

The Central Government has not specified maintenance of cost records, for any of the products of the Company, under section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014.

SHARE CAPITAL

As on 31st March, 2020, the Authorised share capital of the Company was Rs. 30,00,00,000 and the paid up equity share capital was Rs. 24,94,17,150/-. During the year under review:

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.

LISTING FEES

The Company has paid the Annual Listing Fees to the Bombay Stock Exchange Limited (BSE) for the financial year 2019-20.

EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return in Form MGT-9 as required under Section 92(3) and section 134(3)(a) of the Act and as prescribed in Rule 12 of the Companies (Management and Administration) Rules, 2014, is enclosed as Annexure **III** to this Report.

The Annual Return in Form MGT-7 as required under Section 92(3) of the Act shall be hosted on the website of the Company viz. www.indiafinsec.com.



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.

POLICIES

There has been no change in the following policies during the financial year 2019-20:

- 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/>

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED

During the financial year 2019-20, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility is not applicable to the company as company is not falling in the criteria of the CSR as mentioned in Section 135 read with respective rules of the Companies Act, 2013.

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 March 31, 2020, 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	20.04.2012



2	Mr. Mukesh Sharma	Director	00274217	18.12.2006
3	Mr. Saurabh Chhabra	Independent Director	00172495	30.09.2019
4	Ms. Purva Mangal*	Independent Director	02816099	30.09.2019

* Appointed as Independent Director W.e.f. September 30, 2019

A. DIRECTORS

Executive Director

The tenure of Mr. Gopal Bansal (DIN: 01246420) as chairman and Managing Director will be expiring on 15th January 2021.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee recommends the re-appointment of Mr. Gopal Bansal (DIN: 01246420) as Chairman and Managing Director of the Company at the ensuing Annual General Meeting.

Non-Executive Director

During the Financial Year 2019-20, Mr. Basant Mittal (DIN: 06462662) & Ms. Charu Goyal (DIN: 06464406), ceased to be an Independent Directors of your Company w.e.f. October 03, 2019. The Board of Directors has placed on record their deep appreciation for the valuable services and guidance rendered by them during their tenure as Independent Directors of the Company.

Mr. Amit Kumar Agarwal (DIN: 08768575) was appointed by the board on July 06, 2020 in place of Mr. Saurabh Chhabra (DIN: 00172495) who resigned on the even date.

Further, the Board of Directors in their meeting held on 24.08.2020, appointed Ms. Charu Bansal (DIN: 06632839) and Ms. Himanshi Kashyap (DIN: 07681277) as an Additional Director in the capacity of Non- Executive, Independent Director on the Board of the Company and subject to approval of the Shareholders of the Company at the ensuing Annual General Meeting, regularize the tenure of Ms. Charu Bansal (DIN: 06632839) and Ms. Himanshi Kashyap (DIN: 07681277) as Non- Executive, Independent Director of the Company w.e.f. 24th August, 2020.

B. CHIEF FINANCIAL OFFICER

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

C. COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Varsha Bharti (M. No. A37545) had resigned w.e.f May 06, 2020 from the post of Company Secretary and Compliance Officer of the Company. In terms of Section 203 of the Companies Act, 2013 Mr. Vijay Kumar Dwivedi has been appointed as Company Secretary and Compliance Officer of the Company w.e.f July 06, 2020.

DECLARATION BY THE INDEPENDENT DIRECTORS

All Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/ her duties with an objective independent judgment and without any external influence.

FAMILIARIZATION PROGRAMME



The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details relating to the familiarization programme are available on the website of the Company at www.indiafinsec.com

FIT AND PROPER CRITERIA & CODE OF CONDUCT

All the Directors meet the fit and proper criteria stipulated by RBI. All the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company.

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.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors duly met **10 (Ten)** 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. The details of Board meetings and the attendance of Directors in such meetings are given in the Corporate Governance Report forming part of this Annual Report.

COMMITTEES AND THEIR MEETINGS

AUDIT COMMITTEE

The Company has an Audit Committee comprising Mr. Saurabh Chhabra (Independent Director), Ms. Purva Mangal (Independent Director), Mr. Gopal Bansal (Managing Director) and Ms. Varsha Bharti (Secretary of the Audit Committee) as on March 31, 2020. 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. The details of the Audit Committee and the attendance of its members are provided in the Corporate Governance Report.

During the year 5 (Five) Audit Committee Meetings were held for the Financial Year 2019-20.

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.

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 as on March 31, 2020 comprises of Mr. Saurabh Chhabra (Independent Director), Ms. Purva Mangal (Independent Director) and Mr. Mukesh Sharma (Non-Executive Director). The details of the Nomination and Remuneration Committee and the attendance of its members are provided in the Corporate Governance Report.

During the year 1 (One) Nomination and Remuneration Meeting was held for the Financial Year 2019-20.

Nomination and Remuneration Policy

The policy of the Company on Directors' Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013 is placed on the website of the Company i.e. www.indiafinsec.com and 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 IV**.

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 as on March 31, 2020 comprises of Mr. Saurabh Chhabra (Independent Director), Ms. Purva Mangal (Independent Director) and Mr. Gopal Bansal (Managing Director). The details of the Stakeholders Relationship Committee and the attendance of its members are provided in the Corporate Governance Report.

During the year 2 (Two) Stakeholders Relationship Committee Meetings were held for the Financial Year 2019-20.

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 as on March 31, 2020 comprises of Mr. Saurabh Chhabra (Independent Director), Ms. Purva Mangal (Independent Director) and Mr. Gopal Bansal (Managing Director). The details of the Risk Management Committee and the attendance of its members are provided in the Corporate Governance Report.

During the year 1 (One) Risk Management Committee Meeting was held for the Financial Year 2019-20.

RISK MANAGEMENT POLICY

In accordance with Regulation 17(9) of the SEBI (LODR) Regulations, 2015 and Section 134(3) of the Companies Act, 2013, the board members were informed that the Company has a robust Risk Management framework to identify, measure and mitigate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objective and enhance the Company's competitive advantage. This risk framework thus helps in managing market, credit and operations risks and quantifies exposure and potential impact at a Company level.

DETAILS OF SUBSIDIARY/JOINT VENTURE/ ASSOCIATE COMPANIES

During the year under review, we have one subsidiary company i.e. "IFL Housing Finance 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. 22,88,000 /- was made in a subsidiary i.e. IFL Housing Finance Limited. Further, IFL Housing Finance Limited reported revenue of Rs. 15,17,24, 773/- and profit after tax of Rs. 4,23,53,137/- as compared to revenue of Rs. 6,67,71,639/- and profit after tax of Rs. 1,67,00,397/- in the last year.

Furthermore, **IFL Enterprises Limited** ceases to be an associate company in the financial year 2018-19.



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) for the financial year 2019-20 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-V**.

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.

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 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of Such Contracts and Arrangements are enclosed as **Annexure-V** in Form AOC-2.

The policy on Related Party Transactions is displayed on the website of the Company and the web link is <http://www.indiafinsec.com/investors-info/>.

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 VMS & Co., Practicing Company Secretaries confirming Compliance to the conditions of Corporate Governance as stipulated under Para E Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed to this Annual Report.

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) 2019-20	Increase (%)	Ratio of Director's Remuneration to Median remuneration including Managing Director
Mr. Gopal Bansal	Managing Director	12.00	Nil	3.21:1
Mr. Manoj Kumar Gupta	CFO	9.60		2.5:1
Ms. VarshaBharti*	Company Secretary	0.00	0.00	0.00

No other directors are in receipt of remuneration except sitting fees.

*Resigned w.e.f May 06, 2020

2. Median remuneration of employees of the Company including Managing Director are Rs. 3,73,505/- for the financial year 2019-20.
 3. The Percentage increase in median remuneration of employees (including Managing Director) is 12.18%.
 4. Number of permanent employees on the rolls of the Company: 6 (As at March 31, 2020).
 5. 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.
- (B) Statement of particulars of employees pursuant to Rule 5(2) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – N.A.
- (C) Statement of particulars of employees pursuant to Rule 5(3) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014- N.A.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has a Policy on Prevention of Sexual Harassment of Women at Workplace and has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No case was reported during the year under review.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) & (5) of the Act, the Board of Directors confirms that, to the best of its knowledge and belief:

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 2) 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 March 31, 2020 and of the profit of the Company for that period;
- 3) 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;
- 4) the Directors have prepared the annual accounts on a going concern basis;
- 5) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- 6) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws including applicable secretarial standards and that such systems were adequate and operating effectively.

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.

CODE OF CONDUCT

The Board of Directors has 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. 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.

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.

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTOR INTER –SE

None of the Directors are related to each other.

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.

SECRETARIAL STANDARDS

The Company complies with all applicable secretarial standards.

ACKNOWLEDGEMENT

The Directors express their sincere gratitude to the Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company's bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company and its subsidiaries across all levels, resulting in successful performance during the year

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

**Date: 03.09.2020
Place: Delhi**

**Gopal Bansal
Managing Director
DIN-01246420**

**Mukesh Sharma
Director
DIN-00274217**



(Annexure-I)

SECRETARIAL AUDIT REPORT
(Form No. MR-3)

For the Financial Year Ended 31.03.2020

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s India Finsec Limited (CIN: L65923DL1994PLC060827)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31/03/2020 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s India Finsec Limited** ("the Company") for the financial year ended on 31/03/2020 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 to the company during the Audit Period)**).
- (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; **(Not applicable to the company during the Audit Period)**.
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the company during the Audit Period)**.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the Audit Period)**.
 - (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 to the company during the Audit Period).**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the company during the Audit Period).**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and notified by Central Government.
- (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 audit period the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, Standards etc. mentioned above subject to following observations:

We 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.

We 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.

We further report that during the audit period, we have observed that:

During the Financial Year 2019-20, there has been change in the composition of Board of Directors, i.e. Mr. Saurabh Chhabra (DIN: 00172495) and Ms. Purva Mangal (DIN: 02816099) have been appointed as Independent Directors of the Company w.e.f. September 30, 2019 and Mr. Basant Mittal (DIN: 06462662) & Ms. Charu Goyal (DIN: 06464406), have resigned as Independent Directors of the Company w.e.f. October 03, 2019.

For & on behalf of VMS & Co.

Sd/-

Megha Sharan

Company Secretary in Practice

M. No.: F9802

C P No.: 12171

Date: 03.09.2020

Place: New Delhi

UDIN: F009802B000665765



'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.

For & on behalf of VMS & Co.

Sd/-

Megha Sharan

Company Secretary in Practice

M. No.: F9802

C P No.: 12171

Date: 03.09.2020

Place: New Delhi

UDIN: F009802B000665765



(Annexure-II)

SECRETARIAL AUDIT REPORT
Form No. MR-3
FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

To,
The Members,
IFL Housing Finance Limited
D-16, First Floor, Above ICICI Bank,
Prashant Vihar, Sector-14, Rohini,
New Delhi-110085

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s IFL Housing Finance Limited (CIN: U65910DL2015PLC285284)** (hereinafter called the company) for the Financial Year ended 31st March, 2020. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s IFL Housing Finance Limited** (“the Company”) for the financial year ended on **31st March, 2020** 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 to the company during the Audit Period).**
- (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; **(Not applicable to the company during the Audit Period).**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the company during the Audit Period).**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during the Audit Period).**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014; **(Not applicable to the company during the Audit Period).**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the Audit Period).**



(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 to the company during the Audit Period).**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the company during the Audit Period).**

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and notified by Central Government.

(ii) The Listing Agreements [“Listing Regulations as per SEBI (Listing Obligation and Disclosure Requirement) Regulation]: The Company has not entered into any agreements with any Stock Exchange.

(iii) Housing Finance Companies (NHB) Directions.

During the audit period the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, Standards etc. mentioned above subject to following observations:

We 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 while the dissenting members’ views are captured and recorded as part of the minutes.

We 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.

We further report that during the audit period, we have observed that:

1. During the Financial Year 2019-20, there has been change in the composition of Board of Directors, i.e. Ms. Purva Mangal (DIN: 02816099) has been appointed as Independent Director of the Company w.e.f. August 26, 2019.

2. M/s Ajay Rattan & Co., Chartered Accountants (FRN: 012063N) has been appointed for the remaining period of four years i.e. from Financial Year ending on March 31, 2020 till Financial Year ending March 31, 2023.

3. During the Financial Year, 2019-20, the Authorized share capital of the Company have been increased from Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) to Rs. 60,00,00,000 (Rupees Sixty Crores) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each, by creation of additional 1,00,00,000 (One Crore) Equity Shares of Rs. 10/-(Rupees Ten Only) each.

For & on behalf of VMS & Co.

Sd/-

Megha Sharan

Company Secretary in Practice

M. No.: F9802

C P No.: 12171

Date: 03.09.2020

Place: New Delhi

UDIN: F009802B000665864



'Annexure -A'

To,
The Members,
IFL Housing Finance Limited
D-16, 1st 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.

For & on behalf of VMS & Co.

Sd/-

Megha Sharan

Company Secretary in Practice

M. No.: F9802

C P No.: 12171

Date: 03.09.2020

Place: New Delhi

UDIN: F009802B000665864



(Annexure-III)

Form No. MGT-9
Extract of Annual Return as on the financial year ended on 31.03.2020
[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:- indiafinsec@gmail.com Website:- www.indiafinsec.com
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- www.skylinerta.com

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	74.61
2	Dealing in Shares & Securities	64920	25.39

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	79.55%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**



Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
<i>1) Indian</i>									
a) Individual/ HUF	4899249	0	4899249	19.64	6142536	0	6142536	24.63	+4.99
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	4537050	0	4537050	18.19	4537050	0	4537050	18.19	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Subtotal(A)(1):-	9436299	0	9436299	37.83	10679586	0	10679586	42.82	+4.99
<i>2) Foreign</i>									
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
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	9436299	0	9436299	37.83	10679586	0	10679586	42.82	4.99
B. Public Shareholding									
<i>1. Institutions</i>									
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
<i>2. Non Institutions</i>									
a) Bodies Corp.									
(i) Indian	2184095	2751650	4935745	19.79	1834810	2751650	4586460	18.39	-1.4
(ii) Overseas	0	0	0	0	0	0	0	0	0



b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh on 31.03.2020	833164	1	833165	3.34	733818	1	733819	2.94	-0.4
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh on 31.03.2020	7115132	479750	7594882	30.45	7615577	479750	8095327	32.46	+2.01
c) Others									
a) HUF	862473	0	862473	3.46	846523	0	846523	3.39	-0.07
b) Clearing Members	1279151	0	1279151	5.13	10	0	10	0	-5.13
Sub-total(B)(2)	12274015	3231401	15505416	62.17	11030729	3231401	14262129	57.18	-4.99
Total Public Shareholding (B)=(B)(1)+(B)(2)	12274015	3231401	15505416	62.17	11030729	3231401	14262129	57.18	-4.99
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total(A+B+C)	21710314	3231401	24941715	100	21710314	3231401	24941715	100	0

(i) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% 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	2673984	10.72	0	3533741	14.17	0	+3.45
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)	0	0	0	0	0	0	0
7.	Sunita Bansal	172000	0.69	0	555530	2.23	0	+1.54
8.	Arvind Kumar Bansal (Promoter Group)	0	0	0	0	0	0	0
9.	Gopal Bansal HUF (Promoter Group)	0	0	0	0	0	0	0



Total	9436299	37.83	0	10679586	42.82	0	+4.99
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(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(Promoter)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4537050	18.19	4537050	18.19
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	4537050	18.19	4537050	18.19
Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2.	Mukesh Sharma(Promoter)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1292540	5.18	1292540	5.18
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	1292540	5.18	1292540	5.18
Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3.	Gopal Bansal(Promoter)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2673984	10.72	2673984	10.72
	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):	20.09.2019 433959(purchase) 27.09.2019 425798(purchase) 24.01.2020 3287943(sale) 31.03.2020 3287943(purchase)	3.45	859757	3.45
	At the End of the year	3533741	14.17	3533741	14.17
Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4.	Damodar Sharma(Promoter)	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	0	0	0	0



	during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	82250	0.33	82250	0.33
Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5.	Manoj Sharma(Promoter)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	678475	2.72	678475	2.72
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	678475	2.72	678475	2.72
Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6.	Arvind Kumar Bansal (Karta of Arvind Kumar Bansal HUF) (Promoter)	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 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	0	0	0	0
7.	Sunita Bansal (Promoter Group)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	172000	0.69	172000	0.69
	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):	20.09.2019 383530 (purchase)	1.54	383530	1.54
	At the End of the year	555530	2.23	555530	2.23
8.	Arvind Kumar Bansal (Promoter Group)	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 Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /	0	0	0	0



	bonus/ sweat equity etc):				
	At the End of the year	0	0	0	0
9.	Gopal Bansal HUF (Promoter Group)	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 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	0	0	0	0

(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 01.04.2019)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019-31.03.2020)	
		No. of shares at the beginning (01-04-2019/ end of the year (31-03-2020)	% of total shares of the company				No. of shares	% of total shares of the company
1	4A Securities Ltd	1279100	5.13	01.04.2019				
				05.04.2019	1278000	Sale	1100	0
				04.10.2019	1100	Sale	0	0
		0	0	31.03.2020				
2	Veer Hanuman Private Limited	980000	3.93	01.04.2019	-	-	-	-
					-	-	-	-
		980000	3.93	31.03.2020				
3	Tia Enterprises Private Limited	866039	3.47	01.04.2019				
				31/08/2019	-37990	Sale	828049	3.32
				06/09/2019	37940	Purchase	865989	3.47
				20/09/2019	-200000	Sale	665989	2.67
				24/01/2020	-627999	Sale	37990	0.15
		665989	2.67	31-03-2020	627999	Purchase	665989	2.67
4	Your template box Web Services Pvt Ltd	770400	3.09	01.04.2019				
					-	-	-	-
		770400	3.09	31.03.2020				
5	Venus Buildstates Private Limited	739250	2.96	01-04-2019				
					-	-	-	-
		739250	2.96	31-03-2020				



