F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

CIN : L65100DL1993PLC053936 ~~CIN : L74899DL1993PLC053936~~
Website : www.fmecinternational.com
Email : fmecinternational@gmail.com
Tel : 011-43680407

Date: 1.09.2021

To
The Listing Department
BSE Limited
25th Floor, P J Towers
Dalal Street
Mumbai- 400001
BSE ID: FMEC

Dear Sir/Ma'am

Scrip Code: 539552

Subject: Intimation of 28th Annual General Meeting of the Company and e-voting facility

We wish to inform you that the 28th Annual General Meeting of the members of **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED** is scheduled to be held on **Saturday, 25th day of September, 2019 at 1:30 P.M.** at the Registered Office of the Company situated at **IInd Floor, Central Bank Building,13-B, Netaji Subhash Marg, Daryaganj, Delhi- 110002.**

Further in terms of Regulation 34/44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), the Company has engaged the services of Central Depository Services (India) Limited, for providing the Remote E-Voting Facility to its members. The members holding shares (in demat or in physical) as on ***17th September, 2021 ("cut-off date")*** shall be given a facility to cast their vote electronically through e-voting on the business items to be transacted at 28th Annual General Meeting. ***The period of remote e-voting shall commence on Wednesday, 22nd September, 2021 (09:00 a.m. IST) and ends on Friday, 24th September, 2021(05:00 p.m. IST)***

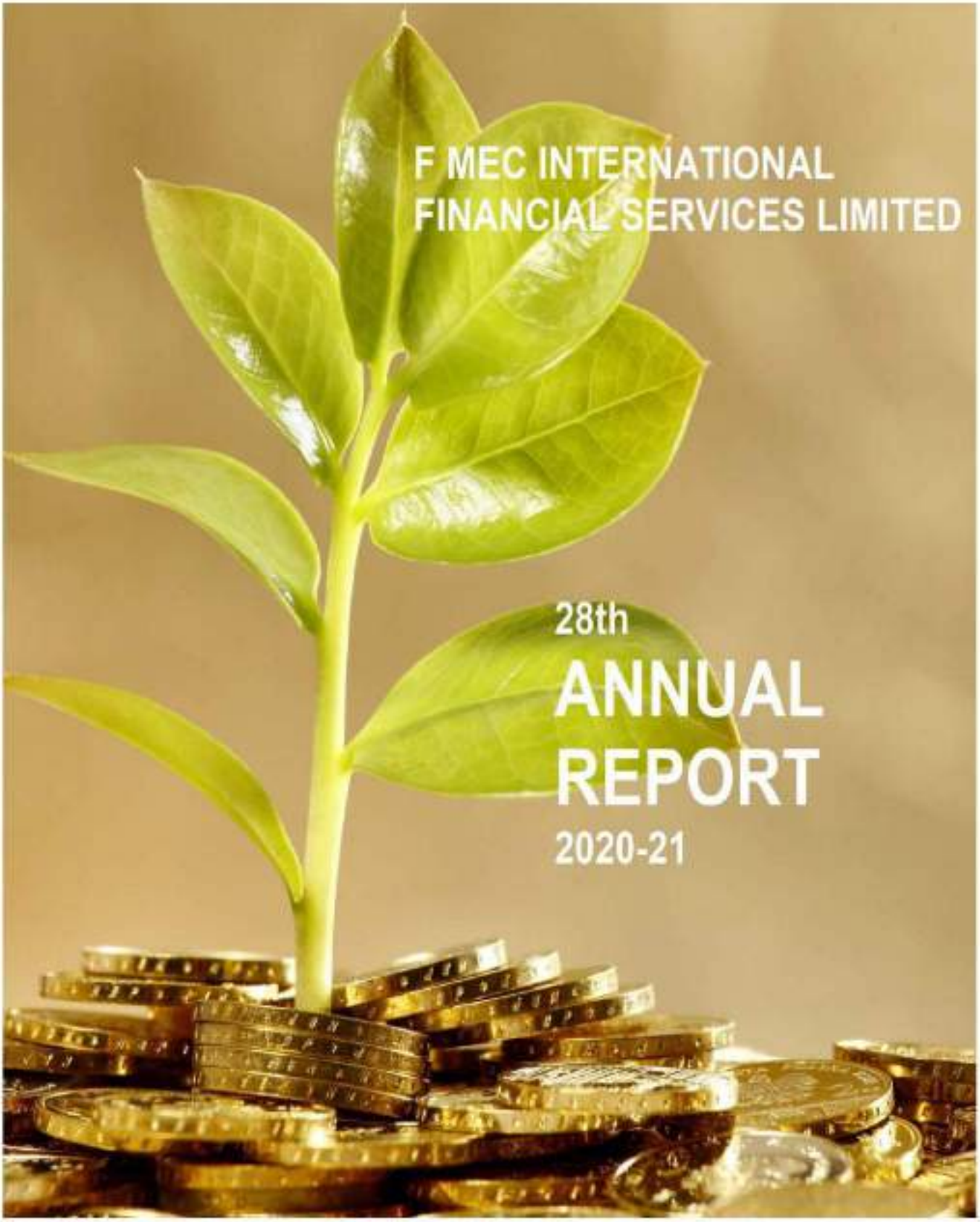
We are enclosing herewith the notice of 28th Annual General Meeting of the Company.

This is for your kind information and records. You are requested to record and acknowledge the same.

Thanking You
For **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

Renu Singhal

Renu Singhal
Mem No: 63833
Company Secretary & Compliance Officer


F MEC INTERNATIONAL
FINANCIAL SERVICES LIMITED
28th
ANNUAL
REPORT
2020-21

Chairman's Communication

My Dear Shareowners,

A very warm welcome to each and every one of you. It gives me great pleasure to greet you all at the 28th Annual General Meeting of F MEC International Financial Services Limited.

Last year I missed the intimacy and warmth of face-to-face interaction with you, because of the COVID pandemic. However, this year I am happy to see our shareholders to participate in the AGM with all safety measures and following the all social distancing norms..
Dear Friends,

We are going through the throes of the COVID-19 and thingsare looking grim. As I write to you in the second half of August 2021, there havebeen over 141 million cases across the world which have claimed more thanthree million lives. With India crossing 14.8 million cases, it is the second worstaffected country: less than USA but higher than Brazil.

In India, the second wave has been particularly severe. In the middle ofFebruary 2021, when it was mostly believed that COVID-19 was done anddusted, the daily number of reported cases stood at 9,121. By 1 April it hadspiked to 81,398. From mid of April, we witnessed well over 200,000 additionalcases per day — rising to more than 350,000 by the end of April 2021.

The Central and State Governments took all emergency actions to control the unprecedented second wave. A rapidly accelerated pace ofvaccinations coupled with a strict enforcement of wearing masks and social distancing brought the second wave in control.

Let me now share with you what your Company did when the nationwidelockdown was announced on 25 March 2020. Briefly stated, your company swiftly evolved a two-pronged approach which focused on: (i) conservation andprudence, and (ii) initiation of an ambitious business transformation plan.

First, we ensured health, safety and work-from-home (WFH) forour employees.

Second, we enabled the technology platforms and communication systemsto support WFH and ensure least disruption in conducting business.

In these incredibly difficult times, I am truly proud of how your Company seamlessly worked together through incrediblylong hours to navigate through this crisis. It helped in delivering reasonable results forFY2021 and creating a strong platform for the post COVID-19 world. Let me share someof the highlights.

Despite COVID-19, your company earned interest income of Rs. 38.88 Lacs which is 45% less as compared to last year's interest income.

Total income decreased by 41.32% to `36,33Lakhs.

Total operating expenses alsoreduced by 42.49% to ` 33.15 lacs.

Profit after tax reduced by 30.59% to ` 2.19 Lacs.

After facing two serious COVID-19 waves, it is difficult to predict what the FY2022 will bring. However, notwithstanding my innate conservatism,I can say one thing with a fair degree of certainty - Your Company has the team,the commitment, the capability and the financial strength to overcome the worst effect of second waveas well. Indeed, as I write, the team is actively working on this.Remember the song, "We Shall Overcome". That is the motto and leitmotif of yourCompany. And will forever be.

Stay safe. Vaccinate yourself and your family. Wear masks. Maintain social distancing.
Never forget that all grey clouds must pass.

With my very best,

Mr. ApoorveBansal
Managing Director



Fmec International Financial Services Limitedis one of the emerging Non-Deposit taking Non-Banking Finance Company (NBFC) registered with Reserve Bank of India, New Delhi, bearing Registration No. **B-14.01129.** In addition of this, the Company is a listed entity and trading its equity shares at Bombay Stock Exchange (BSE Limited). The BSE Scrip Code of the Company is **539552** and the **ISIN** of Securities of the Company is **INE108T01013.**

The Company is carrying on the Business of assisting the financial accommodation by way of loans/advances to industrial concerns and undertaking the business of leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire or all kinds of plant and machinery.Over the years, we have followed few Core Values which have helped us to navigate through all thethick and thin over the journey of more than two decades.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. ApoorveBansal
(Managing Director)

Mr. AwanishSrivastava
(Non -Executive, Independent Director)

Mrs. RichaChoudhary
(Non-Executive, Independent Director)

Mr. Sachin Jain
(Non-Executive, Independent Director)

CHIEF FINANCIAL OFFICER

Ms.Mahima Jain

COMPANY SECRETARY CUM COMPLIANCE OFFICER

Ms.RenuSinghal

EQUITY SHARE INFORMATION

Bombay Stock Exchange (BSE)
Scrip Code: 539552

REGISTERED OFFICE ADDRESS

II[nd]Floor, Central Bank Building,
13-B, NetajiSubhashMarg, Daryaganj,
New Delhi-110002

REGISTRAR TO ISSUE

Skyline Financial Services Private Limited
D 153/A, I[st] Floor, Okhla Industrial Area, Phase I, New Delhi - 110020

STATUTORY AUDITORS

Sanjay Singhal& Co.
(Chartered Accountants)
Office: B 415, G.F., NirmanVihar
Delhi-110092

SECRETARIAL AUDITORS

A.K. Verma& Co.
(Practising Company Secretaries)
13 –B, NetajiSubhashMarg, IInd Floor, Above Central Bank Building,
Daryaganj, New Delhi -

BANKERS

ICICI Bank, Noida Branch
Yes Bank, Daryaganj Branch
Union Bank of India, Connaught Place Branch

CONTACT DETAILS
Website- www.fmecinternational.com
Email: fmecinternational@gmail.com
Tel:011-43680407

COMMITTEES OF THE BOARD

AUDIT COMMITTEE COMMITTEE

- Mr. AwanishSrivastava (Non - Executive, Independent Director)
- Mr. ApoorveBansal (Managing Director)
- Mr. Sachin Jain - Member (Non-Executive Independent Director)

STAKEHOLDERS RELATIONSHIP

- Awanish Srivastava - Chairperson (Non-Executive Independent Director
- Mr. ApoorveBansal - Member (Executive Director)
- Mr. Sachin Jain - Member (Non-Executive Independent Director)

NOMINATION AND REMUNREATION COMMITTEE

- Mr. Sachin Jain - Chairperson (Non-Executive Independent Director)
- Mr. AwanishSrivastava - Member (Non-Executive Independent Director)
- Mrs. RichaChoudhary - Member (Non-Executive Independent Director)

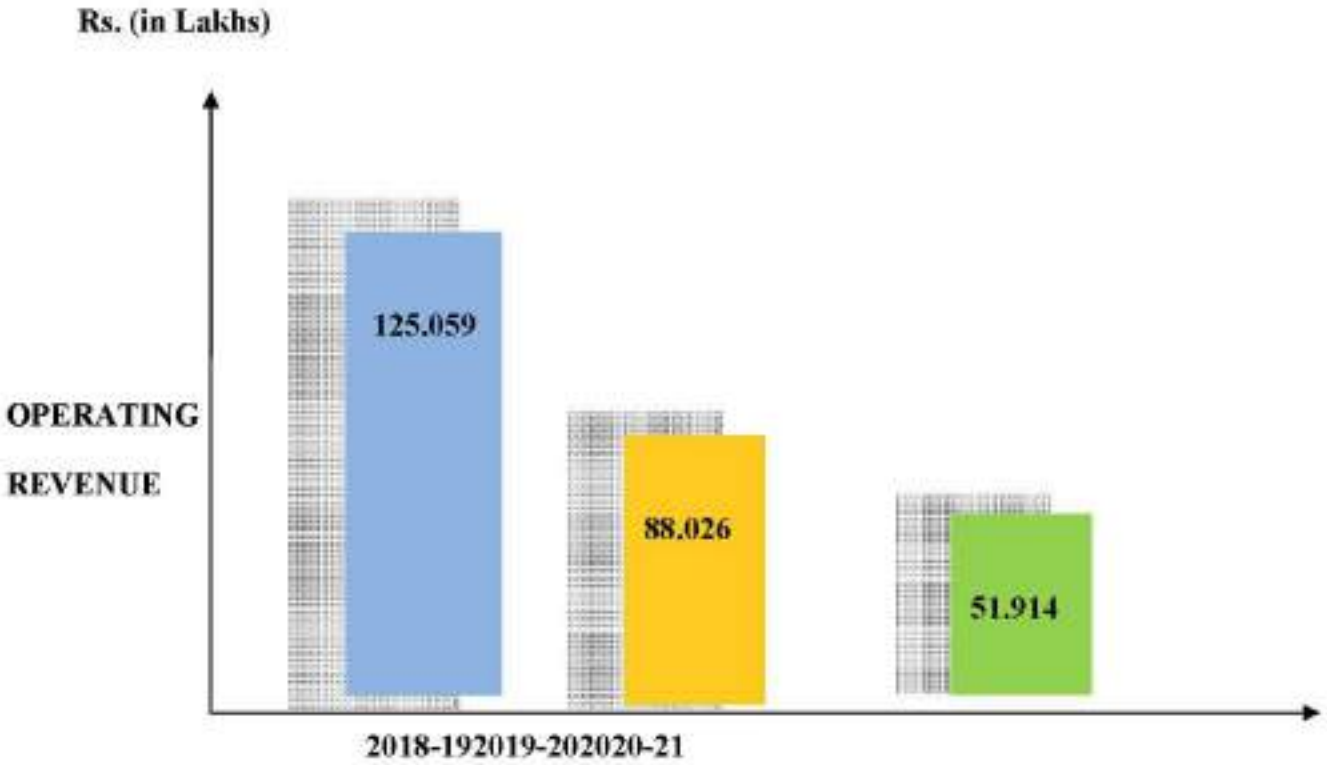
EXECUTIVE COMMITTEE

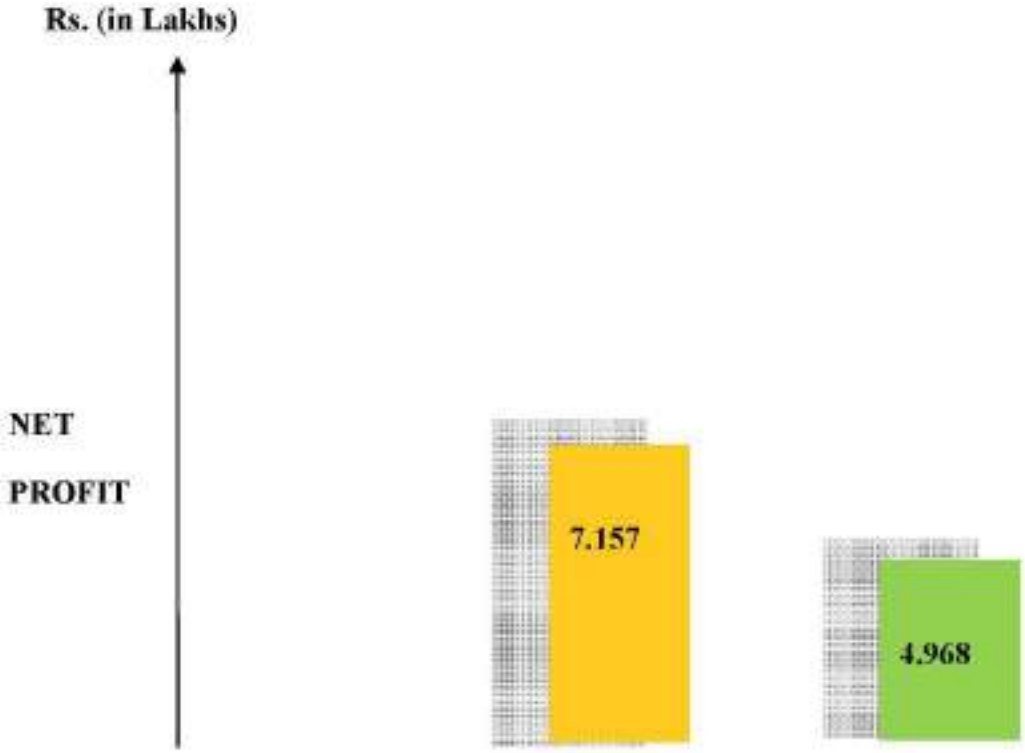
- Mr. ApoorveBansal - Chairperson (Executive Director)
- Mr. AwanishSrivastava - Member (Non-Executive Independent Director)
- Mr. Sachin Jain - Member (Non-Executive Independent Director)