6	Nisha Agarwal	621500	2.49	01-04-2019				
				-	-	-	-	-
7	Radhey Kishan	621500	2.49	31-03-2020				
		560191	2.25	01-04-2019				
				13/09/2019	650	Purchase	560841	2.25
		560841	2.25	31-03-2020				
8	Naveen Kumar Gupta	516343	2.07	01-04-2019				
				06/09/2019	10000	Purchase	246500	0.99
				20/09/2019	185001	Purchase	431501	1.73
				24/01/2020	-236500	Sale	195001	0.78
				13/03/2020	236500	Purchase	431501	1.73
		431501	1.73	31-03-2020				
9	Sushil Kumar Gupta	444605	1.78	01-04-2019				
				-	-	-	-	-
		444605	1.78	31-03-2020				
10	Kailash Chand	445506	1.79	01-04-2019				
				-	-	-	-	-
		445506	1.79	31-03-2020				

(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	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Gopal Bansal Managing Director				
	At the beginning of the year	2673984	10.72	2673984	10.72
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	749241	3.45	749241	3.45
	At the End of the year	3533741	14.17	3533741	14.17
2	Mr. Mukesh Sharma Director				
	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**				
	At the beginning of 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	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
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):	1000 (purchase)	0004	1000	0.004
	At the End of the year	1000	0.004	1000	0.004



7	Ms. Purva Mangal (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
8	Mr. Saurabh Chhabra (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

*Appointed as Independent Director W.e.f. 30.09.2019, **Ceased as Independent Director W.e.f. 03.10.2019
 ##Ceased as Company Secretary and Compliance Officer W.e.f. 05.05.2020
 #Ceased as Independent Director w.e.f. 06.07.2020

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	2,59,75,811	0	2,59,75,811
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	2,59,75,811	0	2,59,75,811
Change in Indebtedness during the financial year				
- Addition	0	0	0	0
- Reduction	0	1,66,01,811	0	(1,66,01,811)



Net Change	0	1,66,01,811	0	1,66,01,811
Indebtedness at the end of the financial year				
i) Principal Amount	0	93,74,000	0	93,74,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	93,74,000	0	93,74,000

V. **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	
1.	Gross Salary	12,00,000	12,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		0
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission		
	- as % of profit	0	0
	- Others, specify...	0	0
5.	Others, please specify	0	0
6.	Total(A)	12,00,000	12,00,000
	Ceiling as per the Act	Remuneration paid is within the ceiling limits calculated as per Section 198 of the Companies Act, 2013	

*Remuneration of Mr. Gopal Bansal has been payable for six months only i.e. till 30.09.2019

B. Remuneration to other directors:



Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Basant Mittal**	Ms. Charu Goyal**	Mukesh Sharma	Ms. Purva Mangal*	Mr. Saurabh Chhabra*	
	Independent Directors	8000	8000	0	11000	11000	38000
	-Fee for attending board/committee meetings	0	0	0	0	0	0
	-Commission	0	0	0	0	0	0
	-Others, please specify						
	Total(1)	8000	8000	0	11000	11000	38000
	Other Non-Executive Directors	0	0	11000	0	11000	11000
	-Fee for attending board committee meetings	0	0	0	0	0	0
	-Commission	0	0	0	0	0	0
	-Others, please specify						
	Total(2)	0	0	11000	0	11000	11000
	Total(B)=(1+2)	0	0	11000	0	11000	11000

*Appointed as Independent Director w.e.f. 30.09.2019

**Ceased as Independent Director w.e.f. 03.10.2019

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		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	0	960000	960000
	(b)Value of perquisites u/s17(2) of Income-tax Act,1961	0	0	0
	(c)Profits in lieu of salary undersection17(3)Income-taxAct,1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.				
5.	Commission			
	- as % of profit	0	0	0
	- others, specify...	0	0	0
6.	Others, please specify	0	0	0
	Total	0	960000	960000



#Ceased as Company Secretary & Compliance Officer w.e.f. 06.05.2020

VI. **PENALTIES/PUNISHMENT/COMPOUNDING/OFFENCES:**

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)
A. Company					
Penalty					
Punishment			NIL		
Compounding					
B. Directors					
Penalty					
Punishment			NIL		
Compounding					
C. Other Officers In Default					
Penalty					
Punishment			NIL		
Compounding					

By the Order of the Board
For India Finsec Limited

Date: 03.09.2020
Place: Delhi

Gopal Bansal
Managing Director
DIN-01246420

Mukesh Sharma
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. Saurabh Chhabra	Chairman	Non-Executive Independent Director
Ms. Purva Mangal	Member	Non-Executive Independent Director
Mr. Mukesh Sharma	Member	Non-Executive Director

The Board reconstituted the Committee on 03.10.2019 and 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.

Increments

- Salary increase is given to eligible employees based on position, performance and market dynamics as decided from time to time.

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 minute 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 and 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**

**Date: 03.09.2020
Place: Delhi**

**Gopal Bansal
Managing Director
DIN-01246420**

**Mukesh Sharma
Director
DIN-00274217**



(Annexure – V)

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	499230000
6.	Reserves & Surplus	55861283
7.	Total Assets	932166830
8.	Total Liabilities	377075547
9.	Investments	30919761
10.	Turnover	151724773
11.	Profit before taxation	54588421
12.	Provision for taxation	(12235283)
13.	Profit after taxation	42353137
14.	Proposed Dividend	0.00
15.	Extent of shareholding (in percentage)	79.55

Part “B”: Associates and Joint Ventures: N.A.

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

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

By the order of the board
For India Finsec Limited

Date: 03.09.2020
Place: Delhi

Gopal Bansal
Managing Director
DIN-01246420

Mukesh Sharma
Director
DIN-00274217

**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	Investment in Equity shares	-	-	30.05.2019	22,88,000
Gopal Bansal, Managing Directors	Remuneration given	-	-	26.08.2016, 30.05.2019	12,00,000
	Loan Repaid				1,13,17,532
	Interest paid				2,43,778
Mukesh Sharma, Director	Remuneration given	-	-		-
	Sitting Fees			30.05.2019	11,000
Mr. Manoj Kumar Gupta (CFO)	Remuneration Given	-	-	30.05.2019	9,60,000
Mr. Basant Mittal	Sitting Fees	-	-	30.05.2019	8,000
Ms. Charu Goyal	Sitting Fees	-	-	30.05.2019	8,000
Ms. Varsha Bharti(Company Secretary)	Remuneration	-	-	-	-
Sunita Bansal, Relative of KMP	Rent Paid	01.04.2019 to 31.03.2020	Rent Agreement		7,20,000.00
Gopal Bansal (HUF), (Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives)	Rent Paid	01.04.2019 to 31.03.2020	Rent Agreement		72,0,000.00

By the order of the board
For India Finsec Limited

Date: 03.09.2020
Place: Delhi

Gopal Bansal
Managing Director
DIN-01246420

Mukesh Sharma
Director
DIN-00274217



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACROECONOMIC ENVIRONMENT

India's GDP growth in FY20 continued on a downward growth trajectory which had begun in Q1FY19. The nation has been facing several structural stresses such as, sluggish private investment for more than six years, significant decline in savings rate for more than seven years. A broad-based consumption breakdown further accentuated the slowdown.

The COVID-19 induced lockdown/social distancing measures started in March 2020 and put 75% of the overall economic activity into standstill. It consequently hastened the downward trajectory of GDP growth in Q4FY20 to 3.1%. ForFY20, India's GDP growth declined to 4.2% as compared to6.1% in FY19.

On the sectoral front, deceleration in industrial and services activities contributed to the slowdown in GDP while growth in agriculture & allied activities accelerated during the year on the back of bountiful monsoon rainfall. While the rains were disruptive for Kharif crops, the healthy water reservoirs augured well for Rabi crops.

The slowdown in GDP growth had an adverse impact on Government revenue collections and the COVID-19induced lockdown further exacerbated the situation. While revenues have suffered, the government expenditures rose significantly on account of additional costs arising from the virus containment efforts and enforcing the lockdown. Thus, actual fiscal deficit of the central government widened to4.6% of GDP in FY20 which was significantly higher than its revised fiscal deficit target of 3.8% of GDP.

Financial markets remained jittery in FY20 due to domestic economic slowdown, concerns on fiscal slippage and geopolitical tensions. Weaknesses in overall economic activity also put pressure on business growth of lenders including NBFCs. The spread of COVID-19 in March 2020, further heightened uncertainties for Q4 FY20. However, triple A-rated, large-sized NBFCs were relatively better placed with liquidity, comprising liquid assets, undrawn lines from banks, and in some cases funding lines from group companies.

NAVIGATING THROUGH COVID -19

Your Company is continuously reviewing the evolving situation in the light of COVID-19 and playing a responsible role in minimizing the adverse impact of the pandemic on its businesses and the stakeholders' interests. Adapting to the 'new normal' of conducting business, your Company realigned the work priorities by placing highest importance on risk controls and collections.

OUTLOOK FOR FY21

As the pandemic has spread across the globe, the adverse impact of COVID-19 has overshadowed global macroeconomic outlook. Several multilateral agencies have projected recession for the global economy in the calendar year 2020 with the IMF (International Monetary Fund) warning of the worst global recession in almost a century.

The RBI estimates real GDP growth of India to remain in negative territory in FY21. Rating agencies and economic think-tanks have significantly reduced India's growth projections for FY21 to -2% to -5% on the back of extended lockdown, factory shutdowns, supply chain disruptions, travel restrictions, reduced discretionary spending and recessionary outlook for the global economy.

To avert steeper decline in economic growth, major countries have used a mix of monetary and fiscal tools to ensure liquidity and credit flow to their economies. In India, while the RBI has been doing the heavy lifting, various policy measures announced by the Government in its Economic Package are perceived to be more useful in the medium to long term.

The nature of lockdown observed in India is amongst the strictest in the world, considering the domestic policy space to control its negative impact is limited. The consequent steeper decline in economic activities could adversely affect credit intermediaries and financial markets. Moreover, the broad-based economic slowdown will put pressure on the asset quality of lenders.

Outlook on inflation remains subdued during FY21 due to adequate buffer stocks in cereals, good Rabi harvest, record decline in global commodity prices including the crude oil prices, reduced pricing power of firms due to demand contraction and expectations of normal monsoon rains inFY21.



The COVID-19 led disruptions have severely affected the fiscal arithmetic of both Union and State Governments. It is already reflected in the large additional borrowings envisaged by both Union and State Governments along with expenditure rationalization measures including reduction in capital expenditure. Such steep rise in government market borrowings will have hardening bias on yields and put pressure on the cost of borrowings of companies and NBFCs.

POSSIBLE THREATS

Phasing out of lockdown/social distancing measures at a lower pace coupled with relatively tepid policy response could result in deeper recession in FY21 as compared to all 'recessions' India has ever experienced. Such deep recession will increase the perception of credit risk and the consequent risk aversion could clog the credit channels. Rating agencies expect microfinance, unsecured loans and MSME borrowers (including the loans against property segment) will continue to be severely impacted for a prolonged period due to weak credit profile of borrowers amid a gradual economic recovery. Sharp decline in government revenue receipts due to the extended lockdown and growth slowdown coupled with rising need for fiscal support will throw a spanner in the works of both Union and State Government finances. The combined fiscal deficit of the Union and State Governments may reach 12% of GDP in FY21. This can raise the risks of a subsequent ratings outlook downgrade, given the mix of low growth and rising deficit.

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, operational risk and other external 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 market needs to be observed NBFCs faces high competition from public sector, private sector and foreign banks competing in similar markets.

Due to Covid-19, the Banking Sector may not be hit directly but as they are at the forefront of public attention, the impact on other sectors has indirectly affected the banking & finance sector. Banks play an important role in smooth functioning of the economy and provide funding to corporate and individuals. Thus, stability of businesses and individuals is crucial for the banking industry. In this scenario, a global slowdown would affect small and mid-size companies more acutely. Business loans especially to these small and medium enterprises are at risk due to the forced shutdown.

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.

The Company will continue focusing on financing of pre-owned commercial and passenger vehicles, further strengthening its presence, reach and penetration through large network of business. The Company's business model offers multiple financing opportunities. The Company will explore various options to strengthen its capital base and balance sheet to augment the long term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate purposes and other purposes including effectively facing challenges of the uncertainties and disruptions caused by COVID-19 pandemic. Our Company continues to have faith in India's resilience and capacity to overcome all odds.

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.

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.



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 Employees.

SEGMENT-WISE PERFORMANCE

The Company is exclusively engaged in the Non-Banking Finance activities and revenues are mainly derived from this activity. The details with regard to segment performance of the Company are mentioned in the notes forming part of the Financial Statements

FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE

The Company is engaged primarily in the business of advancing loans and investing/trading in securities. We provide tailor-made services to our clients. During the Financial Year 2019-20, under consideration the performance of the Company was remarkable. The Company has incurred Net loss for the year 2019-20 at Rs. 1,48,72,090 and the Total Revenue for the year ended March 31, 2020 is Rs. 2,93,39,200. The Company is planning to increase its investment strategy for the growth of the business.

SIGNIFICANT CHANGES IN FINANCIAL RATIO

During the year following significant changes have been taken place in the financial ratios on a standalone basis and consolidated basis:

Standalone basis:-

Financial Ratio	Standalone		Change (%)	Reason for change
	FY 2019-20	FY 2018-19		
Inventory Turnover	3.18	1.19	-167.23%	The Company’s loan portfolio has been decreased due to investment in its subsidiary to support the principal business activities of its subsidiary which resulted in the decrease of financial ratios of the Company.
Interest Coverage Ratio	-4.24	4.04	204.95%	
Current Ratio	3.76	1.63	-130.67%	
Return on Net Worth	-3.69%	0.37%	1097.28%	
Debt-Equity Ratio	0.021	0.01	-110%	

Consolidated basis:-

Financial Ratio	Consolidated		Change (%)	Reason for change
		FY 2018-19		
Inventory Turnover	3.18	1.15	-176.52%	The Company’s loan portfolio has been decreased due to investment in its subsidiary to support the principal business activities of its subsidiary which resulted in the decrease of financial ratios of the Company.
Interest Coverage Ratio	1.89	5.01	62.28%	
Current Ratio	2.40	1.54	-55.84%	
Return on Net Worth	4.40%	4.22%	-4.27%	
Debt-Equity Ratio	0.61	0.60	-1.67%	



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: 03.09.2020
Place: Delhi**

**Gopal Bansal
Managing Director
DIN-01246420**

**Mukesh Sharma
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 Non-Executive, Non-Independent 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, 2020 are given below:

- **Composition and Category of Directors:**
- The composition of board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors.
- Number of directorships and committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2020 are given below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders’ Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.



Name	Designation	Category	No. of other Directorships	Attendance at Board Meetings	Number of committee positions held in other Public Companies		Attendance at previous AGM
					Membershi P	Chairman	
Mr. Gopal Bansal	Managing Director	Executive Director	Three	Yes	4	0	Yes
Mr. Mukesh Sharma	Director	Non-Executive Director	One	Yes	0	0	Yes
Mr. Basant Mittal**	Independent Director	Non-Executive Director	One	Yes	2	2	Yes
Ms. Charu Goyal**	Independent Director	Non-Executive Director	-	Yes	2	0	Yes
Ms. Purva Mangal*	Independent Director	Non-Executive Director	Three	Yes	2	2	No
Mr. Saurabh Chhabra*#	Independent Director	Non-Executive Director	One	Yes	3	2	No

- *Appointed as Independent Director w.e.f. 30.09.2019
- **Ceased as Independent Director w.e.f. 03.10.2019
- #Ceased as Independent Director w.e.f. 06.07.2020

➤ Meetings of the Board of Directors

The Board of Directors met Ten (10) times i.e. 30.05.2019, 19.06.2019, 14.08.2019, 23.08.2019, 04.09.2019, 03.10.2019, 14.11.2019, 17.01.2019, 12.02.2020 and 15.03.2020 during the financial year 2019-2020 respectively.

Name	Designation	Category	Board Meetings during the period & Attendance at Board Meetings	
			Held	Attended
Mr. Gopal Bansal	Managing Director	Executive Director	10	10
Mr. Mukesh Sharma	Director	Non-Executive Director	10	10
Mr. Basant Mittal**	Independent Director	Non-Executive Director	10	5
Ms. Charu Goyal**	Independent Director	Non-Executive Director	10	5
Ms. Purva Mangal*	Independent Director	Non-Executive Director	10	5
Mr. Saurabh Chhabra*#	Independent Director	Non-Executive Director	10	5

- *Appointed as Independent Director w.e.f. 30.09.2019
- **Ceased as Independent Director w.e.f. 03.10.2019
- #Ceased as Independent Director w.e.f. 06.07.2020



- **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)	1000
Ms. Charu Goyal (Non-Executive Independent Director)	0
Mr. Saurabh Chhabra (Non-Executive Independent Director)	0
Mr. Mukesh Sharma (Non-Executive Director)	12,92,540
Total	12,92,540

- **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. <https://www.indiafinsec.com/investors-info/>

- **Skills/expertise/competence of the Board of Directors**

The core skills / expertise / competencies identified by the Board pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations and available with the Board are as given below:

Director	Designation	Skills / Expertise / Competencies
Mr. Gopal Bansal	Managing Director-Chairman	<ul style="list-style-type: none"> • Industry knowledge and experience • Experience and exposure in policy shaping and industry advocacy • Understanding of relevant laws, rules, regulation and policy • Corporate Governance • Financial expertise • Risk Management • Global Experience / International Exposure
Mr. Mukesh Sharma	Non-Executive Director	<ul style="list-style-type: none"> • Information Technology • Industry knowledge and experience • Leadership qualities • Understanding of relevant laws, rules, regulation and policy
Ms. Purva Mangal*	Independent Director	<ul style="list-style-type: none"> • Industry knowledge and experience • Leadership qualities • Understanding of relevant laws, rules, regulation and policy
Mr. Saurabh Chhabra#	Independent Director	<ul style="list-style-type: none"> • Industry knowledge and experience • Leadership qualities • Financial expertise • Understanding of relevant laws, rules, regulation and policy
Ms. Charu Goyal**	Independent Director	<ul style="list-style-type: none"> • Industry knowledge and experience • Leadership qualities • Understanding of relevant laws, rules, regulation and policy
Mr. Basant Mittal**	Independent Director	<ul style="list-style-type: none"> • Industry knowledge and experience • Leadership qualities • Understanding of relevant laws, rules, regulation and policy

- *Appointed as Independent Director w.e.f. 30.09.2019



- **Ceased as Independent Director w.e.f. 03.10.2019
- #Ceased as Independent Director w.e.f. 06.07.2020

➤ **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 2019-2020 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 2019-2020 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 2019-2020.

Name of Member	Designation	Committee Meetings during the period & Attendance at Committee Meetings	
		Held	Attended
Mr. Basant Mittal**	Chairman	5	3
Ms. Charu Goyal**	Member	5	3
Mr. Gopal Bansal	Member	5	5
Ms. Purva Mangal*	Member	5	2
Mr. Saurabh Chhabra*#	Chairman	5	2

*Appointed as Independent Director w.e.f. 30.09.2019

**Ceased as Independent Director w.e.f. 03.10.2019

*#Ceased as Independent Director w.e.f. 06.07.2020

During the year, Five (5) Audit Committee meetings were held as on 30.05.2019, 14.08.2019, 03.09.2019, 14.11.2019 and 12.02.2020 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. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at www.indiafinsec.com.

➤ 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 2019-2020.

Name of Member	Designation	Committee Meetings during the period & Attendance at Committee Meetings	
		Held	Attended
Mr. Basant Mittal**	Chairman	1	1
Ms. Charu Goyal**	Member	1	1
Mr. Mukesh Sharma	Member	1	1
Ms. Purva Mangal*	Member	0	0
Mr. Saurabh Chhabra*#	Chairman	0	0

*Appointed as Independent Director w.e.f. 30.09.2019

**Ceased as Independent Director w.e.f. 03.10.2019

*#Ceased as Independent Director w.e.f. 06.07.2020

During the year, One (1) Nomination & Remuneration Committee meetings was held as on 04.09.2019.

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:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- (c) 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) Fulfil 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 (2019-2020)

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-taxAct,1961	1200000	0	0	0	1200000
	(b)Value of perquisites u/s17(2) of the Income-taxAct,1961	0	0	0	0	0
	(c)Profits in lieu of salary under section17(3)Income- taxAct,1961	0	0	0	0	0
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)	1200000	0	0	0	1200000

(b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2019-2020



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**						8,000
Ms. Charu Goyal**						8,000
Mr. Mukesh Sharma						11000
Ms. Purva Mangal*						11000
Mr. Saurabh Chhabra						11000

*Appointed as Independent Director w.e.f. 30.09.2019

**Ceased as Independent Director w.e.f. 03.10.2019

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, 2020.

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, Rematerialization 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, two (2) Stakeholders Relationship Committee meetings were held as on 30.10.2019 and 13.02.2020 respectively.

Composition, meetings of the Stakeholders Relationship Committee and Attendance of the Members during 2019-2020

Name of Member	Designation	Committee Meetings during the period & Attendance at Committee Meetings	
		Held	Attended
Mr. Basant Mittal**	Chairman	2	0
Ms. Charu Goyal**	Member	2	0
Mr. Gopal Bansal	Member	2	2
Ms. Purva Mangal	Member	2	2
Mr. Saurabh Chhabra#	Chairman	2	2

**Ceased as Independent Director w.e.f. 03.10.2019

*#Ceased as Independent Director w.e.f. 06.07.2020



Compliance Officer

Name	Designation
Mr. Vijay Kumar Dwivedi	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 2019-2020 are mentioned below:

S. No.	Nature of Queries/ Complaints	Pending as on 01.04.2019	Received during the year	Redressed during the year	Pending as on 31.03.2020
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 2019-2020

Name of Member	Designation	Committee Meetings during the period & Attendance at Committee Meetings	
		Held	Attended
Mr. Gopal Bansal	Chairman & Member	1	1
Ms. Charu Goyal**	Member	0	0
Mr. Basant Mittal**	Member	0	0
Ms. Purva Mangal	Member	1	1
Mr. Saurabh Chhabra*#	Member	1	1

**Ceased as Independent Director w.e.f. 03.10.2019

*#Ceased as Independent Director w.e.f. 06.07.2020

During the year, One (1) Risk Management Committee meetings was held as on 25.02.2020.

4. INDEPENDENT DIRECTOR

The Independent Directors of the Company have been appointed in terms of the requirements of the Act, the Listing Regulations and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at www.indiafinsec.com.

5. 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 February 25, 2020 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 assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

6. 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)
Saturday	30.09.2017	11:00 A.M.	D-16, Prashant Vihar, Sector-14, Rohini, New Delhi-110085	No
Saturday	29.09.2018	09:00A. M.	D-16, Prashant Vihar, Sector-14, Rohini, New Delhi-110085	Yes ¹
Monday	30.09.2019	11:00 A.M.	D-13, Second Floor, Prashant Vihar, Sector-14, Rohini, New Delhi-110085	Yes ²

1-Revision in the terms of remuneration of Mr. Gopal Bansal, Managing Director of the Company.

2-- Revision in the remuneration payable to Mr. Gopal Bansal (DIN: 01246420), Managing Director of the Company.

-Approval for Material Related Party Transactions.

➤ EXTRAORDINARY GENERAL MEETINGS

No Extraordinary General Meeting of the Members was held during the year. During the year under review, no resolution was put through by Postal Ballot. Further, no special resolution is being proposed to be passed through Postal Ballot.

7. 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.

8. DISCLOSURES

- Transactions of material nature have been entered into by the company with directors or management and their relatives etc has been enclosed in AOC-2 to the Board Report. 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 regulatory/statutory authorities related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.
- Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Not Applicable



- The Company is in compliance with all the mandatory requirements of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 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.
- A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The Certificate of Company Secretary in practice is annexed herewith as a part of the report.
- Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year. Not Applicable
- Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. Details relating to fees paid to the Statutory Auditors are given in Note 28 to the Standalone Financial Statements and Note 27 (d) to the Consolidated Financial Statements.
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given in the Directors' 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.
- Compliance certificate from a Practicing Company Secretary regarding compliance of conditions of corporate governance 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.
- 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.
- Disclosure of commodity price risks and commodity hedging activities: The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2019 is not required to be given.

9. MEANS OF COMMUNICATION

The Company has published financial results in 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. 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.

10. MATERIALLY RELATED PARTY DISCLOSURES

Company entered the transactions with related party and the detailed information on materially significant related party transactions are enclosed in AOC-2 to the Board's Report.

11. SUBSIDIARY COMPANY



The Company has a material unlisted Subsidiary as defined under Regulation 16 of the Listing Regulations. Accordingly, the corporate governance requirements as applicable with respect to material unlisted subsidiary have been complied with.

The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Financial Statements of the Subsidiaries, including the investments made by the Subsidiaries. The Minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiaries of the Company are placed before the Board of Directors of the Company.

12. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting Schedule

Date	September 30, 2020 (Wednesday)
Time	09:30 A.M.
Venue	D-16, First Floor, Prashant Vihar, Sector-14, Rohini, New Delhi-110085

Date of Book Closure

Wednesday, September 23, 2020 to Wednesday, September 30, 2020

Financial Year

April 1, 2019 to March 31, 2020

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

Company has paid the Annual Listing Fee to Bombay Stock Exchange for the Financial Year 2019-20
Company has paid the Annual Custodial Fee for the Financial Year 2019-20

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

Address for Correspondence

D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-1100085
Contact No. 011-47096097
Email- 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

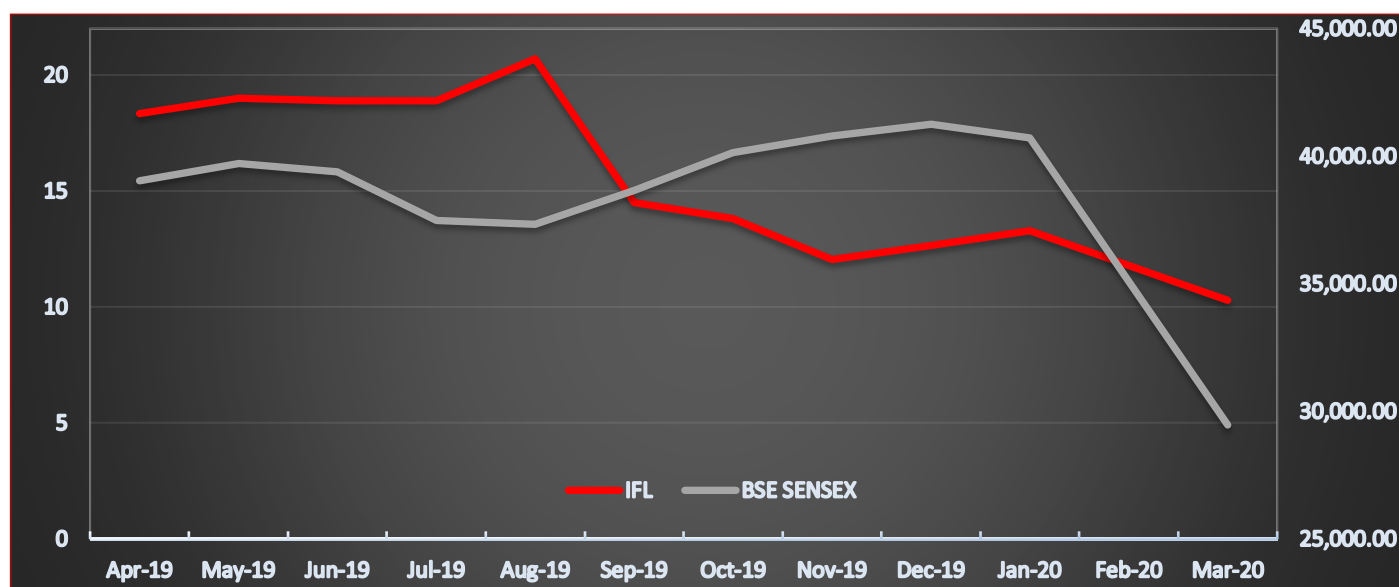
Secretarial Department headed by Mr. Vijay Kumar Dwivedi, Company Secretary of the Company

Distribution of Shareholding as on March 31, 2020

No. of Equity Shares Held	Number of Shareholders	% to Total Numbers	Shareholding Amount	% to Total Amount
(Rs.)			(Rs.)	
1	2	3	4	5
Up To 5,000	149	41.39	66660	0.03
5001 To 10,000	10	2.78	93980	0.04
10001 To 20,000	2	0.56	26000	0.01
20001 To 30,000	3	0.83	84400	0.03
30001 To 40,000	1	0.28	32430	0.01
40001 To 50,000	3	0.83	147000	0.06
50001 To 1,00,000	87	24.17	8624400	3.46
1,00,000 and Above	105	29.17	240342280	96.36
Total	360	100	249417150	100

Market Price Data at BSE

Share Price Performance India Finsec Limited (IFL) vs BSE Index:





Market Price Data

Month	Open	High	Low	Close	No Of Shares	No Of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread H-L	* Spread C-O
APR-19	15.4	18.33	15.36	18.33	1888	26	32464	1888	100	2.97	2.93
MAY-19	18.33	20.15	18.33	19	1030	17	19916	1030	100	1.82	0.67
JUN-19	18.9	18.95	18.2	18.9	143	10	2659	143	100	0.75	0
JUL-19	18.9	18.9	18.9	18.9	100	1	1890	100	100	0	0
AUG-19	19.75	20.7	19.75	20.7	27	8	548	27	100	0.95	0.95
SEP-19	19.7	19.7	14	14.5	1290237	122	18578481	1290237	100	5.7	-5.2
OCT-19	14.5	14.5	13.8	13.8	63	5	868	63	100	0.7	-0.7
NOV-19	14.4	14.4	12.05	12.05	16179	13	228807	16179	100	2.35	-2.35
DEC-19	12.65	12.65	12.65	12.65	10000	4	126500	10000	100	0	0
JAN-20	13.28	13.28	13.28	13.28	10050	2	133464	10050	100	0	0
FEB-20	-	-	-	-	-	-	-	-	-	-	-
MAR-20	12.62	12.62	10.29	10.29	190	6	2084	190	100.00	2.33	-2.33

By the Order of the board
For India Finsec Limited

Date: 03.09.2020
Place: New Delhi

Gopal Bansal
Managing Director
DIN-01246420

Mukesh Sharma
Director
DIN-00274217



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

[Pursuant to Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
**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, 2020, 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 1stApril, 2019 to 31stMarch, 2020 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: 03.09.2020
Place: New Delhi
UDIN: F009802B000665798**

**Megha Sharan
Company Secretary in Practice
M. No.: F9802
C P No.- 12171**



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
India Finsec Limited
New Delhi.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s India Finsec Limited having CIN L65923DL1994PLC060827** and having registered office at D-16, Ist Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, the Reserve bank of India or any such other Statutory Authority.

S. No.	Name of Director	Designation	DIN	Date of Appointment
1.	Mr. Gopal Bansal	Managing Director	01246420	16.01.2016
2.	Mr. Mukesh Sharma	Non-Executive Director	00274217	16.01.2016
3.	Mr. Saurabh Chhabra*	Independent Director	00172495	30.09.2019
4.	Ms. Purva Mangal	Independent Director	02816099	30.09.2019

*Ceased as Independent Director w.e.f. 06.07.2020

Disclaimer: Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 03.09.2020
Place: New Delhi
UDIN: F009802B000665811

Megha Sharan
Company Secretary in Practice
M. No.: F9802
C P No.: 12171



CHAIRMAN'S DECLARATION ON CODE OF CONDUCT

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

This is to certify that the Company has laid down a Code of Conduct (the Code) for all Board Members and Senior Management Personnel of the Company and a copy of the Code is put on the website of the Company viz. www.indiafinsec.com.

It is further confirmed that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel, as approved by the Board, for the financial year ended on March 31, 2020.

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

Date: 03.09.2020

Place: New Delhi

**Gopal Bansal
Chairman& Managing Director**

DIN-01246420



CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

**To,
The Board of Directors
India Finsec Limited
New Delhi**

Dear Members of the Board

I, Manoj Kumar Gupta, Chief Financial Officer of **India Finsec Limited**, to the best of my knowledge and belief hereby certify that:

- (a) I have reviewed financial statements and the cash flow statements for the year ended March 31, 2020 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) I 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) I 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**

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

Date: 03.09.2020

Place: New Delhi



**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, 2020, 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, 2020.

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

Date: 03.09.2020

**Gopal Bansal
Chairman & Managing Director**

Place: New Delhi

DIN-01246420



Independent Auditor's Report

To
The members of
INDIA FINSEC LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **INDIA FINSEC LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2020, the statement of profit and loss and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2020, and the **net loss** (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described hereunder to be key audit matters to be communicated in our report.

S. No.	Key audit matters	Auditor's response
1.	<p><u>Loans and advances:</u> -</p> <p>In current year, Indian Accounting Standards under Division III of Schedule III of the Companies Act, 2013 are become applicable upon the Company with transition effect from 1st April 2018.</p> <p>Due to this, all the loans whether given or obtained, are to be disclosed at Amortised Cost using Effective Interest Method prescribed under Ind AS 109 on 'Financial Instruments'.</p> <p>We focused on the conditions of disbursement and appropriateness of sanctioning process of the loan granted by the Company.</p>	<p>Our audit procedure inter- alia includes the following: -</p> <ol style="list-style-type: none"> 1. We evaluated the control environment including authorization, sanctioning and disbursement of significant loans advanced during the year. 2. We evaluated the control environment of levying the processing fees on significant loans advanced by the company and its treatment in books of accounts in accordance with Ind AS 109. 3. We have obtained external confirmations from third parties in respect of transactions and closing balance for significant loans advanced by the company. 4. We tested all material entries recorded in



		connection with the loan advance and interest thereon to determine whether the accounting was appropriate.
2.	<p><u>Compliance of RBI directions and circulars:</u></p> <p>The recent RBI regulations increased the responsibility of auditors of NBFCs.</p> <p>As Company is an NBFC, it is responsibility of Company to duly follow the directions and circulars.</p> <p>We focused on the requisite compliance and disclosure as per the requirements in the norms.</p>	<p>Our audit procedure inter- alia includes the following: -</p> <p>We have reviewed the conditions for prudential norms prescribed by the RBI including: -</p> <ol style="list-style-type: none"> a) Provision on standard assets. b) Transfer of 20% profit to reserve maintain under section 45-IC of the RBI Act. c) Holding of at least 50% of the financial assets and 50% of the financial income respectively. d) Maintaining minimum Net Owned Fund of Rs. 200 Lakhs.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and the auditor's report thereon.

Our opinion on the standalone financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the AS and the other accounting principles generally accepted in India. 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 are operating effectively for insuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain a reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise due to fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- (ii) Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statement, individually or in aggregate, makes it probable that the economic decision of reasonable knowledgeable user of the financial statement may be influenced.

We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and, (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, relevant safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters



We draw your attention to Note 28 of the standalone financial statement which explains the uncertainties and management's assessment of the financial impact due to the lockdown/ restrictions related to COVID-19 pandemic imposed by the Government for which definitive assessment of the impact is dependent upon the future economic conditions. Our opinion is not modified in respect of this matter.