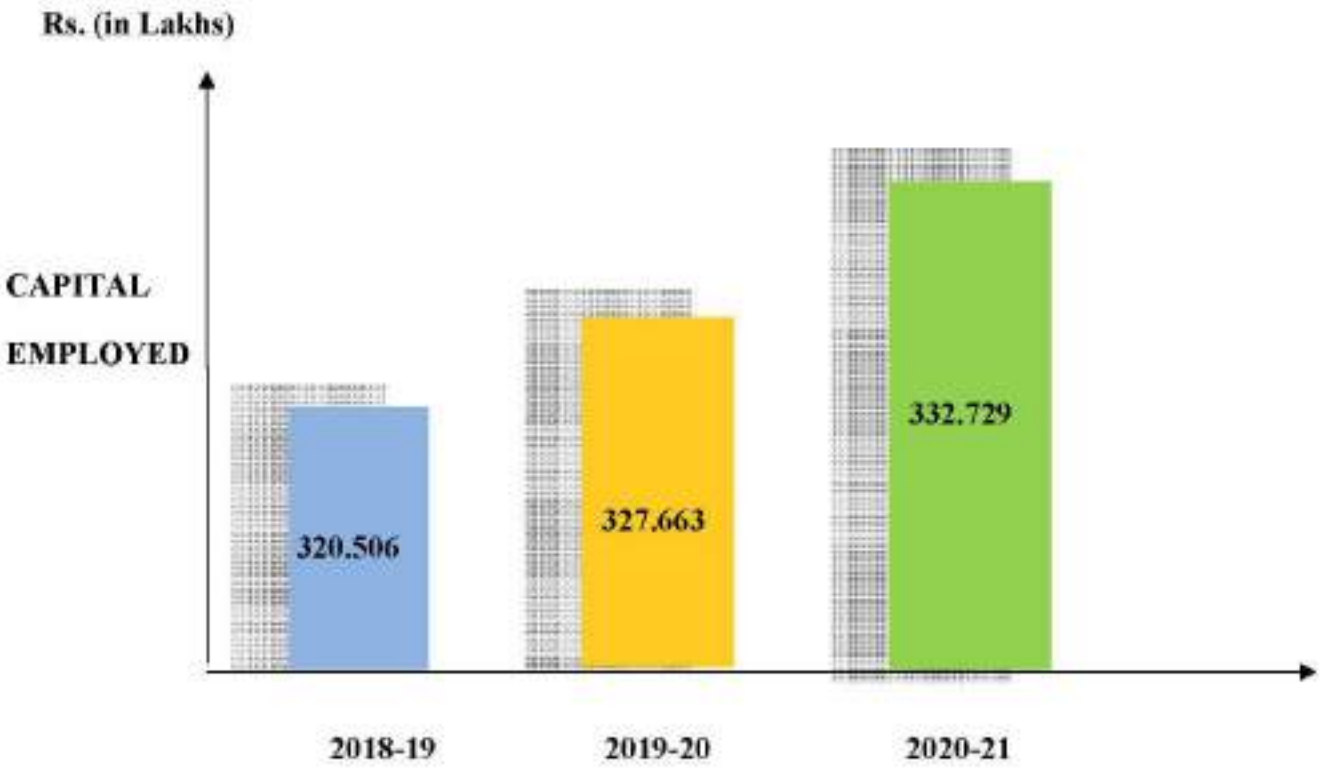
We believe a Happy Employee will lead Directly to Happy Customer