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 order, to the extent applicable.
2. The Company is a Non-Banking Financial Company not accepting public deposits 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 has passed 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 previously 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, Statement of Changes in Equity 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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 has disclosed the impact, if any of pending litigations on its financial position, in its standalone financial statements (Refer to note no. 27 of the standalone financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

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



O.P. Pareek

Partner

Membership No. 014238

UDIN: - 20014238AAAACV7375

New Delhi, the 6th day of July 2020

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** for the year ended on 31st March 2020.

- (i) (a) As per information and explanation given to us, the company is maintaining proper records showing full disclosures of 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 year dealt with by this report;
- (ii) As per information and explanation given to us, inventory consisting of equity shares has been conducted once in a year by the management and no material discrepancies were noticed during the course of physical verification;
- (iii) According to information and explanation given to us, the Company has not granted any unsecured loans to parties covered in register maintained under section 189 of the Companies Act, 2013. Hence, the provisions of said 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 to the extent applicable in respect of loans, advances, guarantees and securities so given;
- (v) According to information and explanations given to us, the Company has not accepted public deposits and the provision of section 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed there under 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 explanation given to us, following statutory dues are outstanding on part of the Company which are not deposited on account of dispute: -

Nature of Dues	Period to which it relates	Disputed Amount (Rs. In '000')	Forum where due is pending
Income tax Demand	A.Y. 2011- 12	91,740.29	CIT (Appeals)
Income tax Demand	A.Y. 2017- 18	402.86	CIT (Appeals)

- (viii) According to information and explanations given to us, the company has not defaulted in repayment of loans and borrowings from any financial institution, bank, government or dues to debenture holders;
- (ix) According to information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer. The Company has not taken any term loans from any bank or financial institution;



- (x) According to information and explanations given to us, there is no noticed or unreported fraud on or by the Company during the year under audit;
- (xi) According to information and explanations given to us, the Company has paid managerial remuneration in accordance with applicable provisions of the Companies Act, 2013;
- (xii) As per information, the Company is not a Nidhi Company, hence provisions of sub- clause (xii) of the Paragraph 3 of the Order are not applicable;
- (xiii) According to information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the 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;
- (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 and 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

O.P. Pareek
Partner
Membership No. 014238
UDIN: - 20014238AAAACV7375

New Delhi, the 6th day of July 2020



ANNEXURE - B TO THE AUDITOR'S REPORT

The Annexure referred to in Paragraph 3(f) under the heading of “Report on other Legal and Regulatory Requirements” of our report of even date to the members of **INDIA FINSEC LIMITED** for the year ended on 31st March 2020.

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 as on 31st March 2020 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 authorizations 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 2020, 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

O.P. Pareek

Partner

Membership No. 014238

UDIN: - 20014238AAAACV7375

New Delhi, the 6th day of July 2020



STANDALONE BALANCE SHEET AS AT 31ST MARCH 2020

Particulars	Notes	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
ASSETS				
Financial assets				
Cash and cash equivalents	3	1,389.18	921.27	10,111.41
Loans	4	17,580.94	50,452.48	2,39,997.45
Investments	5	4,02,836.91	4,02,486.13	1,86,162.69
Non-financial assets				
Inventories	6	6,658.27	18,513.32	17,635.03
Current tax assets (net)		20,921.17	11,219.93	1,342.44
Deferred tax assets (net)	7	1,396.44	956.49	613.31
Property, plant & equipment	8	3,083.90	949.49	1,395.99
Other non-financial assets	9	426.32	705.17	702.16
Total Assets		4,54,293.13	4,86,204.28	4,57,960.48
LIABILITIES AND EQUITY				
Financial liabilities				
Payables	10			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		100.39	58.00	48.26
Borrowings (other than debt securities)	11	9,374.00	25,975.81	4.34
Other financial liabilities	12	2,874.11	998.17	629.60
Non-financial liabilities				
Provisions	13	43.95	126.79	593.87
Other non-financial liabilities	14	116.20	1,038.24	925.43
EQUITY				
Equity share capital	15	2,49,417.15	2,49,417.15	2,49,417.15
Other equity	16	1,92,367.33	2,08,590.12	2,06,341.83
Total Liabilities and Equity		4,54,293.13	4,86,204.28	4,57,960.48

Notes to the Standalone Ind AS financial statements

1-34

The accompanying notes form an integral part of the standalone Ind AS financial statements.

As per our report of even date

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. No. 304040E

O. P. Pareek

Partner

Membership No. 014238

UDIN: -20014238AAAACV7375

Signed on 06th day of July, 2020

For and on behalf of the Board of Directors of

INDIA FINSEC LIMITED

Gopal Bansal

Managing Director

DIN: 01246420

Mukesh Sharma

Director

DIN: 00274217

Manoj Kumar Gupta

CFO

PAN:AEUPG8308R

Vijay Kumar Dwivedi

Company Secretary

Membership No.: A36168



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	Notes	For the year ended on 31st March 2020 (Rs. In '000')	For the year ended on 31st March 2019 (Rs. In '000')
REVENUE			
Revenue from operations	17	29,152.08	37,713.59
Other income	18	187.12	-
Total Revenue (I)		29,339.20	37,713.59
EXPENSES			
Finance costs	19	2,828.81	722.78
Purchases of stock in trade	20	16,598.81	9,785.42
Changes in inventories of stock in trade	21	11,855.05	(878.29)
Employee benefit expenses	22	8,709.49	7,009.31
Depreciation	8	1,529.09	485.19
Other expenses	23	2,626.31	16,330.68
Total (II)		44,147.56	33,455.09
Profit/ (loss) before exceptional items and tax (I-II)		(14,808.36)	4,258.50
Exceptional items		-	-
Profit/ (loss) before tax		(14,808.36)	4,258.50
Tax Expense			
Current tax		-	(808.78)
Deferred tax		(63.73)	(179.86)
Profit/ (loss) after tax (III)		(14,872.09)	3,269.86
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to profit or loss - Equity instrument through other comprehensive income- gain/ (loss)		(1,937.22)	(2,011.69)
(ii) Income tax relating to items that will not be reclassified to profit or loss		503.68	523.04
(iii) Items that will be reclassified to profit or loss		-	-
(iv) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (IV)		(1,433.54)	(1,488.65)
Total Comprehensive Income (III+IV)		(16,305.63)	1,781.21
Earning per equity share (EPS)			
[nominal value of share Rs. 10]			
Basic (Amount in Rs.)		(0.06)	0.01
Diluted (Amount in Rs.)		(0.06)	0.01

Notes to the Standalone Ind AS financial statements 1-34

The accompanying notes form an integral part of the standalone Ind AS financial statements.

As per our report of even date

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. No. 304040E

O. P. Pareek

Partner

Membership No. 014238

UDIN: - 20014238AAAACV7375

New Delhi, the 6th day of July, 2020

**For and on behalf of the Board of
Directors of**

INDIA FINSEC LIMITED

Gopal Bansal

Managing Director

DIN: 01246420

Manoj Kumar Gupta

CFO

PAN: AEUPG8308R

Mukesh Sharma

Director

DIN: 00274217

Vijay Kumar Dwivedi

Company Secretary

Membership No.: A36168



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	For the year ended on 31st March 2020 (Rs. In '000')	For the year ended on 31st March 2019 (Rs. In '000')
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (loss) before tax and after extra- ordinary items	(14,808.35)	4,258.49
Adjustments for items: -		
Depreciation	1,529.09	485.19
Finance costs	2,828.81	722.78
Profit on sale of Property, plant & equipment	(187.12)	-
Dividend received	-	(6.00)
Operating Profit before working capital changes	(10,637.57)	5,460.46
Working capital adjustments: -		
(Increase)/ decrease in loans	32,871.54	1,89,544.97
(Increase)/ decrease in inventories	11,855.05	(878.29)
(Increase)/ decrease in other non-financial assets	278.85	(3.00)
Increase/ (decrease) in trade payables	42.39	9.74
Increase/ (decrease) in other financial liabilities	(1,769.13)	368.57
Increase/ (decrease) in other non-financial liabilities	(922.04)	112.81
Cash generated from operations	31,719.09	1,94,615.26
Direct Taxes Paid	(9,701.24)	(10,686.27)
Net cash flow from operating activities (A)	22,017.85	1,83,928.99
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(121.31)	(38.69)
Sale of property, plant & equipment	290.00	-
Sale/ (Purchase) of investments	(2,288.00)	(2,18,335.14)
Dividend received	-	6.00
Net cash flow from investing activities (B)	(2,119.31)	(2,18,367.83)
CASH FLOW FROM FINANCING ACTIVITIES		
Finance costs	(2,828.81)	(722.78)
Net proceeds from borrowings	(16,601.81)	25,971.47
Net cash flow from financing activities (C)	(19,430.62)	25,248.69
Net cash flow during the year (A + B + C)	467.91	(9,190.14)
Add: Opening cash and cash equivalents	921.27	10,111.41
Closing cash and cash equivalents	1,389.18	921.27
Components of cash and cash equivalents		
Cash on hand	827.30	531.94
Balance with banks in current account	561.88	389.33
Total cash and cash equivalents (Note 3)	1,389.18	921.27

The accompanying notes form an integral part of the standalone Ind AS financial statements.

As per our report of even date

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. No. 304040E

O. P. Pareek

Partner

Membership No. 014238

UDIN: -

20014238AAAACV7375

New Delhi, the 6th day of July, 2020

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

Gopal Bansal

Managing Director

DIN: 01246420

Manoj Kumar Gupta

CFO

PAN: AEUPG8308R

Mukesh Sharma

Director

DIN: 00274217

Vijay Kumar Dwivedi

Company Secretary

Membership No.: A36168



NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

1. Corporate Information:

India Finsec Limited is a company incorporated on 10th day of August 1994. It is registered with Registrar of Companies, Delhi. The company is primarily engaged in the business of Non-Banking Finance Company in India.

2. Significant Accounting Policies:

(a) Statement of Compliance:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. These are Company's first financial statements prepared in accordance with Ind AS and Ind AS 101 'First time adoption of Indian Accounting Standards' has been applied. An explanation and effect of transition from Indian GAAP (Referred to as "Previous GAAP") to Ind AS has been described in note 2(c) to these Ind AS financial statements.

(b) Basis for preparation of standalone Ind AS financial statements:

The standalone Ind AS financial statements have been prepared under the historical cost basis which is generally based on the fair value of consideration given in exchange for goods and services.

(c) First-Time Adoption of Ind AS:

The Company has prepared its first Indian Accounting Standards (Ind AS) compliant financial statements for the periods commencing from April 1, 2019 with restated comparative figures for the year ended March 31, 2019 in compliance with the Ind AS. The Company has prepared these financial statements in accordance with Ind AS notified under Section 133 of the Companies Act, 2013. Accordingly, the Balance Sheet in line with Ind AS transitional provisions has been prepared as at April 1, 2018 i.e. the date of Company's transition to Ind AS.

Ind AS 101 also allows to first time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. Accordingly, the company has availed the following exemptions/mandatory exceptions as per Ind AS 101:

(i) Fair Value as Deemed Cost Exemption: -

The company has elected to measure items of property, plant & equipment and intangible assets at its carrying value at the transition date.

(ii) Investments in subsidiaries, joint ventures and associates: -

The company has elected to measure investment in subsidiaries, joint venture and associate at cost.

(iii) Classification & Fair value measurement of financial assets or financial liabilities at initial recognition: -

The financial assets and financial liabilities have been classified on the basis of facts existing as at the date of transition to Ind AS. In addition, the exemption permits prospective application of requirements of Ind AS 109 to transactions entered into on or after date of transition.

In accordance with Ind AS 101 'First-time adoption of Indian Accounting Standards', the Company has presented below reconciliations of net profit in accordance with 'previous GAAP' for the year ended March 31, 2019 and shareholders' funds as per 'previous GAAP' to equity under Ind AS as at March 31, 2019 and April 1, 2018.



Reconciliations between previous GAAP and Ind AS

(i) Reconciliation of total equity: -

Particulars	Notes	As at March 31, 2019 (Rs. In '000')	As at April 1, 2018 (Rs. In '000')
Balance as per previous GAAP		1,99,225.23	1,97,278.98
<i>Adjustments:</i>			
Re-measurement of investments carried at FVTOCI (net of tax)	2(c)(iii)(a)	(1,488.65)	Nil
Re-measurement of inventories carried at FVTPL	2(c)(iii)(b)	11,408.65	10,276.00
EIR based amortization of loan receivables	2(c)(iii)(c)	(597.167)	(1,486.42)
Deferred tax adjustments of prior periods on transition		155.26	386.47
Current tax adjustments of prior periods on transition		(113.20)	(113.20)
Balances as per Ind AS		2,08,590.12	2,06,341.83

(ii) Reconciliation of total comprehensive income: -

Particulars	Notes	Year ended on March 31, 2019 (Rs. In '000')
Net profit as per Previous GAAP		1,648.64
<i>Adjustments:</i>		
EIR based amortization of loan receivables	2(c)(iii)(c)	889.26
Re-measurement of inventories carried at FVTPL	2(c)(iii)(b)	1,132.65
Deferred tax adjustments of prior periods on transition		(231.21)
Current tax adjustments of prior periods on transition		(169.48)
Net Profit as per Ind AS		3,269.86
Re-measurement of investments carried at FVTOCI (net of tax)	2(c)(iii)(a)	(1,488.65)
Total Comprehensive Income as per Ind AS		1,781.21

(iii) Explanatory Note to the reconciliation: -

- Under the previous GAAP, investments in shares and securities were carried at cost, whereas under Ind AS 109, investments in shares and securities are measured at fair value. Investments in shares and securities are not held for trading and thereby are classified at Fair Value through Other Comprehensive Income (FVTOCI).
- Under previous GAAP, inventory of shares and securities were carried at cost or market value whichever is lower, whereas under Ind AS 109, inventory of shares and securities are measured at fair value. Inventory of shares and securities are held for trading and thereby are classified at Fair Value through Profit or Loss (FVTPL).
- Under previous GAAP, all the transaction costs / incomes integral to sourcing of borrowings / loans were recognised upfront on an accrual basis. Under Ind AS, these transaction costs / incomes related to sourcing of borrowings / loans are amortised using the effective interest rate (EIR) and the unamortised portion is adjusted in retained earnings as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended on 31st March 2019.

(d) **Use of Estimates:**



The preparation of Ind AS financial statements requires the management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of Ind AS financial statements, disclosure of contingent liabilities as at the date of the Ind AS financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

(e) Critical accounting estimates:

- (i) **Income Taxes:**
Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.
- (ii) **Impairment of Investments:**
The carrying value of investments is reviewed at cost annually, or more frequently whenever, there is indication for impairment. If the recoverable amount is less than the carrying amount, the impairment loss is accounted for.
- (iii) **Provisions:**
Provisions are recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

(f) Property, plant and equipment:

Properties, Plant & equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction/installation stage.

The Company has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depreciable amount of an asset is the cost of an asset less its estimated residual value.

Depreciation on Property, Plant and Equipment, including assets taken on lease, other than freehold land is charged based on Written down method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013. The useful life of asset taken into consideration as per Schedule II for the purpose of calculating depreciation is as follows: -

Particulars of Property, Plant & Equipment	Useful life (in years)
Furniture & fixtures	10
Vehicles	8
Office equipment	5
Computers	3

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment are determined as a difference between the sale proceeds and the carrying amount of the asset and is recognized in the profit and loss.

At the end of each reporting period, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

(g) Intangible assets and amortisation thereof:

Intangible assets, representing software are initially recognized at cost and subsequently carried at cost less accumulated amortization and accumulated impairment. The intangible assets are amortized using the written- down value method



over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

(h) Revenue recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company & revenue is reliably measured.

- (i) **Interest Income:** The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.
- (ii) **Dividend:** Dividend income from investments is recognised when the shareholders' right to receive payment has been established which is generally when the shareholders approve the dividend.
- (iii) **Other revenue from operations:** The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

(i) Financial Instruments:

(i) **Financial Assets: -**

Recognition and initial measurement: -

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction cost.

Subsequent measurement: -

Equity instrument and Mutual Fund: - All equity Instrument and mutual funds within scope of Ind-AS 109 are measured at fair value. Equity instrument and Mutual fund which are held for trading are classified as at fair value through profit & loss (FVTPL). For all other equity instruments, the Company decided to classify them as at fair value through other comprehensive income (FVTOCI).

Debt instrument: - A 'debt instrument' is measured at the amortised cost if both the following conditions are met. The assets are held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

De- recognition of Financial Assets: -

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or Company has transferred its right to receive cash flow from the asset.

(ii) **Financial Liabilities: -**

Recognition and initial measurement: -

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. Financial liabilities are classified at amortised cost.



Subsequent measurement: -

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

De-recognition of Financial liabilities: -

Financial liabilities are derecognized when the obligation under the liabilities are discharged or cancelled or expires. Consequently, write back of unsettled credit balances is done on closure of the concerned project or earlier based on the previous experience of Management and actual facts of each case and recognized in other Operating Revenues.

Further when an existing Financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) **Offsetting of Financial Instrument:** -

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on net basis, to realize the assets and settle the liabilities simultaneously.

(iv) **Impairment of Financial Assets:** -

Equity instruments, Debt Instruments and Mutual Fund: -In accordance with Ind-AS 109, the Company applies Expected Credit Loss model for measurement and recognition of impairment loss for financial assets. Expected Credit Loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

Other Financial Assets: - The Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

(j) **Cash & Cash equivalents:**

Cash and cash equivalents in the balance sheet comprise of cash at bank and on hand and short- term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Company's cash management.

(k) **Taxation:**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with Income Tax Act, 1961.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amounts.