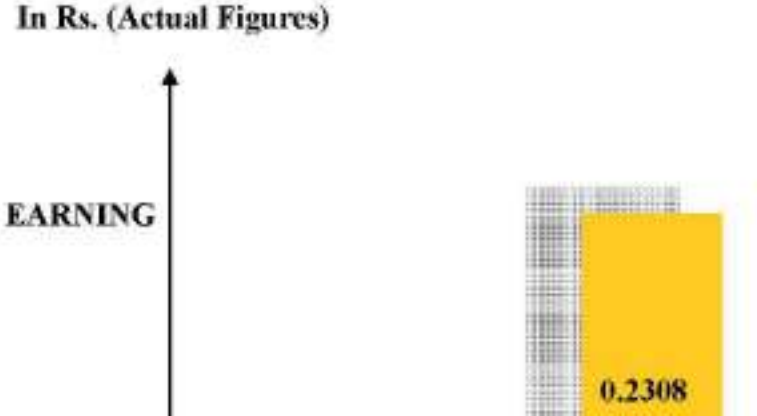
FINANCIAL INIDCATORS



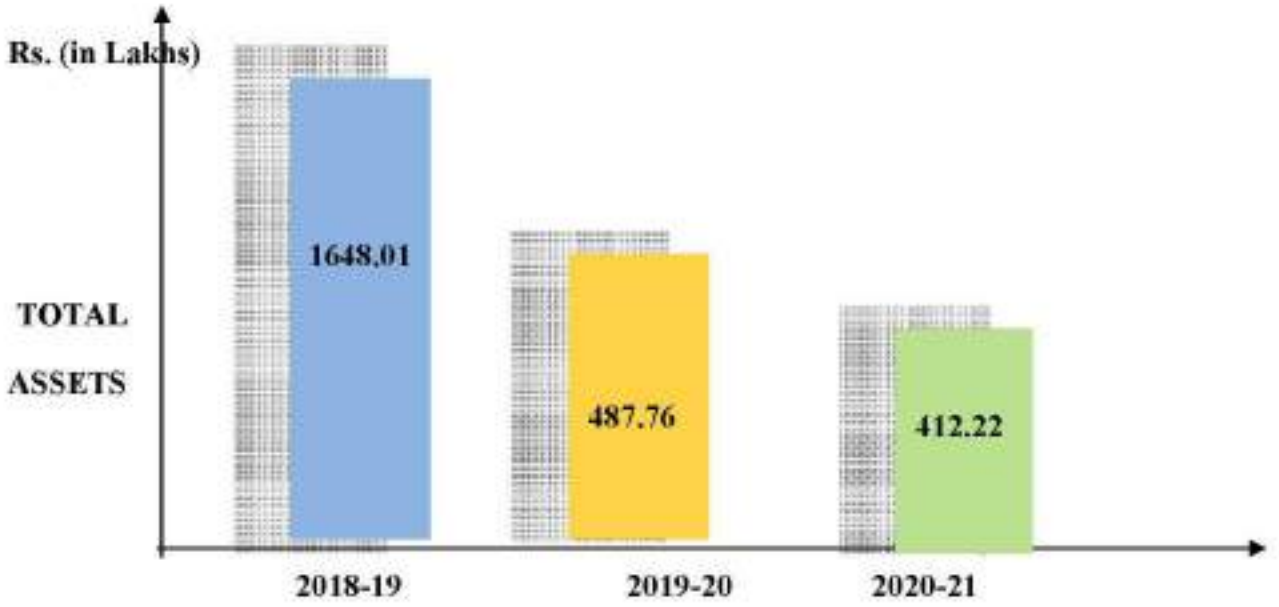



3.827
2018-19
2019-2020
20-21

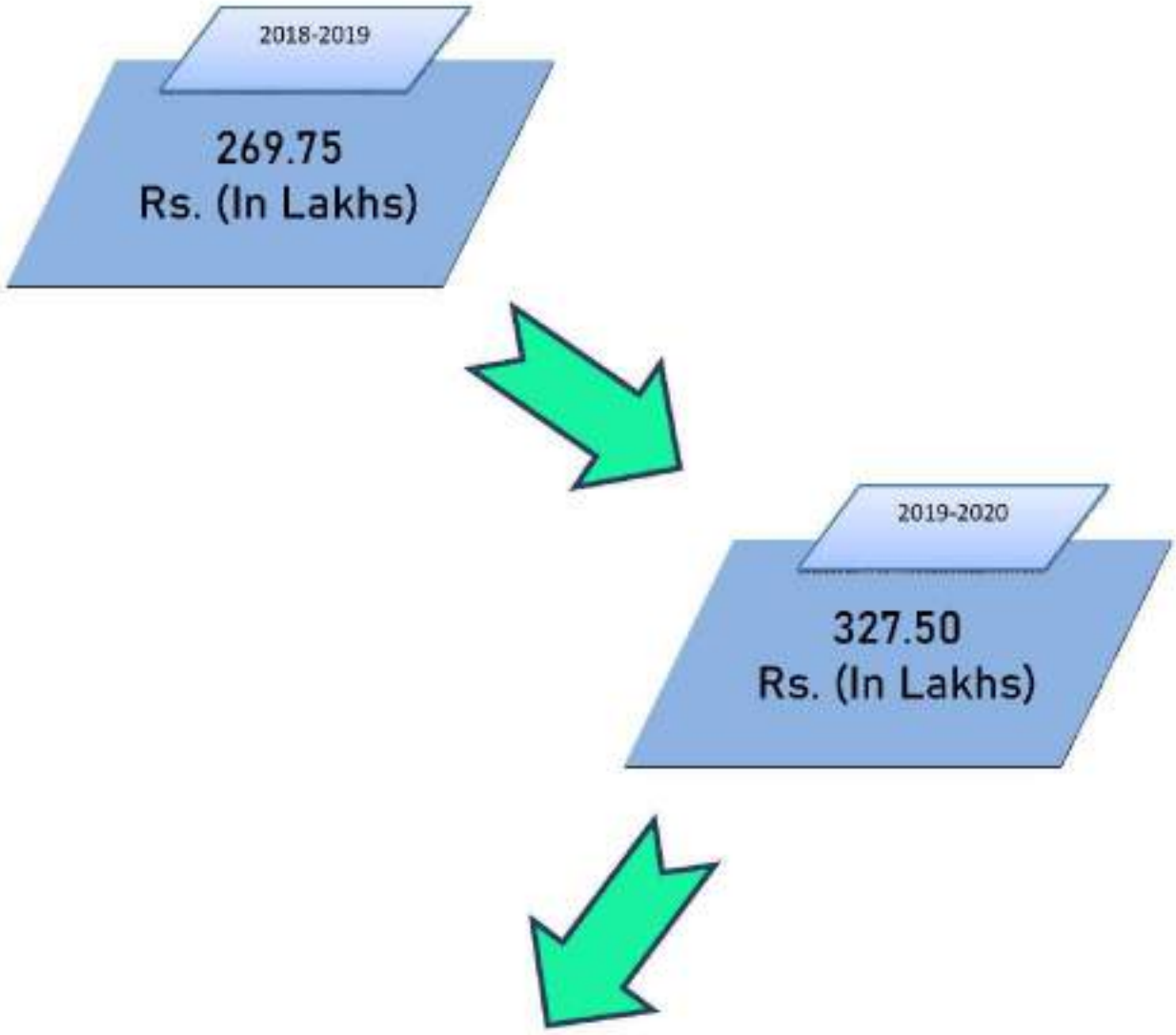

Rs. (in Lakhs)
CAPITAL
EMPLOYED
320.506
327.663
332.729
2018-19
2019-20
2020-21


In Rs. (Actual Figures)
EARNING
0.2308


SHARE
0.1234
0.1602
2018-19
2019-20
2020-21


Rs. (in Lakhs)
TOTAL
ASSETS
1648.01
487.76
412.22
2018-19
2019-20
2020-21

TREND OF NET OWNED FUND FOR THE PURPOSE OF RESERVE BANK OF INDIA





INVITATION

Date: 12-08-2021

Dear Members/Directors/Auditor

You are cordially invited to attend the 28th Annual General Meeting (the 'AGM') of the members of F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED to be held on Saturday, 25 September, 2021 at 1:30 P.M.at the Registered Office of the Company situated at IInd Floor, Central Bank Building, 13-B, NetajiSubhashMarg, Daryaganj, Delhi-110002.

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

Thanking You

For and on behalf of the Board
F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

ApoorveBansal
Managing Director
Din: 08052540

R/o:A-708, Unesco Apartment, 55
I.P. Extension, Patparganj
Delhi 110092

Enclosures:

1. Notice of the AGM

2. Attendance slip

3. Proxy form (MGT-11)

4. Route Map (at the back cover)

NOTICE

NOTICE is hereby given that the **28th** Annual General Meeting of the members of **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED** will be held on **Saturday, 25th September, 2021 at 1:30 P.M.** at the Registered Office of the Company situated at II Floor, Central Bank Building, 13-B, NetajiSubhashMarg, Daryaganj, Delhi-110002, to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements as at 31st March, 2021 and Report of the Board of Directors' and Auditors' thereon :**

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

   "RESOLVED THAT the Audited Balance Sheet & Statement of Profit and Loss Account and Cash Flow Statement for the Financial Year ended March 31, 2021 along with the Auditor's Report and the Directors' Report as circulated to the shareholders and laid before the meeting, be received, considered and adopted."

2. **To appoint a Director in place of Mr. ApoorveBansal (DIN: 08052540) who retires by rotation and, being eligible, offers himself for re-appointment:**

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

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 read with applicable Companies (Qualification and Appointment of Directors) Rules, 2014, Mr. ApoorveBansal(**DIN: 08052540**), who retires 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:

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

3. **To re-appoint M/s A. K. Verma& Co., Company Secretaries (Registration Unique Code-S1997DE019500) as Secretarial Auditor for the Financial Year 2021-2022**

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

"RESOLVED THATpursuant to the provisions of Section 204 of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions of the Act and pursuant to relevant provisions of Articles of Association of the Company, consent of the members be and is hereby accorded to re-appoint "**M/s A.K. Verma& Co.", Company Secretaries (Unique Code- S1997DE019500)**, New Delhi as Secretarial Auditor for Financial Year 2021-2022 at the remuneration as decided by the Board of Directors of the Company".

By the order of the Boar
F Mec International Financial Services Limited

Sd/-
ApoorveBansal
Managing Director (DIN: 08052540)
Add: A-708 Unesco Apartment, 55 I.P. Extension, Patparganj, Delhi -110092

Place: New Delhi
Date: 12th August 2021.

NOTES:

1. **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.**

2. Proxy form in MGT-11/ Instrument appointing the proxy duly filled up and executed must be received at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.

3. A person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share Capital of Company carrying voting rights. A member holding more than 10% of the total share capital of the Company and carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.

4. The Statement as required under Section 102 of the Companies Act, 2013 in respect of all items of Special Business as set out in the notice is annexed hereto.

5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or Depository Participant(s). Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.

6. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report

and Attendance Slip in electronic mode are requested to print the Attendance Slip at the Registration Counter at the AGM.

7. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide Notification dated 7th May 2018 issued by the Ministry of Corporate Affairs (MCA), New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 23rd December 2020 for a term of five years.

8. Mr. ApoorveBansal was appointed as Non- Independent Additional Director of the Company on 15th January, 2018 and later his appointment was regularized in the Annual General Meeting held on 22nd September, 2018 in which he was further appointed as Managing Director of the Company. Accordingly, he is liable to retire by rotation in this Annual General Meeting in terms of provisions of Section 152(6) of the Companies Act, 2013 read with the applicable Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offers himself for re-appointment, and the said resolution will be duly placed before the members, for their approval in this Annual General Meeting.

9. **Securities and Exchange Board of India ("SEBI") has mandated that securities of Listed Companies can be transferred only in dematerialized from w.e.f. April 1, 2019. Accordingly, the Company/ Skyline Financial Services Private Limited (RTA) has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialization.**

11. The Register of Members and Share Transfer Books shall remain closed from 18th September, 2021 to 25th September, 2021 **(both days inclusive).**

12. Members desiring any further information on the business to be transacted at the meeting should write to the Company at least 15 days before the date of the meeting so as to enable the management to keep the information, as far as possible, ready at the meeting.

13. Members are requested to notify the Company about the change of address, if any, to the Registered Office of the Company.

14. Members are requested to bring their Attendance Slip and copy of the Annual Report with them at the Annual General Meeting.

15. All correspondence relating to shares may be addressed to the Registered Office of the Company.

16. The business set out in the Notice can be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No 19.

17. Members desiring any information/clarification on the Accounts are requested to write to the Company in advance at least seven (7) days before the meeting so as to keep the information ready at the time of Annual General Meeting.

18. As per provisions of the Companies Act, 2013 facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registered Office of the Company.

19. **Voting Through Electronic Means**

a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting as stated in the Notice by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

b) The facility for voting through Ballot Paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through Ballot Paper.

c) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

d) The Company is providing facility for voting by electronic means to its members to enable them to cast their votes through such voting. The Company has engaged the services of Central Depository Service Limited ("CDSL") as the Authorized Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting).

e) The Board of Directors of the Company has appointed Mr. **Ashok Kumar Verma, Partner of A.K. Verma& Co, Company Secretaries, New Delhi** as Scrutinizer to scrutinize the voting through Ballot Paper and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

f) Remote e-voting facility will be available during the following period:

Commencement of remote e-voting	**9.00 A.M. 22nd September, 2021**
End of remote e-voting	**5.00 P.M. 24th September, 2021**

Please note that remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall bedisabled upon expiry of aforesaid period.

g) The cut-off date for the purpose of voting (including remote e-voting) is **17th September, 2021.**

h) The Scrutinizer, after scrutinizing the votes cast at the meeting (through Ballot Paper) and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.fmecinternational.com. The results shall simultaneously be communicated to the Stock Exchanges.

Information and other instructions relating to e-voting are as under:

(i) The voting period begins on **Wednesday, 22 September 2021 from 09:00 A.M** and ends on **Friday, 24th September, 2021 till 05:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 25th August, 2021 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website **www.evotingindia.com**

(iv) Click on Shareholders.

(v) Now Enter your User ID

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

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** 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). • 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. E.g. 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. • 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 F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

(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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- 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

(xxi) The Results shall be declared within two working days of conclusion of its General MeetingAGM of the Company i.e27th September, 2021. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.fmecinternational.com and on the website of CDSL and communicated to the Bombay Stock Exchange.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

As per the provisions of Section 204 of the Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company being a Listed Company shall be subject to Secretarial Audit from Practicing Company Secretary.

The Board hereby recommends re-appointing **M/s A.K. Verma& Co., Company Secretaries, (Registration Unique Code- S1997DE019500)**having experience of more than 20 years of Corporate Services in field of Corporate Laws as Secretarial Auditor of Company for the Financial Year 2021- 22.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The copies of the following documents are open for inspection at the Registered Office of the Company between 11:00 A.M. to 01:00 P.M. on any working day except Sundays and Company Holidays and Declared Holidays:

1. Copy of the Board/ Shareholder's Resolution.

2. Notice of the AGM with Explanatory Statement.

3. Balance Sheet as on 31st March, 2021 along with Profit & Loss Account and Auditors' Report thereon of the Company.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED
Registered office: II Floor, Central Bank Building 13-B,
NetajiSubhashMarg, Daryaganj Delhi-110002
CIN:L65100DL1993PLC053936

ADMISSION SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company/Depositories.

DP ID..... Client .....

Regd. Folio No.* No. of Shares .....

Name(s) in Full Father's/Husband's Name Address as Regd. with the Company

1.
2.
3.

I/WE HEREBY RECORD MY/OUR PRESENCE AT THE 28th ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON SATURDAY, 25TH DAY OF SEPTEMBER, 2021 AT 1.30 P.M. AT REGISTERED OFFICE OF THE COMPANY SITUATED AT IIND FLOOR, CENTRAL BANK BUILDING, 13-B, NETAJI SUBHASH MARG, DARYAGANJ, DELHI- 110002.

Member Proxy

_____ Member's/Proxy's Signature**

* *Applicable for investors holding shares in physical form.*

** *Please strike out whichever is not Applicable*

Form No. MGT-11

PROXY FORM

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

F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED
II Floor, Central Bank Building 13-B, NetajiSubhashMarg, Daryaganj Delhi-110002
CIN : L65100DL1993PLC053936

Name of the member(s)	:
Registered address	:
E-mail Id	:
Folio No/ Client Id	:
DP ID	:

I/We, being the member (s) of ..... shares of the above named Company, hereby appoint

1. Name : .....
Address : .....
E-mail Id : .....
Signature :....., or failing him

2. Name : .....
Address: .....
E-mail Id : .....
Signature:....., or failing him

3. Name : .....
Address: .....
E-mail Id: .....
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on the Saturday, 25thday of September, 2021 at 1:30 P.Mand at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	For (Approved)	Against (Rejected)
1. To consider and adopt the Audited Financial Statements (Standalone and Consolidated) for the year 31st March, 2021 together with the Board Report and Auditors' Report thereon.		
2. To appoint a Director in place of **Mr. ApoorveBansal (DIN: 08052540)** who retires by rotation and, being eligible, offers himself for re-appointment.		
3. To re-appoint **M/s A. K. Verma& Co., Company Secretaries (Registration Unique Code-S1997DE019500)** as Secretarial Auditor for the Financial Year 2021-2022.		

Signed this …… day of …… 2021

Affix Revenue Stamp	Re.1

Signature of shareholder

Signature of Proxy holder(s)

Notes:

*** Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.**

*** A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.**

*** This form of Proxy, to be effective, should be deposited at the Registered Office of the Company II Floor, Central Bank Building 13-B, NetajiSubhashMarg, Daryaganj Delhi-110002 at not later than FORTY-EIGHT HOURS before the commencement of the aforesaid Meeting.**

***In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.**

DIRECTORS' REPORT

Dear Stakeholder(s)

Your Directors have pleasure in presenting the 28th Annual Report of the Company together with the Audited Statement of Accounts and Auditor's Report for the year ending 31st March, 2021

COMPANY OVERVIEW

FMECINTERNATIONAL FINANCIAL SERVICES LIMITED having CIN : L65100DL1993PLC053936) is a BSE Listed Company **(Scrip Code : 539552)** having Registered Office at **IIFloor, Central Bank Building 13-B, NetajiSubhashMargDaryaganj, New Delhi- 110002** working as a Non Banking Finance Company after registration with Reserve Bank of India.

The Company has obtained registration as a Non- Banking Financial Company ("NBFC") from Reserve Bank of India and is bearing Registration Number- **B-14.01129 dated 11th September, 1998.**

The performance highlights and summarized financial results of the Company are given below:

PERFORMANCE HIGHLIGHTS

- Due to adverse effect of worldwide pandemic, the income for the FY 2020-2021decreased by 41.32% to Rs. 51.58 Lakhs as compared to Rs. 87.91 Lakhs in FY 2019-2020.

- Profit before Tax for the FY 2020-2021decreased by 29.56% to Rs. 7.04 Lakhs as compared to Rs. 10.00 Lakhs in FY 2019-2020.

- Profit after Tax for the FY 2020-2021 decreased by 30.6% to Rs. 4.97 Lakhs as compared to Rs. 7.16 Lakhs in FY 2019-2020.

- The Earning Per Share (EPS) of the Company for the FY 2020-2021 also witnessed a decrease of 30.59% falling to Rs. 0.1602 per share as compared to Rs. 0.2308 per share in FY 2019-2020.

FINANCIAL RESULTS

Financial Year 2020-21 was not a good year for all the sectors all over the world and hence this financial year is also not good for the financial sector in India. The combined effect of challenging macro environment and inevitablepandemic Covid 19,might have led to the great losses. But management's excellent strategy to minimize the cost alongside the best efforts to increase the revenue the Company earned the profit of Rs. 4,96,759/- (Rupees Four Lakhs Ninety Six Thousand Seven Hundred Fifty Nine) as compared to previous year's profit of Rs. 7,15,742/- (Rupees Seven Lakhs Fifteen Thousand Seven Hundred Forty Two.

The Financial Results of the Company for the year ended 31st March, 2021 are as follows:-

	(Rs.)	(Rs.)
Particulars	**2020- 2021**	**2019- 2020**
Gross Income	51,91,422	88,02,644
Profit before Interest and Depreciation	8,87,064	12,03,055
Less: Finance Charges	(922)	(1,614)
Gross Profit	8,86,142	12,01,441
Less: Provision for Depreciation	(1,81,525)	(201,130)
Net Profit Before Tax	7,04,617	10,00,311
Less: Current Tax	(1,95,295)	(2,86,463)
Less: Deferred Tax	(12,563)	1,894
Net Profit After Tax	4,96,759	7,15,742
Appropriations: **Transfer to/roll back from Special Reserves and Reserves for Bad and Doubtful Debts (As per RBI Act, 1934 – applicable for NBFC)**	59,949	(1,32,419)
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Earning per Equity Share (EPS)	0.1602	0.2308

CONSOLIDATED REVENUE

Due to disinvestment decision of the Board, the Company disinvested by way of selling Equity Shares of YDS Securities Private Limited in open market on 28th December 2019 consequently investment in the Equity Shares of YDS Securities Private Limited reduced from 75.66% to 19.22%. Therefore, as per the provisions of The Companies Act, 2013 ("the Act") and Accounting Standard (AS)-21 on Consolidated Financial Statements and other applicable accounting standards legal provisions as to consolidation of Revenue/Profit or Balance Sheet of Subsidiary/Associate Company are not applicable to the Company hence forth.

SHARE CAPITAL

The **Authorised Share Capital**of the Company as on 31st March 2021 was **Rs. 3,50,00,000 (Rupees Three Crore Fifty Lacs Only)** and Paid-up Equity Share Capital of the Company as on March 31st, 2021, was **Rs. 3,10,07,000 (Rupees Three Crore Ten Lacs and Seven Thousand Only)**. There was no change in the Authorized or the Paid-up Capital/Subscribed Capital during the Financial Year 2020-21.

a. **BuyBackofSecurities**

The Company has not bought back any of its securities during the year under review as per the provisions of Section 68 of the Companies Act, 2013 read with the Rule 17 of the Companies (Share Capital and Debenture) Rules, 2014.

b. **SweatEquity**

The Company has not issued any Sweat Equity Shares during the year under review as per the provisions of Section 54 of the Companies Act, 2013 read with Rule 8 of the Companies (Share Capital and Debenture) Rules, 2014.

c. **Bonus Shares**

No Bonus Shares were issued during the year under review as per the provisions of Section 63 of the Companies Act, 2013 read with Rule 14 of the Companies (Share Capital and Debenture) Rules, 2014.

d. **Employees Stock OptionPlan**

The Company has not provided any Stock Option Scheme to the employees pursuant to Section 62 (1) (b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014.

e. **Shares With Differential Rights**

The Company has not issue any Equity shares with Differential Rights pursuant to the provisions of Rule 4 of the Companies (Share Capital and Debenture) Rules, 2014.

RESERVES AND SURPLUS

As per Section 45- IC of the Reserve Bank of India Act, 1934every Non -Banking Financial Company shall create a Reserve Fund and transfer therein a sum not less than 20% of its Net Profit every year before declaring any dividend.

The Company is in practice of transferring a sum of 20% to the Reserve fund specifically made for the purpose named '**Special Reserve as per RBI Act'** from the Profit earned by the Company during the year.

Also, the Company has pursuant to Notification of Reserve Bank of India dated January 17, 2011 vide Notification no. DNBS.PD.CC.No.207/03.02.002/2010-11 for making the '**Provision of 0.25% for Standard**

Assets of NBFCs' has transferred a sum of 0.25% on the Standard Assets of the Company under the Reserve named **"Provision for Bad and Doubtful Debts".**The Company has, however, rollback a part of the provision.

Further the Company is complying with all the Reserve Bank of India Guidelines as issued from time to time related to provisioning and reserves.

DIVIDENDS

Considering the present conditions of business and growth stage of Company and ongoing pandemic, the Board of Directors of the Company has decided not to recommend any dividend for the Financial Year 2020-21. The Management being optimistic about the return from business activities has proposed to plough back divisible profit into the main activities of the Company.

DEPOSITS

Every Non- Banking Finance Company registered with the Reserve Bank of India has to comply with all the terms and conditions as stipulated by the Certificate of Registration with RBI.