Deferred income tax is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The



carrying amount of deferred income tax assets is reviewed at each reporting date. Deferred tax asset/liability is measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid which is considered as an asset if there is probable evidence that the Company will pay normal income tax after the tax holiday period.

(l) Employee Benefits:

(i) **Short-term Employee Benefits:** -

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) **Post-Employment Benefits:** -

Defined Benefit Plans: -

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

(m) Earnings Per Share:

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the Balance Sheet date but before the date the Ind AS financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit/ (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

(n) Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



Contingent Assets and Contingent Liabilities are not recognized in the Ind AS financial statements.

(o) Leases:

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using the modified retrospective approach whereby a lessee applies the new standard from the beginning of the current period. The lessee calculates the lease asset and lease liability as at the beginning of the current period and recognized an adjustment in equity at the beginning of the current period. Accordingly, a lessee will not restate its prior period financial information under this approach.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

3.	Cash and cash equivalents	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	Cash on hand (as certified)	827.30	531.94	640.18
	Balances with banks in current accounts	561.88	389.33	9,471.21
		1,389.18	921.27	10,111.42

4.	Loans	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	<u>In India</u> Loans repayable on demand (unsecured)	5,500.00	5,706.71	67,162.41



Term loans (at amortised cost) (secured) (note 4.1)	12,080.94	44,745.77	1,72,835.04
	17,580.94	50,452.48	2,39,997.45

5. Investments	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
<u>In India</u>			
In subsidiaries (at Cost)	3,97,238.00	3,94,950.00	1,72,000.00
In equity instruments (Note 5.1)	5,598.91	7,536.13	14,162.69
	4,02,836.91	4,02,486.13	1,86,162.69

5.1 Investments in equity instruments includes Company's investments made in equity shares of M/s IFL Enterprises Limited, which happens to be an associate as on 1st April, 2018. Hence, the company valued such investments at cost. During the year ended on 31st March 2019, the company has sold a portion of such investments thereby M/s IFL Enterprises Limited ceased to be an associate and hence valued at Fair Value Through Other Comprehensive Income (FVTOCI).

6. Inventories	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
At FVTPL			
Stock in trade of equity shares (Quoted)	6,658.27	18,513.32	17,635.03
	6,658.27	18,513.32	17,635.04

7. Deferred tax assets (net)	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
At start of the year	956.49	613.31	-
Credit/ (charge) to statement of profit and loss	(63.73)	(179.86)	613.31
Credit/ (charge) to other comprehensive income	503.68	523.04	-
At end of the year	1,396.44	956.49	613.31

7.1 Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

7.2 The tax effect of significant timing differences that has resulted in deferred tax assets are given below: -

Particulars	For the year ended on 31st March 2020 (Rs. In '000')			
	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Closing balance
Property, plant & equipments	278.19	26.71	-	304.90
Others	678.30	(90.44)	503.68	1,091.54
Total	956.49	(63.73)	503.68	1,396.44

Particulars	For the year ended on 31st March 2019 (Rs. In '000')			
	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Closing balance
Property, plant & equipments	226.84	51.35	-	278.19
Others	386.47	(231.21)	523.04	678.30



Total	613.31	(179.86)	523.04	956.49
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8. Property, plant & equipment				As at	As at	As at
				31st March 2020	31st March 2019	1st April 2018
<u>Carrying amount:</u> -						
Office premises (Right of Use asset) (note 8.2)				2,430.04	-	-
Furniture & fixtures				365.71	434.23	585.90
Vehicles				49.49	176.80	257.10
Office equipments				228.05	323.56	525.55
Computers				10.61	14.89	27.43
				3,083.90	949.48	1,395.98
	Office Premises (Rs. in '000')	Furniture & Fixtures (Rs. in '000')	Vehicles (Rs. in '000')	Office equipment's	Computers	Total
<u>Cost or Deemed Cost:</u> -						
Balance as at 1st April, 2018	-	777.57	2,068.06	1,190.03	676.64	4,712.29
Additions during the year	-	-	-	38.69	-	38.69
Balance as at 31st March, 2019	-	777.57	2,068.06	1,228.72	676.64	4,750.98
Additions during the year	3,645.06	48.35	-	72.97	-	3,766.38
Asset disposed/ written off during the year	-	-	(1,554.50)	-	-	(1,554.50)
Balance as at 31st March, 2020	3,645.06	825.92	513.56	1,301.69	676.64	6,962.86
Accumulated depreciation: -						
Balance as at 1st April, 2018	-	191.67	1,810.96	664.47	649.21	3,316.31
Charge for the year	-	151.67	80.31	240.68	12.54	485.19
Balance as at 31st March, 2019	-	343.34	1,891.27	905.15	661.75	3,801.50
Charge for the year	1,215.02	116.87	24.43	168.48	4.28	1,529.09
Adjusted on assets disposed/ written off	-	-	(1,451.62)	-	-	(1,451.62)
Balance as at 31st March, 2020	1,215.02	460.21	464.08	1,073.63	666.03	3,878.97
<u>Carrying amount:</u> -						
Balance as at 1st April, 2018	-	585.90	257.10	525.56	27.43	1,395.98
Balance as at 31st March, 2019	-	434.23	176.79	323.57	14.89	949.48
Balance as at 31st March, 2020	2,430.04	365.71	49.48	228.06	10.61	3,083.89

8.1 All the above property, plant & equipment are owned by the company unless specified otherwise.



8.2 Effective from 1st April, 2019, the Company adopted Ind AS 116 Leases and applied the same to all lease contracts existing on 1st April, 2019 using the modified retrospective approach with Right of Use asset recognized at an amount equal to the adjusted lease liability. As a result, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted. Accordingly, the Company recognizes office premises as Right of Use asset representing its right to use the said office premises for the contracted lease term

9.	Other non-financial assets	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	Advance to suppliers	96.00	96.00	-
	Other advances	0.67	-	298.90
	Receivable from authorities (net)	329.65	609.17	403.26
		426.32	705.17	702.16

10	Payables	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	Trade payables 'total outstanding dues of other than micro enterprises and small enterprises	100.39	58.00	48.26
		100.39	58.00	48.26

11	Borrowings (other than debt securities)	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	<u>Borrowings in India (unsecured)</u> Loans from related parties	-	15,971.97	-
	Loan from others	9,374.00	10,003.84	4.34
		9,374.00	25,975.81	4.34

12	Other financial liabilities	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	<u>Other expenses payable</u>	341	998	630
	Lease liability (note 8.2)	2,533	-	-
		2,874	998	630

13	Provisions	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	<u>Contingent provision against standard assets:</u> Opening balance	126.79	593.86	698.80
	Add/(less): Addition/(written off) during the year	(82.83)	(467.08)	(104.94)
	Closing balance	43.96	126.78	593.86

13.1 A contingent provision against standard assets has been created at 0.25% (0.25% till 31st March, 2019) (0.25% till 1st April, 2018) of the outstanding standard assets in terms of the RBI circular Ref. No. DNBR (PD) CC. No. 002/03.10.001/2014-15 dated November 10, 2014.

14	Other non-financial liabilities	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	<u>Other payables</u>	3.54	890.97	727.65
	Payable to government authorities	112.66	147.27	197.78
		116.20	1,038.24	925.43



15	Equity share capital	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
		Nos.	Rs. In '000')	Nos.	(Rs. In '000')	Nos.	(Rs. In '000')
	<u>Authorized shares</u> Equity shares of Rs. 10 each with voting rights	30,000,000	300,000.00	30,000,000	300,000.00	30,000,000	300,000.00
	Issued, subscribed and fully paid-up shares	24,941,715	249,417.15	24,941,715	249,417.15	24,941,715	249,417.15

Reconciliation of number of equity shares and amount outstanding

15.1		As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
		Nos.	Rs. In '000')	Nos.	(Rs. In '000')	Nos.	(Rs. In '000')
	<u>Equity shares</u> - At the beginning of the period - Issued during the year	24,941,715	249,417.15	24,941,715	249,417.15	24,941,715	249,417.15
	Total outstanding at the end of the period	24,941,715	249,417.15	24,941,715	249,417.15	24,941,715	249,417.15

15.2 Terms and rights attached to equity shares

The company has issued only one class of equity shares 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.

15.3 Details of shareholders holding more than 5% shares in the company:

15.3		As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
		Nos.	% holding	Nos.	% holding	Nos.	% holding
	<u>Fidelo Foods (P) Ltd.</u>	45,37,050	18.19%	45,37,050	18.19%	45,37,050	18.19%
	Mukesh Sharma	12,92,540	5.18%	12,92,540	5.18%	2,92,540	5.18%
	Jagtarni Traders Private Limited	-----		-		5,00,000	6.01%
	Gopal Bansal	36,83,746	14.77%	27,84,500	11.16%	15,74,500	6.31%
	Tia Enterprises Private Limited	6,65,989	2.67%	15,30,000	6.13%	-	-
	E Tricks Enterprises Private Limited	-		-		15,30,000	6.13%

As per records, registers and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

16. Other Equity

16.	Other equity	As at 31st March 2020 (Rs. In '000')		As at 31st March 2019 (Rs. In '000')	
	<u>Special Reserve (u/s 45IC of RBI Act, 1934)</u>				
	Balance as per last financial statements	8,455.46		8,125.73	
	Add: Transfer from surplus	-		329.73	
	Closing balance		8,455.46		8,455.46
	<u>Retained Earnings</u>				
	Balance as per last financial statements	40,542.27		37,135.05	



Add/(Less): Profit/ (loss) for the year	(14,872.08)		3,269.86	
Less: Transfer to Special Reserve u/s 45-IC of RBI Act	-		(329.73)	
Add/(Less): Contingent provision for Standard Assets	82.83		467.08	
Net surplus in statement of profit and loss		25,753.02		40,542.26
<u>Share premium</u>				
Opening balance	1,61,081.05		1,61,081.05	
Add/(Less): Addition/ (deletion) during the year	-		-	
Closing balance		1,61,081.05		1,61,081.05
Equity instruments through other comprehensive income				
Opening balance	(1,488.65)	-	-	
Add/(Less): Addition/ (deletion) during the year	(1,433.54)	-	(1,488.65)	
Closing balance		(2,922.19)		(1,488.65)
		1,92,367.34		2,08,590.12

17. Revenue from operation	For the year ended 31st March 2020 (Rs. In '000')	For the year ended 31st March 2019 (Rs. In '000')
Interest income	7,339.32	24,063.57
Trading of securities	21,179.23	8,430.19
Processing & other fees	633.53	1,961.98
Surplus from deployment in cash management scheme of Mutual Fund	-	519.46
Profit on sale of F&O	-	2,732.39
Dividend income	-	6.00
	29,152.08	37,713.59

18. Other income	For the year ended 31st March 2020 (Rs. In '000')	For the year ended 31st March 2019 (Rs. In '000')
Profit on sale of property, plant & equipment	187.12	-
	187.12	-

19. Finance cost	For the year ended 31st March 2020 (Rs. In '000')	For the year ended 31st March 2019 (Rs. In '000')
On financial liabilities measured at amortised cost:		
- Interest on borrowings	2,500.75	722.78
- Interest on lease liability	328.06	-
	2,828.81	722.78

20. Purchases of stock in trade	For the year ended 31st March 2020 (Rs. In '000')	For the year ended 31st March 2019 (Rs. In '000')
Purchase of shares & securities	16,598.81	9,785.42
	16,598.81	9,785.42

21. Changes in inventories of stock in trade	For the year ended 31st March 2020 (Rs. In '000')	For the year ended 31st March 2019 (Rs. In '000')
Opening stock	18,513.32	17,635.03
Less: Closing stock	(6,658.27)	(18,513.32)
Changes in inventories	11,855.05	(878.29)



22.	Employee benefit expenses	For the year ended 31 st March 2020 (Rs. In '000')	For the year ended 31 st March 2019 (Rs. In '000')
	Payment to directors: - Sitting fee	49.00	92.00
	Remuneration	1,200.00	1,800.00
	Salaries to staff	7,382.54	5,063.29
	Staff welfare expenses	70.99	46.42
	Employer's contribution to ESI	6.96	7.60
		8,709.49	7,009.31
23.	Other expenses	For the year ended 31 st March 2020 (Rs. In '000')	For the year ended 31 st March 2019 (Rs. In '000')
	Advertisement expenses	74.34	76.79
	Bank charges	7.47	13.85
	Business promotion expenses	-	4,371.60
	Conveyance expenses	144.24	122.08
	Discount received	-	35.17
	Electricity & water expenses	-	215.45
	Fees & subscription	138.10	144.82
	GST reversal u/s 42	409.70	-
	Insurance charges	-	14.59
	Interest and penalties on statutory dues	1.90	107.45
	Legal & professional charges	887.32	956.80
	Listing fees	300.00	250.00
	Office maintenance	48.04	220.29
	Other expenses	62.51	98.76
	Payment to statutory auditors (note 25)	72.00	58.50
	Postage, stamp & couriers	6.73	78.95
	Rent, rates and taxes	275.80	5,693.75
	Sponsorship expenses	-	3,470.81
	Tour and traveling expenses	98.26	327.90
	Vehicle running and maintenance expenses	99.90	73.13
		2,626.31	16,330.69

24. Related parties: -

As per Ind AS 24, the disclosures of transactions with the related parties are given below: -

- (a) List of related parties where control exists and also related parties with whom transactions have taken place and relationship: -

(i)	Subsidiary Company	M/s. IFL Housing Finance Limited
(ii)	Key Management Personnel	Mr. Gopal Bansal (Managing Director) Mr. Mukesh Sharma (Director) Mr. Manoj Kumar Gupta (CFO) Mr. Basant Mittal (Past Director) Ms. Charu Goyal (Past Director) Ms. Purva Mangal (Director) Mr. Saurabh Chhabra (Director) Ms. Varsha Bharti (Past Company Secretary) Mr. Vijay Kumar Dwivedi (Company Secretary)
(iii)	Relatives of Key Management Personnel	Mrs. Ganga Devi Bansal Mrs. Sunita Bansal
(iv)	Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives	M/s. Gopal Bansal (HUF)



(b) Following transactions are made with the related parties covered under Ind AS- 24 on “Related Parties Disclosure”:-

S. No	Transaction with	Nature of transaction	Transactions during the year		Balance as at	
			31/03/2020 (Rs. In ‘000’)	31/03/2019 (Rs. In ‘000’)	31/03/2020 (Rs. In ‘000’)	31/03/2019 (Rs. In ‘000’)
(i)	<u> Holding Company: -</u>					
	IFL Housing Finance Limited	Investment in equity shares	2,288.00	2,22,950.00	3,97,238.00	3,94,950.00
		Loan given	Nil	1,53,300.00	Nil	Nil
		Loan recovered	Nil	1,76,300.00	Nil	Nil
		Interest receivable	Nil	3,526.59	Nil	Nil
(ii)	<u> Key Management Personnel: -</u>					
	Mr. Gopal Bansal	Remuneration	1,200.00	1,800.00	Nil	158.79
		Loan taken	350.00	13,720.00	Nil	10,950.00
		Loan repaid	11,300.00	2,770.00	Nil	Nil
		Interest paid	243.78	31.07	Nil	17.53
		Sitting fees	Nil	25.00	Nil	Nil
	Mr. Mukesh Sharma	Sitting fees	11.00	15.00	1.80	15.00
	Mr. Basant Mittal	Sitting fees	8.00	25.00	Nil	Nil
	Mr. Charu Goyal	Sitting fees	8.00	27.00	Nil	27.00
	Mr. Manoj Kumar Gupta	Remuneration	960.00	960.00	73.76	73.76
	Ms. Purva Mangal	Sitting fees	11.00	Nil	6.30	Nil
	Mr. Saurabh Chhabra	Sitting fees	11.00	Nil	6.30	Nil
	Ms. Varsha Bharti	Remuneration	Nil	Nil	Nil	3,13,935
(iii)	<u> Relatives of Key Management Personnel: -</u>					
	Mrs. Sunita Bansal	Rent paid	720.00	720.00	54.00	54.00
(iv)	<u> Enterprises owned or significantly influenced by Key Management Personnel or their Relatives: -</u>					
	M/s. Gopal Bansal (HUF)	Rent paid	720.00	720.00	54.00	54.00

25. Breakup of payments made to statutory auditors (excluding taxes) is disclosed as under: -

Particulars	31/03/2020 (Rs. In ‘000’)	31/03/2019 (Rs. In ‘000’)
In respect of statutory audit (including tax audit)	40.00	45.00
In respect of certification	32.00	13.50
Total	72.00	58.50

26. Particulars	31/03/2020 (in Rs. ‘000’)	31/03/2019 (in Rs. ‘000’)
Foreign currency earnings, expenditures and outgo	Nil	Nil

27. Particulars	31/03/2020 (Rs. In ‘000’)	31/03/2019 (Rs. In ‘000’)
<u>Contingent liabilities not provided for: -</u>		
Guarantees issued to Financial Institutions/ Bankers for loans taken by IFL Housing Finance Limited	5,70,000.00	4,20,000.00



Pending litigations by/ against the Company

None

None

28. The outbreak of COVID-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Company in terms of sales and production. The management has considered the possible effects that may result from the pandemic on the recoverability / carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Company's assets in future may differ from that estimated as at the date of approval of these financial results.
29. The Ind AS financial statements were approved for issue by the Board of Directors on 6th day of July, 2020.
30. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
31. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
32. Previous Year's Figures have been re- arranged or re- grouped wherever considered necessary.
33. Figures have been rounded off to the nearest thousands of rupees.
34. Figures in brackets indicate negative (-) figures.

Signed for the purpose of Identification

FOR V.N. PUROHIT & CO.