F Mec International Financial Services Limited has been registered as a Non Banking Finance Company- Not accepting deposits. Hence, pursuant to Section 45- IA of the Reserve Bank of India Act 1934, the Company cannot accept deposits from public, in compliance of which the Company has not accepted any Deposits during the year. Further, the Directors of the Company assured to carry on the practice of not accepting the same in order to comply with RBI norms and guidelines in the coming year and the same has been proposed and passed in the meeting of Board of Directors dated 26th June, 2021.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review, there wereno significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and/or commitments affecting the Financial Position of the Company occurred between the end of the Financial Year to which these Financial Statements relate and the Date of issue of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Directors

Your Company, currently, has four following four Directors on the Board, namely:

→ **Mr. ApoorveBansal (DIN: 08052540) – Managing Director**
→ **Mr. AwanishSrivastava (DIN: 07810744) – Non- Executive Independent Director**
→ **Mrs. RichaChoudhary (DIN: 0813225) - Non- Executive Independent Director**
→ **Mr. Sachin Jain (DIN 02932194) Non- Executive Independent Director**

Mr. Sachin Jain (DIN 02932194) who was appointed as **Additional Non- Executive Independent Director** in the Board of Directors meeting held on 26th June 2020 was regularized by the members in Annual General Meeting held on 23rd December 2020. Other than this there is no change in Board of Directors during the year under review.

Pursuant to provisions of Section 152 of the Companies Act, 2013, ,**Mr. ApoorveBansal (DIN: 08052540)**, Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. The Board recommends his re-appointment.

All the Directors of the Company have confirmed that they satisfy the "fit and proper" criteria as prescribed in Chapter XI of RBI Master Direction No. DNBR. PD. 008/ 03.10.119/2016-17 dated 1st September, 2016 and that they are not disqualified from being appointed /continuing as Directors in terms of Section 164(2) of the Companies Act, 2013.

B. <u>Key Managerial Personnel of the Company</u>

During the year under review, there has been changein the Key Managerial Personnel (KMP) of the Company and the following persons continue to be the KMPs as per the provisions of Section 203 of the Companies Act, 2013 read with the applicable Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

→ **Mr. ApoorveBansal (DIN: 08052540) – Managing Director**
→ **MsMahima Jain – Chief Financial Officer (CFO)**
→ **MsRenuSinghal –Company Secretary (CS)**

During the year under review following are the changes that took place in **Key Managerial Personnel of the Company**.

During the year under review Mr. Manoj Kumar, Chief Financial Officer of the Company resigned on 10th November 2020 due to his pre-occupancy and Ms. Mahima Jain appointed as New Chief Financial Officer of the Company w.e.f 10th November 2020.

Ms. Nikita Sharma has resigned from the post of Company Secretary and Compliance Officer owing to her personal reasons on 1st June 2020.

Mr. Bhuwan Singh Tragi appointed to take up the post of Company Secretary cum Compliance Officer with effect from 1st December 2020. He tendered his resignation to be effective from 15th January 2021.

Ms. RenuSinghal appointed to take up position of Company Secretary Cum Compliance Officer of the Company with effect from 1st March 2021.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all Independent Directors of the Company confirming that they meet the criteria of Independence, as prescribed under Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Code of Conduct for Independent Directors as prescribed under Schedule IV of the Companies Act, 2013.

BOARD DIVERSITY, THEIR APPOINTMENT AND REMUNERATION

The Company's Board of Directors constitute of Four Directors comprising of One Executive Director and Three Non-Executive Independent Directors. Appointment of Independent Directors of the Company shall be governed by the Code of Independent Director and Appointment of Non Independent Directors of the Company shall be governed by the Policy of Nomination and Remuneration of the Company. The detailed policy on appointment of Directors is available on the Company's website at www.fmecinternational.com.

ANNUAL BOARD EVALUATION AND FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

A note on familiarization program adopted by the Company for orientation and training of its Directors and Board Evaluation Process undertaken in compliance with the provisions of the Companies Act, 2013 and the same forms part of the Corporate Governance, which forms part of this Report.

The Report generated after evaluation of the Board will be considered by the Board for the purpose of optimizing their effectiveness.

A note indicating the policy of Annual Evaluation of the entire Board of Directors and the Independent Directors forms part of this Report and has been attached as ***Annexure-VI.***

COMMITTEES OF BOARD, NUMBER OF MEETINGS OF BOARD AND BOARD COMMITTEES

The Board of Directors met **Four (4) times** during the year. The Company has Four Committees out of its Board namely **Executive Committee, Audit Committee**, **Nomination and Remuneration Committee** and **Stakeholders Relationship Committee**

A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2019-20 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Report.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

As on 31st March, 2021 the Company neither has any Associate Company nor any Joint Venture Company. **YDS Securities Private Limited,** which was subsidiary of the Company ceases to be subsidiary for the reason of disinvestment of Equity Shares of YDS Securities Private Limited on 28th December 2019.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, Consolidated Financial Statements of the Company not required to be annexed to the Annual Report to reflects the Performance and Financial Position of the Subsidiary/Associate.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. Sanjay K Singhal& Co., Chartered Accountants, Auditors of the Company were re-appointed as Statutory Auditors in the Annual General Meeting held on 23rd December, 2020 for a period of five consecutive years to hold office upto the conclusion of the Annual General Meeting to be held in the year 2025. However, the requirement to place the matter relating to appointment of Auditors for ratification bymembers at every Annual General meeting as required pursuant to the provisions of Section 139(1) of the Companies Act, 2013 is doneaway with vide Notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs (MCA), New Delhi. Accordingly, no resolutionis proposed for ratification of appointment of Auditors in theensuing Annual General Meeting of the Company.

The Report given by the Auditors on the Financial Statements of the Company for the Financial Year 2020-21 is a part of the Annual Report.

The Report is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer

Secretarial Auditor and Secretarial Audit Report

M/s A.K. Verma& Co, Practicing Company Secretaries (Registration No./Unique Code- S1997DE019500) was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2020-2021, as required under Section 204 of the Companies Act, 2013 and rules framed there under. The Secretarial Audit Report for the Financial Year 2020-2021 forms part of the Annual Report as ***Annexure V*** to the Board's report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has re-appointed M/s A.K. Verma& Co, Practicing Company Secretaries, as the Secretarial Auditor of the Company for the Financial Year 2021-2022 after obtaining their consent to act in such capacity.

Internal Auditors

M/s. Rajeev Shankar & Co., Chartered Accountants (FRN:014006N) were appointed to conduct the Internal Audit of the Company for the Financial Year 2020-2021, as required under Section 138 of the Companies Act, 2013 and rules framed there under.

The scope, functioning, periodicity and methodology for conducting the Internal Audit of the Company is formulated by the Audit Committee of the Company, in consultation with the Internal Auditors.

The Board proposes to re-appointed **M/s. Rajeev Shankar & Co., Chartered Accountants (FRN:014006N)** as Internal Auditor of the Company for the Financial Year 2021-2022 after obtaining their consent to act in such capacity.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors has not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report.

CORPORATE SOCIAL RESPONSIBILITY

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 in respect of Management Discussion and Analysis Report for the year under review is presented in a Separate section, forming part of the Annual Report as ***Annexure- III.***

CORPORATE GOVERNANCE

A detailed report on Corporate Governance pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms part of the Annual Report as ***Annexure-I***. As per the provisions of Regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, provision of Regulation 27 is applicable to the Companies having paid up equity share capital exceeding Rs. 10 Crore and Net Worth exceeding Rs. 25 Crore, as on the last day of the previous financial year. The Company is not covered under any of the Criterion mentioned above so it is not mandatory for the Company to comply the Provisions of the Regulation 27 of the SEBI (LODR) Regulations, 2015. So the Company is not required to file Corporate Governance Certificate to the Stock Exchange on Quarterly Basis.

RISK MANAGEMENT

During the year, the Board of Directors developed and implemented an appropriate risk management policy which is entrusted with the responsibility to assist the Board in overseeing and approving the Company's enterprise wide risk management framework and overseeing all the risks that the organization faces, identifying

the element of risk which, in the opinion of the Board may threaten the existence of the Company and safeguarding the Company against those risks.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations.

VIGIL MECHANISM

The Vigil Mechanism of the Company pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 which also incorporates a Whistle Blower Policy in term of provisions of Regulation 22(1) of the SEBI (LODR) Regulations, 2015 for the year ended March 31st, 2021 (as per their applicability) includes an Ethics & Compliance Task Force comprising Senior Executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail or dedicated telephone line or a letter to the Task Force or to the Chairperson of the Audit Committee i.eMr. AwanishSrivastava either personally or through e-mail at fmecinternational@gmail.com or call at 011-43680407.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Board has made a Committee of Board presided by Mrs. RichaChoudhary, Woman Director of the Company for the purpose of prevention of Sexual Harassment of Women at workplace. Every individual has right to treat his/her colleagues with respect and dignity. This is enshrined in values and in the code of Ethics & Conduct of the Company. The Company has in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition &Redressal) Act, 2013 made various provisions to safeguard the interest of the female employees (whether permanent, contractual, temporary and trainees) under this policy. The policy governs the misconduct with respect to discrimination or sexual harassment.

Further, the Company has complied with the provisions regarding the constitution of Internal Complaints Committee under the Sexual Harassment of Women as Workplace (Prevention, Prohibition and Redressal) Act, 2013 as required to be disclosed under Clause (x) of sub-rule 5 of Rule 8 of the Companies (Accounts) Rules, 2014 (***inserted by MCA Notification dated 31.07.2018).***

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return of your company, pursuant to Section 92(3) of the Companies Act, 2013, is given herewith as ***Annexure II.*** The annual return of the company for the financial year 2020-21, after filing with the Ministry of Corporate Affairs, can also be obtained from **https://www.fmecinternational.com / Financial Reports/Annual Returns.**

LOANS, GUARANTEE AND INVESTMENT

The particulars of Loans given, Investments made and Guarantee given by Company under Section 186 of the Companies Act, 2013 is annexed as ***Annexure IV***.