Chartered Accountants
Firm reg. No.: 304040E

O.P. Pareek

Partner
Membership No. 014238
UDIN: - 20014238AAAACV7375
New Delhi, the 6th day of July, 2020

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

Gopal Bansal

Managing Director
DIN: 01246420

Manoj Kumar Gupta

CFO
PAN: AEUPG8308R

Mukesh Sharma

Director
DIN: 00274217

Vijay Kumar Dwivedi

Company Secretary
Membership No.: A36168



Independent Auditor's Report

To
The members of
INDIA FINSEC LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **INDIA FINSEC LIMITED** ("hereinafter referred to as the Holding Company") and its subsidiary (Holding and subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March 2020, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Company as at 31st March, 2020, and the consolidated **net profit** (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described hereunder to be key audit matters to be communicated in our report.

S. No.	Key audit matters	Auditor's response
1.	<p><u>Loans and advances:</u> -</p> <p>In current year, Indian Accounting Standards under Division III of Schedule III of the Companies Act, 2013 are become applicable upon the Group with transition effect from 1st April 2018.</p> <p>Due to this, all the loans whether given or obtained, are to be disclosed at Amortised Cost using Effective Interest Method prescribed under Ind AS 109 on 'Financial Instruments'.</p> <p>We focused on the conditions of disbursement and appropriateness of sanctioning process of the loan granted by the Company.</p>	<p>Our audit procedure inter- alia includes the following: -</p> <ol style="list-style-type: none"> 1. We evaluated the control environment including authorization, sanctioning and disbursement of significant loans advanced during the year. 2. We evaluated the control environment of levying the processing fees on significant loans advanced by the company and its treatment in books of accounts in accordance with Ind AS 109. 3. We have obtained external confirmations from third parties in respect of transactions and closing balance for significant loans advanced by the company. 4. We tested all material entries recorded in connection with the loan advance and interest thereon to determine whether the accounting was appropriate.



2.	<p>Compliance of RBI directions and circulars:</p> <p>The recent RBI regulations increased the responsibility of auditors of NBFCs.</p> <p>As Company is an NBFC, it is responsibility of Company to duly follow the directions and circulars.</p> <p>We focused on the requisite compliance and disclosure as per the requirements in the norms.</p>	<p>Our audit procedure inter- alia includes the following: -</p> <p>We have reviewed the conditions for prudential norms prescribed by the RBI including: -</p> <ul style="list-style-type: none"> a) Provision on standard assets. b) Transfer of 20% profit to reserve maintain under section 45-IC of the RBI Act. c) Holding of at least 50% of the financial assets and 50% of the financial income respectively. d) Maintaining minimum Net Owned Fund of Rs. 200 Lakhs.
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Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and the auditor's report thereon.

Our opinion on the consolidated financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 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. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements



Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statement, individually or in aggregate, makes it probable that the economic decision of reasonable knowledgeable user of the financial statement may be influenced.

We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and, (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters



- (a) We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 9,29,171.51 thousand as at 31st March, 2020, total revenues of Rs. 1,51,724.77 thousand and net cash flows amounting to Rs. (-) 62,859.24 thousand for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.
- (b) We draw your attention to Note 34 of the consolidated financial statement which explains the uncertainties and management's assessment of the financial impact due to the lockdown/ restrictions related to COVID-19 pandemic imposed by the Government for which definitive assessment of the impact is dependent upon the future economic conditions. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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 and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account 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;
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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 consolidated financial statements have disclosed the impact, if any of pending litigations on the consolidated financial position of the Group in its consolidated financial statements (Refer to note no. 33 of the consolidated financial statements).
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary.

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

O.P. Pareek



Partner
Membership No. 014238
UDIN: - 20014238AAAAACX1792

New Delhi, the 6th day of July 2020

ANNEXURE-A TO THE INDEPENDENT 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 ("the Act")

In conjunction with our audit of the consolidated financial statement of the Company as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of **INDIA FINSEC LIMITED** (hereinafter referred to as "the Holding Company") along with its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group") as on 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting of the Holding Company and its subsidiaries 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary.

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 authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of information and according to explanation given to us and taking into consideration the reports of the other auditors referred to in the Other Matters paragraph below, the Group have maintained 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 2020, 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".

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company, which is incorporated in India, is based on the corresponding report of the auditor of such company.

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. No. 304040E

O.P. Pareek

Partner

Membership No. 014238

UDIN: - 20014238AAAACX1792

New Delhi, the 6th day of July 2020



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020 (Rs. in '000')

Particulars	Notes	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
ASSETS				
Financial assets				
Cash and cash equivalents	3	31,565.09	93,956.41	1,05,760.26
Receivables				
- Trade receivables	4	-	-	141.60
Loans	5	8,07,939.04	7,51,582.81	3,18,576.06
Investments	6	36,518.67	37,573.83	20,275.92
Other financial assets	7	36,296.48	13,179.77	2,306.10
Non-financial assets				
Inventories	8	6,658.27	18,513.32	17,635.03
Current tax assets (net)		15,290.02	5,281.66	1,751.02
Deferred tax assets (net)	9	4,391.77	3,141.10	1,364.17
Property, plant & equipment	10	10,783.00	3,142.47	2,692.31
Intangible assets under development	11	275.00	2,532.20	1,050.00
Goodwill		979.89	981.59	1,068.34
Other intangible assets	11	5,994.91	193.15	241.44
Other non financial assets	12	27,878.57	1,410.38	1,697.03
Total Assets		9,84,570.71	9,31,488.69	4,74,559.28
LIABILITIES AND EQUITY				
Financial liabilities				
Payables	13			
(i) total outstanding dues of micro enterprises and small enterprises		15.87	-	10.62
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		546.47	218.45	707.76
Borrowings (other than debt securities)	14	3,67,414.96	3,90,981.68	4.34
Other financial liabilities	15	10,920.13	7,891.06	2,610.41
Non-financial liabilities				
Provisions	16	3,853.70	2,028.52	1,009.55
Other non-financial liabilities	17	1,201.92	2,137.94	925.43
EQUITY				
Equity share capital	18	2,49,417.15	2,49,417.15	2,49,417.15
Other equity	19	2,37,698.28	2,21,034.26	2,11,475.24
Equity attributable to the owner's of the parent		4,87,115.43	4,70,451.41	4,60,892.39
Non Controlling Interest		1,13,502.23	57,779.63	8,398.78
Total Liabilities and Equity		9,84,570.71	9,31,488.69	4,74,559.28

Notes to the Consolidated Ind AS financial statements

1 - 40

The accompanying notes form an integral part of the Consolidated Ind AS financial statements.

As per our report of even date

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. No. 304040E

O. P. Pareek

Partner

Membership No. 014238

UDIN: - 20014238AAAACX1792

New Delhi, the 6th day of July, 2020

For and on behalf of the Board of Directors of

INDIA FINSEC LIMITED

Gopal Bansal

Managing Director

DIN: 01246420

Manoj Kumar Gupta

CFO
AEUPG8308R

Mukesh Sharma

Director

DIN: 00274217

Vijay Kumar Dwivedi

Company Secretary
Membership No.: A36168



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2020 (Rs. in '000')

Particulars	Notes	For the year ended on 31st March 2020	For the year ended on 31st March 2019
REVENUE			
Revenue from operations	20	1,80,876.86	1,01,548.24
Other income	21	187.12	-
Total Revenue (I)		1,81,063.98	1,01,548.24
EXPENSES			
Finance costs	22	44,802.01	7,457.38
Purchases	23	16,598.81	9,785.42
Changes in inventories	24	11,855.05	(878.29)
Employee benefit expenses	25	37,952.04	25,241.12
Depreciation	10	6,712.29	1,305.71
Other expenses	26	23,363.72	32,565.76
Total (II)		1,41,283.91	75,477.09
Profit/ (loss) before exceptional items and tax (I-II)		39,780.07	26,071.15
Exceptional items		-	-
Profit/ (loss) before tax		39,780.07	26,071.15
Tax Expense			
Current tax		(13,046.00)	(7,354.78)
Deferred tax		746.99	1,253.89
Profit/ (loss) after tax (III)		27,481.06	19,970.26
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to profit or loss			
-Equity instrument through other comprehensive income- gain/ (loss)		(1,347.04)	(1,973.99)
(ii) Income tax relating to items that will not be reclassified to profit or loss		339.49	512.55
(iii) Items that will be reclassified to profit or loss		(37.70)	-
(iv) Income tax relating to items that will be reclassified to profit or loss		10.49	-
Total Other Comprehensive Income (IV)		(1,034.76)	(1,461.44)
Total Comprehensive Income (III+IV)		26,446.30	18,508.82
Net Profit attributable to:-			
a) Owners of the parent		17,680.32	18,156.05
b) Non controlling interest		9,800.74	1,814.21
Other Comprehensive Income attributable to:-			
a) Owners of the parent		(1,116.31)	(1,464.83)
b) Non controlling interest		81.55	3.39
Total Comprehensive Income attributable to:-			
a) Owners of the parent		16,564.01	16,691.22
b) Non controlling interest		9,882.29	1,817.60
Earning per equity share (EPS)			
[nominal value of share Rs. 10]			
Basic (Amount in Rs.)		1.10	0.80
Diluted (Amount in Rs.)		1.10	0.80

Notes to the Consolidated Ind AS financial statements

1 - 40

The accompanying notes form an integral part of the Consolidated Ind AS financial statements.

As per our report of even date

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. No. 304040E

O. P. Pareek

Partner

Membership No. 014238

UDIN: - 20014238AAAAACX1792

Gopal Bansal

Managing Director

DIN: 01246420

Manoj Kumar Gupta

CFO

For and on behalf of the Board of Directors of

INDIA FINSEC LIMITED

Mukesh Sharma

Director

DIN: 00274217

Vijay Kumar Dwivedi

Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (loss) before tax and after extra- ordinary items	39,780.07	26,071.15
<u>Adjustments for items: -</u>		
Depreciation & amortization expense	6,712.29	1,305.71
Finance costs	44,802.02	7,457.38
Profit on sale of property, plant & equipments	(187.12)	-
Operating Profit before working capital changes	91,107.26	34,834.24
<u>Working capital adjustments: -</u>		
(Increase)/ decrease in trade receivables	-	141.60
(Increase)/ decrease in loans	(56,356.23)	(4,33,006.75)
(Increase)/ decrease in inventories	11,855.05	(878.29)
(Increase)/ decrease in other financial assets	(23,116.71)	(10,873.67)
(Increase)/ decrease in other non-financial assets	(26,468.20)	286.65
Increase/ (decrease) in trade payables	343.89	(499.93)
Increase/ (decrease) in other financial liabilities	(6,833.09)	5,280.66
Increase/ (decrease) in other non-financial liabilities	(936.02)	1,212.51
Cash generated from operations	(10,404.05)	(4,03,502.98)
Direct taxes paid	(23,054.36)	(10,885.42)
Net cash flow from operating activities (A)	(33,458.41)	(4,14,388.40)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipments	(8,138.09)	(3,189.79)
Sale of property, plant & equipments	290.00	-
Sale/ (Purchase) of investments	(483.28)	(25,395.63)
Net cash flow from investing activities (B)	(8,331.37)	(28,585.42)
CASH FLOW FROM FINANCING ACTIVITIES		
Finance costs	(44,802.02)	(7,457.38)
Net proceeds from borrowings	(23,566.72)	3,90,977.34
Proceeds from share premium	1,925.20	-
Changes in Non- controlling Interest	45,842.00	47,650.00
Net cash flow from financing activities (C)	(20,601.54)	4,31,169.96
Net cash flow during the year (A + B + C)	(62,391.32)	(11,803.86)
Add: Opening cash and cash equivalents	93,956.41	1,05,760.26
Closing cash and cash equivalents	31,565.09	93,956.41
Components of cash and cash equivalents		
Cash on hand	2,195.85	2,376.51
Balance with banks In current account	29,369.24	91,579.90
Total cash and cash equivalents (note 3)	31,565.09	93,956.41

The accompanying notes form an integral part of the Consolidated Ind AS financial statements.

As per our report of even date

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. No. 304040E

O. P. Pareek

Partner

Membership No. 014238

UDIN: - 20014238AAAACX1792

New Delhi, the 6th July, 2020

For and on behalf of the Board of Directors of

INDIA FINSEC LIMITED

Gopal Bansal

Managing Director

DIN: 01246420

Manoj Kumar Gupta

CFO

Mukesh Sharma

Director

DIN: 00274217

Vijay Kumar Dwivedi

Company Secretary



A. Equity share capital: -

(Rs. in '000')

Balance as at 1st April 2018	Changes in equity share capital during the year	Balance as at 31st March 2019
2,49,417.15	-	2,49,417.15
Balance as at 1st April 2019	Changes in equity share capital during the year	Balance as at 31st March 2020
2,49,417.15	-	2,49,417.15

B. Other Equity

Particulars	Reserve & Surplus				Equity instruments through Other Comprehensive Income	Total Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total
	Special Reserve (u/s 45IC of the RBI Act, 1934)	In terms of section 29C of the NHB Act, 1987 and Sec. 36(1)(viii) of Income Tax Act, 1961	Retained Earnings	Share premium				
Balance as at 1st April 2018	8,125.73	-	42,268.46	1,61,081.05	-	2,11,475.24	8,398.78	2,19,874.02
Profit/(loss) for the year	-	-	18,156.05	-	-	18,156.05	1,814.21	19,970.26
Other comprehensive income (net)								
Re-measurement of investments carried at FVTOCI	-	-	-	-	(1,464.83)	(1,464.83)	3.39	(1,461.44)
Total other comprehensive income	-	-	-	-	(1,464.83)	(1,464.83)	3.39	(1,461.44)
Total Comprehensive Income	-	-	18,156.05	-	(1,464.83)	16,691.22	1,817.60	18,508.82
Loss on disposal of associate	-	-	(6,113.24)	-	-	(6,113.24)	-	(6,113.24)
Contingent provision for standard assets	-	-	467.08	-	-	467.08	-	467.08
Appropriation to statutory reserves	329.73	-	(329.73)	-	-	-	-	-
Transfer to special reserves	-	5,739.01	(5,739.01)	-	-	-	-	-
Issue of Share Capital by subsidiary	-	-	-	-	-	-	47,650.00	47,650.00
Decrease of goodwill on consolidation	-	-	-	-	-	-	(86.76)	(86.76)
Provision in compliance with NHB Act	-	-	(1,486.05)	-	-	(1,486.05)	-	(1,486.05)
Balance as at 31st March 2019	8,455.46	5,739.01	47,223.56	1,61,081.05	(1,464.83)	2,21,034.25	57,779.62	2,78,813.87
Balance as at 1st April 2019	8,455.46	5,739.01	47,223.56	1,61,081.05	(1,464.83)	2,21,034.25	57,779.62	2,78,813.87
Profit for the year	-	-	17,680.32	-	-	17,680.32	9,800.74	27,481.06
Other comprehensive income (net)								
Remeasurement of investments carried at	-	-	-	-	(1,116.31)	(1,116.31)	81.55	(1,034.76)



FVTOCI								
Total other comprehensive income	-	-	-	-	(1,116.31)	(1,116.31)	81.55	1,034.76
Total Comprehensive Income	-	-	17,680.32	-	(1,116.31)	16,564.01	9,882.29	26,446.30
Contingent provision for standard assets	-	-	82.83	-	-	82.83	-	82.83
Appropriation to statutory reserves	-	7,678.40	(7,678.40)	-	-	-	-	-
On Issue of Share Capital by subsidiary	-	-	-	1,925.20	-	1,925.20	45,930.00	7,855.20
On Account of decrease in goodwill	-	-	-	-	-	-	(1.69)	(1.69)
On Account of reversal of securities premium of non controlling interest	-	-	-	-	-	-	(88.00)	(88.00)
Provision in compliance with NHB Act	-	-	(1,908.01)	-	-	(1,908.01)	-	1,908.01
Balance as at 31st March 2020	8,455.46	13,417.41	55,400.30	1,63,006.25	(2,581.14)	2,37,698.28	1,13,502.22	3,51,200.50



NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

3. Corporate Information:

India Finsec Limited is a company incorporated on 10th day of August 1994. It is registered with Registrar of Companies, Delhi. The company is primarily engaged in the business of Non- Banking Finance Company in India.

4. Significant Accounting Policies:

(p) Statement of Compliance:

The Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. These are Company's first consolidated financial statements prepared in accordance with Ind AS and Ind AS 101 'First time adoption of Indian Accounting Standards' has been applied. An explanation and effect of transition from Indian GAAP (Referred to as "Previous GAAP") to Ind AS has been described in note 2(c) to these Ind AS financial statements.

(q) Basis for preparation of Consolidated Ind AS financial statements:

The consolidated Ind AS financial statements have been prepared under the historical cost basis which is generally based on the fair value of consideration given in exchange for goods and services.

(r) Principles of Consolidation:

The consolidated financial statements comprise of the holding company India Finsec Limited and all its subsidiaries and associates in accordance with the requirements of Ind AS 110- Consolidated Financial Statements and Ind AS 28 – Investment in Associates and Joint Ventures (to the extent applicable). The consolidated financial statements have been prepared on the following bases: -

- (i) The financial statements of the holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (ii) Profits or losses resulting from intra-group transactions that are recognized in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- (iii) Goodwill represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.
- (iv) The financial statements of the associate/ subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2020.
- (v) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- (vi) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.
- (vii) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the Consolidated statement of profit & loss being the profit or loss on disposal of investment in subsidiary.
- (viii) Investment in Associates and Joint Ventures has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates and Joint Ventures.
- (ix) The Group accounts for its share of post-acquisition changes in net assets of associates and joint ventures, after eliminating unrealized profits and losses resulting from transactions between the Group and its associates and joint ventures.