PARTICULARS OF RELATED PARTY TRANSACTION

There were no contracts or arrangements entered into by the Company in accordance with provisions of section 188 of the Companies Act, 2013. Further, all The Related Party Transactions in terms of the Provisions of Companies Act 2013 were entered in the ordinary course of business during the Financial Year 2020-2021 and were also at arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other Designated Person which may have a potential conflict with the interest of Company at large.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of Conservation of Energy and Technology Absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

DISCLSOURE REGARDING MAINTENANCE OF COST RECORDS

Since the Company is engaged in the business of Non- Banking Financial Company, therefore the provisions of Section 148 of the Companies Act, 2013 regarding maintenance of Cost Records and Cost Audit is not applicable to the Company as required to be disclosed under Clause (ix) of sub-rule 5 of Rule 8 of the Companies (Accounts) Rules, 2014 ***(inserted by MCA Notification dated 31.07.2018).***

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, the Directors of the Company hereby state that:

i. In the preparation of the annual accounts for the year ended 31st March 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures.

ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit and Loss of the Company for that period.

iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. The Directors had prepared the annual accounts on a Going Concern Basis.

v. The Directors had laid down internal financial controls to be followed by the Company and that such

internal financial controls are adequate and were operating effectively ;and

vi. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and such system were adequate and operating effectively.

ACKNOWLEDGEMENT

The Board expresses their gratitude to its all stakeholder's i.e. members, customers, Government agencies and their departments, Bankers of the Company for their continued support and faith. The Directors place on record their sincere appreciation to all the employees of the Company for their contribution in the growth of the Company.

Sd/- Sd/-

Place : New Delhi
Date : 12.08.2021

ApoorveBansal
Managing Director
DIN : 08052540

Sachin Jain
Director
DIN : 02932194

ANNEXURE TO DIRECTORS REPORT

Annexure	Contents
I	Corporate Governance Report
II	Management Discussion and Analysis Report
III	Loans, Guarantee & Investments
VI	Secretarial Audit Report (MR-3)
V	Annual Evaluation of Board

Annexure-I

CORPORATE GOVERNANCE REPORT

(Forming Part ofDirector's Report)

This Report is prepared in accordance with the provisions of the **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time,** and the report contains the details of Corporate Governance systems.

Corporate Governance is all about ethical conduct, openness, integrity and accountability of an enterprise. Healthy Corporate governance enjoins a commitment of the Company to run the business in legal, ethical and transparent manner. It is more than just a set of practices and procedures; it is the spirit of employee towards the organization to achieve its goals in an ethical way and in such a manner that can contribute to the growth of whole nation. It is one of the key elements in improving the economic efficiency of the enterprise.

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, Government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them by adopting best practices.

Company's Philosophy of Corporate Governance

Company's Philosophy of Corporate Governance is always aimed at value creation, keeping interest of all stakeholders protected in most inclusive way. **F Mec International** continues to be committed to good Corporate Governance aligned with best practices. We believe that good Corporate Governance emerges from the application **of best and sound management practices** and **compliance with the laws** coupled with adherence to the **highest standards of transparency and business ethics**. The Company places great emphasis on values such as **empowerment and integrity of its employees**, **safety of the employees& communities, transparency in decision making process, fair & ethical dealings with all** and **accountability to all the stakeholders**. The Corporate governance practices implemented by the Company seek to protect, recognize and facilitate shareholders rights and ensure timely and accurate disclosure to them.

The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading financial services company in India, while upholding the core values of **transparency, integrity, honesty and accountability,** which are fundamental to the Company.

Corporate Governance reporting under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Our Company is in compliance with the guidelines on Corporate Governance stipulated under various Regulation of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement with stock exchanges and in this regards, we submit a report on the matters mentioned in the said Regulations and practices followed by the Company.

But as per the provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time, the Regulations of Corporate Governance specified in Regulation 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 46 and para C, D and E of Schedule V are not applicable to our Company but Company has continued to comply with the guidelines of Corporate Governance to the extent possible.

It is also to be noted that since Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is not applicable on the Company by virtue of Regulation 15(2) of SEBI LODR, therefore Matrix setting out the skills/expertise/competence of the Board of Directors has not been provided as specified under sub- clause h of clause 2 of Part C of the said Schedule V.

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Board of Directors of the Company are duly appointed in compliance with the applicable provisions of the Companies Act, 2013 and applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which in turn governs the Company. The Board has established Four Committees to discharge its responsibilities in an effective manner. The Managing Director (MD) provides overall direction and guidance to the Board. In the operations and functioning of the Company, the MD is assisted by three Independent Directors, and a core group of senior level executives. The MD is responsible for corporate strategy, brand equity, planning, external contacts and all management matters.



BOARD OF DIRECTORS

The Company has optimum combination of Executive, Non-Executive Independent Directors and Woman Director. The Board consists of Four Directors out of which one is Executive Director and three are Non-Executive- Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013. None of the Directors on the Board is a member of more than 10 Committees and Chairperson of more than 5 Committees as specified in the Clause 26 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the companies in which they are directors. The necessary disclosures regarding Committee positions have been made by the Directors.

As per the declaration received by the Company, none of the Directors is disqualified under section 164(2) of the Companies Act, 2013.

THE COMPOSITION OF THE BOARD OF DIRECTORS AS ON MARCH 31ST, 2021 IS AS UNDER:-

Sl. No.	Name of Director	Executive/ Non Executive	No. of other Directorship
1.	Mr. ApoorveBansal	Executive	1
2.	Mr. AwanishSrivastava	Non-Executive & Independent	0
4.	Mrs. RichaChoudhary	Non-Executive & Independent	1
5.	Mr. Sachin Jain	Additional Non-Executive & Independent	2

Notes:

1. *None of the other directors are related to any other director on the Board.*

Mr. ApoorveBansal is the Managing Director of the Company. Ms. Mahima Jain acting as a Chief Financial Officer, serving the Company with her wide expertise in Accounts and Financial Management. Ms. RenuSinghal, the Company Secretary of the Company has also been acting as the Compliance officer of the Company .

NUMBER OF BOARD MEETINGS:

The Board of Directors is the apex body constituted for overseeing the company's overall functioning. The Board provides and evaluates the company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long term interests are being served. Meetings of the Board and its Committee(s) are held in New Delhi and scheduled well in advance.

Minimum four pre-scheduled Board Meeting are held every year. For the purpose of some specific approval of the Board of Directors, operation vide Executive Committee of the Board has been done.

During the year ending 31st March, 2021 the Board of Directors of the Company **met four times on 26.06.2020, 14.09.2020, 10.11.2020, and 11.02.2021** .The maximum gap between any two meetings was less than one hundred and twenty days, as stipulated under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard as issued by the Institute of Company Secretaries of India applicable to the Company.

DIRECTORS' ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIP

The following is the attendance sheet of all Directors present in the meeting of the Board, its committees and Annual General Meeting held during the year ending on 31st March, 2021

Name of the Director	Category	Attendance Particulars			No. of other Directorship and Committee Membership		
		No. of Board meeting		Last AGM held on	Other Directorship	Committee Membership	Committee Chairmanship
		Held	Attended	23.12.2020			
Mr. ApoorveBansal	MD/ Executive	4	4	**Present**	1	4	1
Mr. AwanishSriavstava	Non Executive Independent Director	4	4	**Not Present**	0	4	2
Mrs. RichaChoudhary	Non Executive Independent Director	4	0	**Not Present**	1	1	0
Mr. Sachin Jain	Additional Non Executive Independent Director	4	4	**Present**	2	4	1

LIMIT ON NUMBER OF DIRECTORSHIP

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than seven Listed Companies or in case he/she is serving as a Whole- Time Director in any Listed Company, does not hold such position in more than three Listed Companies.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

None of the Non - Executive Director holds any shares in the Company. Further, the Company has not issued any convertible instruments hence disclosure in this respect is not applicable.

INDEPENDENT DIRECTORS

As mandated by Regulation clause (b) of Sub- Regulation 1 of Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors on the Board of the Company:

a. are persons of integrity and possess relevant expertise and experience, in the opinion of the Board of Directors;

b. are or were not promoters of the listed entity or its holding, subsidiary or associate company or member of the promoter group of the listed entity;

c. are not related to promoters or directors in the listed entity, it's holding, subsidiary or associate company;

d. apart from receiving Director's remuneration, have or had no material pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their Promoters or Directors, during the two immediately preceding financial years or during the current financial year;

e. have no relative, who has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or Fifty Lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

f. neither themselves nor any of their relatives —

i. hold or have held the position of a Key Managerial Personnel or are or have been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the Financial Year in which they were proposed to be appointed;

ii. are or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the Financial Year in which they were proposed to be appointed, of —

- a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or
- any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
- hold together with their relatives two percent or more of the total voting power of the Company; or
- is a Chief Executive or Director, by whatever name called, of any Non-Profit Organisation that receives twenty-five percent or more of its receipts or corpus from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company;
- is a material supplier, service provider or customer or a lessor or lessee of the Company;
- is not less than 21 years of age.
- Are not Non- Independent Director of any other Company on the Board of which any Non-Independent Director of the Company is an Independent Director

Further, pursuant to the provisions Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have confirmed that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective judgment and without any external influence.