- (x) Non-Controlling Interest's share of profit / loss of consolidated subsidiaries 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.
- (xi) Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

Changes in a parent's ownership interest after control is obtained that do not result in a change in control of the subsidiary are accounted for as equity transactions. The carrying amount of the non-controlling interest is adjusted to reflect the change in the non-controlling interest's ownership interest in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized in equity and attributed to the parent's equity holders.

(s) First-Time Adoption of Ind AS

The Company has prepared its first Indian Accounting Standards (Ind AS) compliant Consolidated financial statements for the periods commencing from April 1, 2019 with restated comparative figures for the year ended March 31, 2019 in compliance with the Ind AS. The Company has prepared these financial statements in accordance with Ind AS notified under Section 133 of the Companies Act, 2013. Accordingly, the Balance Sheet in line with Ind AS transitional provisions has been prepared as at April 1, 2018 i.e. the date of Company's transition to Ind AS.

Ind AS 101 also allows to first time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. Accordingly, the company has availed the following exemptions/mandatory exceptions as per Ind AS 101:

- (iv) Fair Value as Deemed Cost Exemption: -
The company has elected to measure items of property, plant & equipment and intangible assets at its carrying value at the transition date.
- (v) Investments in subsidiaries, joint ventures and associates: -
The company has elected to measure investment in subsidiaries, joint venture and associate at cost.
- (vi) Classification & Fair value measurement of financial assets or financial liabilities at initial recognition: -
The financial assets and financial liabilities have been classified on the basis of facts existing as at the date of transition to Ind AS. In addition, the exemption permits prospective application of requirements of Ind AS 109 to transactions entered into on or after date of transition.

In accordance with Ind AS 101 'First-time adoption of Indian Accounting Standards', the Company has presented below reconciliations of net profit in accordance with 'previous GAAP' for the year ended March 31, 2019 and shareholders' funds as per 'previous GAAP' to equity under Ind AS as at March 31, 2019 and April 1, 2018.

Reconciliations between previous GAAP and Ind AS

- (iv) Reconciliation of total equity: -

Particulars	Notes	As at	
		March 31,2019 (Rs. In '000')	April 1, 2018 (Rs. In '000')
Balance as per previous GAAP		5,23,971.04	4,61,621.69
<i>Adjustments:</i>			
Re-measurement of investments carried at FVTOCI (net of tax)	2(c)(iii)(a)	(1,461.44)	Nil
Re-measurement of inventories carried at FVTPL (net of tax)	2(c)(iii)(b)	11,408.65	10,276.00
EIR based amortization of loan receivables	2(c)(iii)(c)	(10,533.39)	(3,416.83)
EIR based amortization of borrowings	2(c)(iii)(c)	2,826.03	Nil
Deferred tax adjustments of earlier years on transition		2,133.35	923.51
Current tax adjustments of earlier years on transition		(113.20)	(113.20)



Balances as per Ind AS		5,28,231.03	4,69,291.18
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(v) Reconciliation of total comprehensive income: -

Particulars	Notes	For the year ended March 31, 2019 (Rs. In '000')
Net profit as per Previous GAAP		22,087.81
<i>Adjustments:</i>		
EIR based amortization of loan receivables	2(c)(iii)(c)	(7,116.56)
EIR based amortization of borrowings	2(c)(iii)(c)	2,826.03
Re-measurement of inventories carried at FVTPL (net of tax)	2(c)(iii)(b)	1,132.65
Deferred tax adjustments of earlier years on transition		1,209.81
Current tax adjustments of earlier years on transition		(169.48)
Net Profit as per Ind AS		19,970.26
Re-measurement of investments carried at FVTOCI (net of tax)	2(c)(iii)(a)	(1,461.44)
Total Comprehensive Income as per Ind AS		18,508.82

(vi) Explanatory Note to the reconciliation: -

- d) Under the previous GAAP, investments in mutual funds were carried at cost, whereas under Ind AS 109, investments in mutual funds are measured at fair value. Mutual fund investments are not held for trading and thereby are classified at Fair Value through Other Comprehensive Income (FVTOCI).
- e) Under previous GAAP, inventory of shares and securities were carried at cost or market value whichever is lower, whereas under Ind AS 109, inventory of shares and securities are measured at fair value. Inventory of shares and securities are held for trading and thereby are classified at Fair Value through Profit or Loss (FVTPL).
- f) Under previous GAAP, all the transaction costs/incomes integral to sourcing of loans/borrowings were recognised upfront on an accrual basis. Under Ind AS 109, these transaction costs/incomes related to sourcing of loans/borrowings are amortised using the effective interest rate (EIR) and the unamortised portion is adjusted in retained earnings as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2019.

(t) Use of Estimates:

The preparation of the consolidated Ind AS financial statements requires the management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of these financial statements, disclosure of contingent liabilities as at the date of the Ind AS financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

(u) Critical accounting estimates

(i) Income Taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(ii) Impairment of Investments:

The carrying value of investments is reviewed at cost annually, or more frequently whenever, there is indication for impairment. If the recoverable amount is less than the carrying amount, the impairment loss is accounted for.

(iii) Provisions:



Provisions are recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

(v) Property, plant and equipment

Properties, Plant & equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction/installation stage.

The Company has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depreciable amount of an asset is the cost of an asset less its estimated residual value.

Depreciation on Property, Plant and Equipment, including assets taken on lease, other than freehold land is charged based on Written down method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013. The useful life of asset taken into consideration as per Schedule II for the purpose of calculating depreciation is as follows: -

Particulars of Property, Plant & Equipment	Useful life (in years)
Furniture & fixtures	10
Vehicles	8
Office equipment	5
Computers	3

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment are determined as a difference between the sale proceeds and the carrying amount of the asset and is recognized in the profit and loss.

At the end of each reporting period, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

(w) Intangible assets and amortisation thereof

Intangible assets, representing software are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The intangible assets are amortised using the written- down value method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Revenue recognition:

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company & revenue is reliably measured.

- (iv) **Interest Income:** The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.
- (v) **Dividend:** Dividend income from investments is recognised when the shareholders' right to receive payment has been established which is generally when the shareholders approve the dividend.
- (i) **Other revenue from operations:** The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction



price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

(c) Financial Instruments:

(i) Financial Assets: -

Recognition and initial measurement: -

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction cost. Processing fees earned on disbursement of loan assets have been recognized in revenue over the tenure of loan in proportion to the closing principal outstanding at the end of each year.

Subsequent measurement: -

Equity instrument and Mutual Fund: - All equity Instrument and mutual funds within scope of Ind-AS 109 are measured at fair value. Equity instrument and Mutual fund which are held for trading are classified as at fair value through profit & loss (FVTPL). For all other equity instruments, the Company decided to classify them as at fair value through other comprehensive income (FVTOCI).

Debt instrument: - A 'debt instrument' is measured at the amortised cost if both the following conditions are met. The assets is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

De-recognition of Financial Assets: -

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or Company has transferred its right to receive cash flow from the asset.

(ii) Financial Liabilities: -

Recognition and initial measurement: -

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. Financial liabilities are classified at amortised cost. Processing fees paid on borrowed loans have been amortised over the tenure of loan in proportion to the closing principal outstanding at the end of each year.

Subsequent measurement: -

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

De-recognition of Financial liabilities: -

Financial liabilities are derecognized when the obligation under the liabilities are discharged or cancelled or expires. Consequently, write back of unsettled credit balances is done on closure of the concerned project or earlier based on the previous experience of Management and actual facts of each case and recognized in other Operating Revenues.

Further when an existing Financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as



the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) **Offsetting of Financial Instrument:** -

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on net basis, to realize the assets and settle the liabilities simultaneously.

(iv) **Impairment of Financial Assets**

Equity instruments, Debt Instruments and Mutual Fund: -In accordance with Ind-AS 109, the Company applies Expected Credit Loss model for measurement and recognition of impairment loss for financial assets. Expected Credit Loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

Other Financial Assets: - The Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

(d) Cash & Cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Company's cash management.

(e) Taxation

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with Income Tax Act, 1961.

Current and deferred tax are recognised in profit and loss, except when they relates to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amounts.

Deferred income tax are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each reporting date. Deferred tax asset/liability is measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid which is considered as an asset if there is probable evidence that the Company will pay normal income tax after the tax holiday period.

(f) Employee Benefits

(i) **Short-term Employee Benefits:** -

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) **Post-Employment Benefits:** -



Defined Benefit Plans: -

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

(g) Earnings Per Share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the Balance Sheet date but before the date these financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit/ (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

(h) Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs. Contingent Assets and Contingent Liabilities are not recognized in the Ind AS financial statements.

Company's policy is to carry adequate amounts towards Provision for Standard Assets, Non-Performing Assets (NPAs) and other contingencies. All loans and other credit exposures where the installments are overdue for ninety days and more are classified as NPAs in accordance with the prudential norms prescribed by the National Housing Bank (NHB). The provisioning policy of Company covers the minimum provisioning required as per the NHB guidelines.

Provisions are established on a collective basis against loan assets classified as "Standard" to absorb credit losses on the aggregate exposures in each of the loan portfolios based on the NHB Directions. A higher non-performing asset provision may be made based upon an analysis of past performance, level of allowance already in place and Management's judgment. This estimate includes consideration of economic and business conditions. The amount of the allowance for credit losses is the amount that is required to establish a balance in the Provision for Non-Performing Assets Account that management consider adequate, after consideration of the prescribed minimum requirement under the NHB Directions, to absorb credit related losses in its portfolio of loan items after individual allowances or write offs.

(i) Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which



replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using the modified retrospective approach whereby a lessee applies the new standard from the beginning of the current period. The lessee calculates the lease asset and lease liability as at the beginning of the current period and recognized an adjustment in equity at the beginning of the current period. Accordingly, a lessee will not restate its prior period financial information under this approach.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

(Rs. in '000')

3.	Cash and cash equivalent	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	Cash on hand (as certified)	2,195.85	2,376.51	849.02
	<u>Balances with banks: -</u>			
	In current accounts	29,369.24	91,579.90	1,411.24
	In fixed deposits	-	-	33,500.00
		31,565.09	93,956.41	1,05,760.26

4.	Receivables	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	Considered good - unsecured	-	-	-
	<u>Trade Receivables</u>	-	-	141.60
		-	-	141.60

5.	Loans	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	In India			
	<u>Loans repayable on demand (unsecured)</u>	5,500.00	5,706.71	43,750.08
	Term loans (at amortised cost) (secured) (note 5.1)	12,080.94	44,745.77	1,72,835.04
	Housing loans (secured) (note 5.1)	7,90,358.09	7,01,130.33	1,01,990.95
		8,07,939.03	7,51,582.81	3,18,576.07

5.1 Housing loans and term loans are secured by the company against equitable mortgage of properties of the borrowers.

(Rs. in '000')

6.	Investments	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	In India			
	Mutual Funds (at FVTOCI)	30,919.76	30,037.70	-
	Quoted equity instruments (See Note 6.1)	5,598.91	7,536.13	20,275.92
		36,518.67	37,573.83	20,275.92

6.1 Other investments includes the company's investments made in equity shares of M/s IFL Enterprises Limited, which happens to be an associate as on 1st April, 2018. Hence, the company has considered such investments in its consolidated financial statements as per equity method. During the year ended on 31st March 2019, the company has sold a portion of such investments thereby M/s IFL Enterprises Limited ceased to be an associate and hence valued at Fair Value Through Other Comprehensive Income (FVTOCI).

(Rs. in '000')

7.	Other financial assets	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	Balances with banks in fixed deposits with maturities more than 12 months	20,000.00	-	-
	Accrued interest on loan	8,796.48	5,679.77	2,306.10
	Cash collateral	7,500.00	7,500.00	-
		36,296.48	13,179.77	2,306.10

8.	Inventories	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	At FVTPL	6,658.27	18,513.32	17,635.03
	Stock in trade of equity shares (Quoted)			
		6,658.27	18,513.32	17,635.03



9.	Deferred tax assets (net)	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	At start of the year	3,141.10	1,364.17	-
	Credit/ (charge) to statement of profit and loss	746.99	1,253.89	1,364.17
	Credit/ (charge) to other comprehensive income	503.68	523.04	-
	At end of the year	4,391.77	3,141.10	1,364.17

9.1 Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

9.2 The tax effect of significant timing differences that has resulted in deferred tax assets are given below: -

Particulars	For the year ended on 31st March 2020 (Rs. in '000')			
	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Closing balance
Property, plant & equipments	320.94	108.67	-	429.61
Preliminary expenses	163.80	(58.09)	-	105.71
Others	2,656.36	696.41	503.68	3,856.45
Total	3,141.10	746.99	503.68	4,391.77

Particulars	For the year ended on 31st March 2020 (Rs. in '000')			
	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Closing balance
Property, plant & equipments	440.66	(119.72)	-	320.94
Preliminary expenses	-	163.80	-	163.80
Others	923.51	1,209.81	523.04	2,656.36
Total	1,364.17	1,253.89	523.04	3,141.10

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

10	Property, plant & equipment	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018			
	<u>Carrying amount:</u> -						
	Office premises (Right of Use asset) (note 10.2)	6,184.41	-	-			
	Furniture & fixtures	1,524.96	790.86	872.88			
	Vehicles	1,244.75	855.58	314.37			
	Office equipments	1,102.70	990.44	1,066.93			
	Computers	726.18	505.59	438.14			
		10,783.00	3,142.47	2,692.32			
		Office Premises (Rs. in '000')	Furniture & Fixtures (Rs. in '000')	Vehicles (Rs. in '000')	Office equipment's	Computers	Total
	<u>Cost or Deemed Cost:</u> -						
	Balance as at 1st April, 2018	-	1,107.12	2,139.20	1,815.96	1,140.11	6,202.39
	Additions during the year	-	158.14	762.53	348.91	438.00	1,707.58



Balance as at 31st March, 2019	-	1,265.26	2,901.73	2,164.87	1,578.11	7,909.97
Additions during the year	9,862.16	1,129.73	1,000.56	567.01	865.80	13,425.25
Asset disposed/ written off during the year	-	-	(1,554.50)	-	-	(1,554.50)
Balance as at 31st March, 2020	9,862.16	2,394.99	2,347.79	2,731.88	2,443.91	19,780.72
Accumulated depreciation: -						
Balance as at 1st April, 2018	-	234.24	1,824.83	749.03	701.97	3,510.07
Charge for the year	-	240.16	221.32	425.40	370.55	1,257.42
Balance as at 31st March, 2019	-	474	2,046	1,174	1,073	4,767
Charge for the year	3,677.75	395.63	508.51	454.75	645.21	5,681.85
Adjusted on assets disposed/ written off	-	-	(1,451.62)	-	-	(1,451.62)
Balance as at 31st March, 2020	3,677.75	870.03	1,103.04	1,629.18	1,717.73	8,997.72
Carrying amount: -						
Balance as at 1st April, 2018	-	872.88	314.37	1,066.93	438.14	2,692.32
Balance as at 31st March, 2019	-	790.86	855.58	990.44	505.59	3,142.48
Balance as at 31st March, 2020	6,184.41	1,524.96	1,244.75	1,102.70	726.18	10,783.00

10.1 All the above property, plant & equipment are owned by the company unless specified otherwise.

10.2 Effective from 1st April, 2019, the Company adopted Ind AS 116 Leases and applied the same to all lease contracts existing on 1st April, 2019 using the modified retrospective approach with Right of Use asset recognized at an amount equal to the adjusted lease liability. As a result, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted. Accordingly, the Company recognises office premises as Right of Use asset representing its right to use the said office premises for the contracted lease term.

11	Other intangible assets	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	Carrying amount: - Software	5,994.91	193.15	241.44
	Sub-total	5,994.91	193.15	241.44
	Intangible assets under development (software)	275.00	2,532.20	1,050.00
	Total	6,269.91	2,725.35	1,291.44



Software
(Rs. in '000')

Cost or Deemed Cost: -	
Balance as at 1st April 2018	242.50
Additions during the year	-
Balance as at 31st March 2019	242.50
Additions during the year	6,832.20
Assets disposal/ written off during the year	-
Balance as at 31st March 2020	7,074.70
Accumulated Depreciation: -	
Balance as at 1st April 2018	1.06
Charge for the year	48.29
Balance as at 31st March 2019	49.35
Charge for the year	1,030.44
Balance as at 31st March 2020	1,079.79
Carrying amount: -	
Balance as at 1st April 2018	241.44
Balance as at 31st March 2019	193.15
Balance as at 31st March 2020	5,994.91

12	Other non-financial assets	Rs. at 31st March 2020 (Rs. In '000')	Rs. at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	Capital advances to related parties (Note 27)	25,000.00	-	-
	Advances other than capital advances:			
	Security deposits	657.33	170.33	103.00
	Advances to suppliers	1,052.75	608.28	500.00
	Advance to employees	244.00	-	-
	Prepaid expenses	594.18	22.60	-
	Receivable from authorities (net)	329.65	609.17	694.99
	Other advances	0.67	-	298.90
	Other assets	-	-	100.14
		27,878.58	1,410.38	1,697.03

13	Payables	Rs. at 31st March 2020 (Rs. In '000')	Rs. at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	Trade payables	15.87	-	10.62
	'total outstanding dues of micro enterprises and small enterprises (note 28)			
	'total outstanding dues of other than micro enterprises and small enterprises	546.47	218.45	707.76
	Total	562.34	218.45	718.38

14	Borrowings (other than debt securities)	Rs. at 31st March 2020 (Rs. In '000')	Rs. at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	<u>In India (at Amortized Cost)</u>			
	Term loans (secured) (note 14.1)			
	- from banks	2,47,712.63	1,76,327.73	-
	- from other non-banking financial institutions	1,10,328.33	1,88,678.15	-
	Loan from others (unsecured)	9,374.00	10,003.84	4.34



Loans from related parties (unsecured)	-	15,971.97	-
	3,67,414.96	3,90,981.69	4.34

Terms and conditions of term loans are as follows:

14.1 Term Loans from Banks are secured against hypothecation of present and future loan receivables amounting from 110% to 125% of loan value and equitable mortgage of property belonging to promoters and other group companies. The same are repayable in equal instalments from 60 to 96 months.

14.2 Term Loans from other NBFCs are secured against hypothecation of present and future loan receivables amounting from 100% to 110% of loan value, corporate guarantee of holding company and personal guarantee of director. The same are repayable in equal instalments from 48 to 60 months.

15	Other financial liabilities	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	Interest accrued on loans	395.76	697.31	-
	Insurance of loan applicant	786.14	938.41	900.21
	Other expenses payable	3,213.06	6,255.34	1,710.20
	Lease liability (note 10.2)	6,525.17	-	-
		10,920.13	7,891.06	2,610.41

16	Provisions	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	Contingent provision against standard assets:			
	Opening balance	2,028.52	1,009.55	698.80
	Add/(less): Addition/(written off) during the year	176.24	1,018.97	310.75
	Sub-total (A)	2,204.76	2,028.52	1,009.55
	Contingent provision against sub-standard assets:			
	Opening balance	-	-	-
	Add/(less): Addition/(written off) during the year	772.86	-	-
	Sub-total (B)	772.86	-	-
	Contingent provision against doubtful assets:			
	Opening balance	-	-	-
	Add/(less): Addition/(written off) during the year	876.09	-	-
	Sub-total (C)	876.09	-	-
	Total (A)+(B)+(C)	3,853.71	2,028.52	1,009.55

17	Other non financial liabilities	As at 31st March 2020 (Rs. In '000')	As at 31st March 2019 (Rs. In '000')	As at 1st April 2018 (Rs. In '000')
	Security deposits	170.27	-	-
	Other payables	3.54	890.97	727.65
	Payable to government authorities	1,028.10	1,246.96	197.78
		1,201.91	2,137.93	925.43



18	Equity share capital	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
		Nos.	Rs. In '000')	Nos.	(Rs. In '000')	Nos.	(Rs. In '000')
	<u>Authorized shares</u> Equity shares of Rs. 10 each with voting rights	30,000,000	300,000.00	30,000,000	300,000.00	30,000,000	300,000.00
	Issued, subscribed and fully paid- up shares	24,941,715	249,417.15	24,941,715	249,417.15	24,941,715	249,417.15

Reconciliation of number of equity shares and amount outstanding

18.1		s at 31st March 2020		s at 31st March 2019		As at 1st April 2018	
		Nos.	Rs. In '000')	Nos.	(Rs. In '000')	Nos.	(Rs. In '000')
	<u>Equity shares</u> - At the beginning of the period - Issued during the year	24,941,715	249,417.15	24,941,715	249,417.15	24,941,715	249,417.15
	Total outstanding at the end of the period	24,941,715	249,417.15	24,941,715	249,417.15	24,941,715	249,417.15

18.2 Terms and rights attached to equity shares

The company has issued only one class of equity shares 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.

18.3 Details of shareholders holding more than 5% shares in the company:

18.3		As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
		Nos.	% holding	Nos.	% holding	Nos.	% holding
	<u>Fidelo Foods (P) Ltd.</u>	45,37,050	18.19%	45,37,050	18.19%	45,37,050	18.19%
	Mukesh Sharma	12,92,540	5.18%	12,92,540	5.18%	2,92,540	5.18%
	Jagtarni Traders Private Limited	----		-	-	5,00,000	6.01%
	Gopal Bansal	36,83,746	14.77%	27,84,500	11.16%	15,74,500	6.31%
	Tia Enterprises Private Limited	6,65,989	2.67%	15,30,000	6.13%	-	-
	E Tricks Enterprises Private Limited	-	-	-	---	15,30,000	6.13%

As per records, registers and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



19. Other Equity

19.	Other equity	As at 31st March 2020 (Rs. In '000')		As at 31st March 2019 (Rs. In '000')	
	<u>Statutory Reserves</u>				
	<u>Special Reserve (u/s 45IC of RBI Act, 1934)</u>				
	Balance as per last financial statements	8,455.46		8,125.73	
	Add: Transfer from surplus	-		329.73	
	In terms of section 29C of the NHB Act, 1987 and Sec 36(1)(viii) of Income Tax Act, 1961		8,455.46		8,455.46
	Balance as per last financial statements	5,739.01			
	Add: Transferred during the year	7,678.40		5,739.01	
	Net Balance of Special Reserve		13,417.41		5,739.01
	<u>Share premium</u>				
	Opening balance	1,61,081.05		1,61,081.05	
	Add/(Less): Addition/ (deletion) during the year	1,925.20		-	
	Closing balance		1,63,006.25		1,61,081.05
	<u>Retained Earnings</u>				
	Balance as per last financial statements	47,223.56		42,268.46	
	Add/(Less): Profit/ (loss) for the year	17,680.32		18,156.05	
	Less: - Loss on disposal of associate	-		(6,113.24)	
	Less: Transfer to Special Reserve u/s 45-IC of RBI Act	-		(329.73)	
	Less: Transfer to Special Reserve u/s 29C of NHB Act, 1987 and Section 36(1)(viii) of Income tax Act, 1961	(7,678.40)		(5,739.01)	
	Add/(Less): Contingent provision for Standard Assets	82.83		467.08	
	Add/(Less): Transfer to provision in compliance to NHB Act	(1,908.01)		(1,486.05)	
	Net surplus in statement of profit and loss		55,400.30		47,223.56
	<u>Equity instruments through other comprehensive income</u>				
	Opening balance	1,464.83)			
	Add/(Less): Addition/ (deletion) during the year	(1,116.31)		(1,464.83)	
	Closing balance		(2,581.14)		(1,464.83)
			2,37,698.28		2,21,034.25



20. Revenue from operation	For the year ended 31st March 2020 (Rs. In '000')	For the year ended 31st March 2019 (Rs. In '000')
Interest income (amortised cost)		
- on loans	1,40,155.11	75,741.60
- on cash collateral	524.82	7.43
- on fixed deposits	220.06	1,061.41
Processing & other fee	14,528.42	12,486.07
Trading in securities	21,179.23	8,430.19
Income from trading in F&O (net)	-	2,732.39
Surplus from deployment in cash management scheme of Mutual Fund	4,269.22	1,083.15
Dividend Income	-	6.00
	1,80,876.86	1,01,548.24

21. Other income	For the year ended 31st March 2020 (Rs. In '000')	For the year ended 31st March 2019 (Rs. In '000')
Profit on sale of property, plant & equipment	187.12	-
	187.12	-

22. Finance cost	For the year ended 31st March 2020 (Rs. In '000')	For the year ended 31st March 2019 (Rs. In '000')
On financial liabilities measured at amortised cost:		
- Interest on borrowings	44,316.00	7,457.38
- Interest on lease liability (Note 10.2)	486.01	-
	44,802.01	7,457.38

23. Purchases	For the year ended 31st March 2020 (Rs. In '000')	For the year ended 31st March 2019 (Rs. In '000')
Purchase of shares & securities	16,598.81	9,785.42
	16,598.81	9,785.42

24. Changes in inventories of stock in trade	For the year ended 31st March 2020 (Rs. In '000')	For the year ended 31st March 2019 (Rs. In '000')
Opening stock of shares & securities	18,513.32	17,635.03
Less: Closing stock of shares & securities	(6,658.27)	(18,513.32)
Changes in inventories of shares & securities	11,855.05	(878.29)

25. Employee benefit expenses	For the year ended 31st March 2020 (Rs. In '000')	For the year ended 31st March 2019 (Rs. In '000')
Payment to directors: - Sitting fee	49.00	92.00
Remuneration	1,200.00	4,075.00
Salaries to staff	33,572.84	19,419.70
Contribution to PF and other funds	1,292.13	478.45
Staff welfare expenses	592.53	204.13
Other Employee benefits	1,245.54	971.84
	37,952.04	25,241.12



26. Other expenses	For the year ended 31 st March 2020 (Rs. In '000')	For the year ended 31 st March 2019 (Rs. In '000')
Advertisement expenses	268.80	238.16
Business promotion	-	4,371.60
Conveyance expenses	1,619.15	928.44
Electricity & water expenses	-	215.45
Fees & subscription	1,709.65	3,002.09
GST reversal u/s 42	2,216.05	1,122.57
Insurance charges	41.56	25.45
Interest and penalties on statutory dues	459.88	109.96
Legal & professional charges	4,849.03	3,832.63
Listing fees	300.00	250.00
Office maintenance	48.04	220.29
Other expenses	6,860.80	1,674.34
Payment to statutory auditors (note 29)	185.00	90.00
Postage, stamp & couriers	6.73	78.95
Rent, rates and taxes	1,203.55	7,212.75
Software & website maintenance charges	9.80	1,069.10
Sponsorship expenses	-	3,470.81
Tour and traveling expenses	701.17	472.05
Vehicle running and maintenance expenses	99.90	73.13
Documentation & stamp charges	121.48	757.12
Commission expenses	1,099.48	2,071.07
Branch opening expenses	79.35	-
Valuation report charges	1,484.30	1,279.80
	23,363.72	32,565.76

27 Related parties: -

As per IND AS 24, the disclosures of transactions with the related parties are given below: -

- (c) List of related parties where control exists and also related parties with whom transactions have taken place and relationship: -

(i)	Key Management Personnel	Mr. Gopal Bansal (Managing Director) Mr. Mukesh Sharma (Director) Mr. Manoj Kumar Gupta (CFO) Mr. Basant Mittal (Past Director) Ms. Charu Goyal (Past Director) Ms. Purva Mangal (Director) Mr. Saurabh Chhabra (Director) Ms. Varsha Bharti (Past Company Secretary) Mr. Vijay Kumar Dwivedi (Company Secretary)
(ii)	Relatives of Key Management Personnel	Mrs. Ganga Devi Bansal Mrs. Sunita Bansal
(iii)	Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives	M/s. Gopal Bansal (HUF)

- (d) Following transactions are made with the related parties covered under Ind AS- 24 on "Related Parties Disclosure": -



	Transaction with	Nature of Transaction	Transactions during the year		Balances as at	
			31/03/2020 (Rs. In '000')	31/03/2019 (Rs. In '000')	31/03/2020 (Rs. In '000')	31/03/2019 (Rs. In '000')
(i)	<u>Key Managerial Personnel:</u> -					
	Mr. Gopal Bansal	Director remuneration	1,683.33	2,400.00	100.00	158.79
		Interest paid	243.78	41.59	Nil	17,532
		Loan taken	350.00	16,920.00	Nil	10,950.00
		Loan repaid	11,300.00	5,970.00	Nil	Nil
		Sitting fee	Nil	25.00	Nil	Nil
	Mr. Mukesh Sharma	Sitting fees	11.00	15.00	1.80	15.00
	Mr. Basant Mittal	Sitting fees	8.00	25.00	Nil	Nil
	Mr. Charu Goyal	Sitting fees	8.00	27.00	Nil	27.00
	Mr. Manoj Kumar Gupta	Remuneration	960.00	960.00	73.76	73.76
	Ms. Purva Mangal	Sitting fees	11.00	Nil	6.30	Nil
	Mr. Saurabh Chhabra	Sitting fees	11.00	Nil	6.30	Nil
	Ms. Varsha Bharti	Salary	537.47	414.86	46.60	355.37
(ii)	<u>Relatives of Key Management Personnel:</u> -					
	Mrs. Sunita Bansal	Rent paid	1,170.00	1,176.95	54.00	60.95
		Salary paid	1,000.00	825.00	100.00	Nil
		Advance given	21,000.00	4,100.00	12,500.00	Nil
		Advance received back	8,500.00	4,100.00	Nil	Nil
(iii)	<u>Enterprises owned or significantly influenced by Key Management Personnel or their Relatives:</u> -					
	M/s. Gopal Bansal HUF	Rent paid	1,170.00	1,176.95	54.00	60.95
		Advance given	12,500.00	4,100.00	12,500.00	Nil
		Advance received back	Nil	4,100.00	Nil	Nil

28. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year-end are furnished below:

Particulars	31/03/2020 (Rs. In '000')	31/03/2019 (Rs. In '000')	01/04/2018 (Rs. In '000')
Principal amount due remaining unpaid	15.87	Nil	10.62
Interest due on above remaining unpaid	Nil	Nil	Nil
Amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil	Nil
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil	Nil



Amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil	Nil
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil	Nil

29. Breakup of payments made to auditors (excluding taxes) is disclosed as under: -

Particulars	31/03/2020 (Rs. In '000')	31/03/2019 (Rs. In '000')
In respect of statutory audit (including tax audit)	85.00	90.00
In respect of internal audit	100.00	Nil
In respect of certification and other charges	77.00	13.50
Total	262.00	103.50

30. The following subsidiary company is considered in the Consolidated Financial Statements: -

S. No.	Name of Subsidiary	Country of Incorporation	% of Equity holding either directly or through Subsidiaries	
			31/03/2020	31/03/2019
Direct Subsidiary				
(i)	IFL Housing Finance Limited	India	79.55%	87.55%

31. Additional information pursuant to the requirements of Schedule-III of the Companies Act, 2013 in Consolidated Financial Statements is as under: -

Name of the entity in the Group	Net Assets		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Amount (Rs. In '000')	As a % of consolidated net assets	Amount (Rs. In '000')	As a % of consolidated profit or loss	Amount (Rs. In '000')	As a % of consolidated Other Comprehensive Income	Amount (Rs. In '000')	As a % of consolidated Total Comprehensive Income
Parent								
India Finsec Limited	44,129.94	7.40%	(14,872.08)	-54.12%	(1,433.55)	138.54%	(16,305.62)	-61.66%
Subsidiary								
IFL Housing Finance Limited	5,52,095.96	92.60%	42,353.137	154.12%	398.78	-38.54%	42,751.92	161.66%
Total	5,96,225.90	100.00%	27,481.06	100.00%	(1,034.76)	100.00%	26,446.30	100.00%

32. Particulars	31/03/2020 (Rs. In '000')	31/03/2019 (Rs. In '000')
Foreign currency earnings, expenditures and outgo	Nil	Nil



33. Particulars	31/03/2020 (Rs. In '000')	31/03/2019 (Rs. In '000')
<u>Contingent liabilities not provided for: -</u>		
Counter guarantees issued to Financial Institutions/ Bankers for loans taken by IFL Housing Finance Limited	5,70,000.00	4,20,000.00
Pending litigations by/against the Company	None	None
34. The outbreak of COVID-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Company in terms of sales and production. The management has considered the possible effects that may result from the pandemic on there coverability / carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Company's assets in future may differ from that estimated as at the date of approval of these financial results.		
35. The Consolidated Ind AS financial statements were approved for issue by the Board of Directors on 6 th day of July, 2020.		
36. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.		
37. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.		
38. Previous year's figures have been re- arranged or re- grouped wherever considered necessary.		
39. Figures have been rounded off to the nearest thousands of rupees.		
40. 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**

O. P. Pareek
Partner
Membership No. 014238
UDIN: - 20014238AAAACX1792
New Delhi, the 6th day of July, 2020

Gopal Bansal
Director
DIN: - 01246420

Mukesh Sharma
Director
DIN: - 00274217

Manoj Kumar Gupta
CFO
PAN: - AEUPG8308R

Vijay Kumar Dwivedi
Company Secretary
Membership No.: A36168



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 Six Annual General Meeting** of the Shareholders of **India Finsec Limited** held on **Wednesday, September 30, 2020 at 9:30 a.m.** at **D-16, First floor, Prashant Vihar, Sector-14, Rohini, New 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.

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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 Six Annual General Meeting dated September 03, 2019 for e-voting process. The E-voting period starts from September 27, 2020 at 10:00 a.m., and will end on September 29, 2020 at 5:00 p.m. The voting module shall be disabled by CDSL for voting thereafter.



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, Prashant Vihar, Sector-14, Rohini, New Delhi-110085

<p>Name of the member(s): Registered Address : Email ID: Folio No./Client ID : DP ID :</p>

I/ We being the member(s) holding _____ shares of the **India Finsec Limited** hereby appoint:

1. Name : _____
 Address : _____
 Email ID : _____ Or failing him

2. Name : _____
 Address : _____
 Email ID : _____ Or failing him

3. Name : _____
 Address : _____
 Email ID : _____ Or failing him

Resolution No.	Resolution
Ordinary Business	
1.	To receive, consider and adopt the audited financial statement consisting of Balance Sheet for the year ended March 31, 2020 and the Statement of Profit and Loss, Cash Flow Statement for the year ended on March 31, 2020 along with the reports of the Board of Directors and the Auditors thereon.
2.	To re-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.



Special Business	
3.	To appoint Mr. Amit Kumar Agarwal (DIN: 08768575) as a Non-Executive Independent Director
4.	To appoint Mrs. Charu Bansal (DIN: 06632839) as a Non-Executive Independent Director
5.	To appoint Ms. Himanshi Kashyap (DIN: 07681277) as a Non-Executive Independent Director
6.	Re-appointment of Mr. Gopal Bansal (DIN: 01246420), as Chairman and Managing Director of the Company

my/our proxy to attend and vote (on a poll) for me/us and on my/belief at the 26th Annual General Meeting of the Company to be held on **Wednesday, September 30, 2020 at 9:30 a.m. at D-16, First Floor, Prashant Vihar, Sector-14, Rohini, New Delhi-110085** and at any adjournment thereof in respect of such resolutions as are indicated below:

Signed this..... Day of.....2020

Signature of the member.....

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

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

Affix Re. 1/- Revenue Stamp



**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/Wethe 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.

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(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



**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 ofas 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 26TH ANNUAL GENERAL MEETING OF THE COMPANY

Venue of AGM- D-16, 1stFloor, Prashant Vihar, Rohini, Delhi-110085