MAXIMUM TENURE OF INDEPENDENT DIRECTORS

Inaccordance with Section 149(11) of the Companies Act, 2013, the current tenure of **Mr. AwanishSrivastava, Mrs. RichaChoudhary, andMr. Sachin Jain,**Independent Directors of the Company is for a term of 5 consecutive years from the date of appointment in the year **2018, 2018 and 2020** respectively.

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at www.fmecinternational.com

PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The Board of Directorsupon recommendation of Nomination and Remuneration Committee have laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board Members, including Independent Directors.

The evaluation of Independent Directors was done by the entire Board which included evaluation of performance of the Directors and fulfillment of the Independence Criteria as specified in the Listing Regulations and their independence from the Management. The Director who was subject to evaluation did not participate. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, as and when their respective term expires.

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

All Independent Directors of the Company met separately on**11.02.2021** without the presence of Non-Independent Directors and Members of Management. In accordance with the Listing Regulations, following matters were, inter-alia, reviewed and discussed in the meeting:

- **Performance of Non-Independent Directors and the Board of Directors as a whole.**
- **Performance of the Chairperson of the Company taking into consideration the views of Executive and Non- Executive Directors.**
- **Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.**

FAMILIARISATION PROGRAME

The Company has adopted a structured programme for orientation of Independent Directors at the time of their joining so as to familiarise them with the Company – its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The Company updates the Board Members on a continuing basis on any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company.

Pursuant to Regulation 46 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the policy of familiarization programme is available on the website of the Company at the web-link: https://www.fmecinternational.com/Investor/Corporate Governance/ Policies and Code of Conduct.

REMUNERATION OF DIRECTORS:

The remuneration paid to Executive Director of the Company has been approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee. At present, the Company is not paying any remuneration to any of its Directors, as the Company's Financial Position is not so well. Any remuneration to be paid in future shall be in accordance with the Remuneration Policy of the Company as embarked on the website of the Company duly approved by the Nomination and Remuneration Committee of the Company.

CODE OF CONDUCT

Commitment to ethical professional conduct is a must for every employee, including Board Members and Senior Management Personnel of the Company. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct enjoins that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views, and be upright in his conduct and observe corporate discipline. The duties of Directors including duties as an Independent Director as laid down in the Companies Act, 2013 also forms part of the Code of Conduct.

COMMITTEES OF THE BOARD

Following are the Statutory Committees of the Board:

A. Executive Committee
B. Audit Committee
C. Nomination and Remuneration Committee
D. Stakeholders' Relationship Committee

The Composition of various Committees of the Board of Directors is available on the website of the Company at www.fmecinternational.com. The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of various Committees. Details on the role and composition of these Committees, including the number of meetings held during the Financial Year and the related attendance are provided below.

A. EXECUTIVE COMMITTEE

Executive Committee, being an extension of the Board of Directors of the Company, is constituted to perform the functions of the Board whenever it is not feasible and possible for the Board of Directors to meet frequently in order to execute major functions and take strategically important Decisions. In other words, the Committee is an extension of the Board of Directors of the Company and possess equivalent authority, responsibility and accountability as the Board of Directors of the Company.

As on March 31st 2021, the Executive Committee comprise of Members as stated below. During the Financial Year 2020-21, the Executive Committee met **four times on 15.06.2020, 02.12.2020, 15.01.2021 and 01.03.2021.**

Sl. No.	Name	Designation	Number of Meetings Held (During the tenure of director)	Number of Meetings Attended
1.	Mr. ApoorveBansal	Chairperson	4	4
2.	Mr. AwanishSrivastava	Member	3	3
3.	Mr. Sachin Jain	Member	4	4

B. AUDIT COMMITTEEE

As on March 31st 2021, the Audit Committee comprise of Members as stated below. The composition of the Committee is in conformity with the SEBI (LODR) Regulations, 2015. During the Financial Year 2020-21, the Audit Committee met **four times** on **26.06.2020, 14.09.2020, 10.11.2020 and 11.02.2021.** The time gap between any two meetings was less than 120 days.

Sl. No.	Name	Designation	Number of Meetings Held (During the tenure of director)	Number of Meetings Attended
1.	Mr. AwanishSriavstava	Chairperson	4	4
2.	Mr. ApoorveBansal	Member	4	4
3.	Mr. Sachin Jain	Member	4	3

All the Members of the Audit Committee possess strong accounting and financial management knowledge. The Committee's composition meets with the requirements of Section 177 of the Act and Regulation 18(1) of the Listing Regulations.

The terms of reference of this Committee are wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the Listing Regulations.

The person responsible for the Finance Function, Chief Financial Officer Ms. Mahima Jainand Mr. Sanjay K. Singhal& Co, Statutory Auditors, and the Company Secretary of the Company are the permanent invitee to the Audit Committee Meeting.

C. NOMINATION AND REMUNERATION COMMITTEE

As on March 31st 2021, the Nomination and Remuneration Committee comprises of Members as stated below. The composition of the Committee is in conformity with the SEBI (LODR) Regulations, 2015. During the Financial Year 2020-21, the Nomination and Remuneration Committee met **twice** on **02.12.2020 and 01.03.2021.**

Sl. No.	Name	Designation	Number of Meetings Held (During the tenure of director)	Number of Meetings Attended
1.	Mr. Sachin Jain	Chairperson	2	2
2	Mrs. RichaChoudhary	Member	2	**0**
3.	Mr. AwanishSriavstava	Member	2	**2**

D. STAKEHOLDER RELATIONSHIP COMMITTEE

As on March 31st, 2021 the Stakeholder's Relationship Committee consists of the members as stated below:

During the Financial Year 2020- 21, the committee met **3 times on 10.07.2020, 10.10.2020 and 13.01.2021.**

Sl. No.	Name	Designation	Number of Meetings Held (During the tenure of director)	Number of Meetings Attended
1.	Mr.AwanishSrivastava	Chairperson	**3**	**3**
2.	Mr. ApoorveBansal	Member	**3**	3
3.	Mr. Sachin Jain	Member	**3**	**3**

Company Secretary cum Compliance Officer of the Company has been the permanent invitee to the Stakeholder Relationship Committee Meetings.

As per the Year ending March 31st, 2021 there was no investor complaints received or pending on the Company and its RTA. The same has been provided in the certificate filed with the Stock Exchange at the end of each Quarter.

The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances. The Committee specifically looks into redressing shareholders'/ investors' complaints/ grievances pertaining to share transfers, non-receipts of annual reports, non-receipt of declared dividend and other allied complaints.

The Committee performs the following functions:

- Transfer/ transmission of shares.
- Split up/ sub-division and consolidation of shares.
- Dematerialization/ Re-materialization of shares.
- Issue of new and duplicate share certificates.
- Registration of Power of Attorneys, probate, letters of transmission or similar other documents.
- To open/ close bank account(s) of the Company for depositing share/ debenture applications, allotment and call monies, authorize operation of such account(s) and issue instructions to the Bank from time to time in this regard.

All the functions pertaining to Committee meeting has been completed within the prescribed time period as also certified by a Practising Company Secretary named Mr. Ashok Kumar Verma and duly filed with the Stock Exchanges under Regulation 40(10) on each half of the Financial Year.

GENERALMEETINGS

Details of General Meetings held in the last three Years are given below:-

Financial Year	Category	Venue of the Meeting	Date of the Meeting	Time of the Meeting
2019 - 20	Annual General Meeting	II[nd]Floor, Central Bank Building, 13-B, NetajiSubhashMarg, Daryaganj, New	23rd December 2020	3.30 P.M.

		Delhi-110005		
2018 – 19	Annual General Meeting	II[nd]Floor, Central Bank Building, 13-B, NetajiSubhashMarg, Daryaganj, New Delhi-110005	21[st]September 2019	12:30 P.M.
2017 – 18	Annual General Meeting	II[nd]Floor, Central Bank Building, 13-B, NetajiSubhashMarg, Daryaganj, New Delhi-110005	22nd September 2018	12:30 P.M.
2017 – 18	Extra-ordinary General Meeting	II[nd]Floor, Central Bank Building, 13-B, NetajiSubhashMarg, Daryaganj, New Delhi-110005	25th June 2018	03:00 P.M.

COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with all applicable mandatory requirements of the Listing Regulations as on 31.03.2021. As per the provisions of Regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, provision of Regulation 27 is applicable to the Companies having paid up equity share capital exceeding Rs. 10 Crore and Net Worth exceeding Rs. 25 Crore, as on the last day of the previous financial year. The Company is not covered under any of the Criterion mentioned above so it is not mandatory for the Company to comply the Provisions of the Regulation 27 of the SEBI (LODR) Regulations, 2015. The quarterly unaudited financial results and annual financialresults are published in leading national newspapers, i.e. Financial Express (English) and HariBhoomi (Hindi). It is alsodisplayed on company's website at www.fmecinternational.com. Investor updates are given to NSE and BSE as and whenrequired.

Further, with reference to **SEBI Circular- SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018** regarding Fund Raising by Issuance of Debt Securities by Large Corporate (LC) and Disclosure Compliance thereof by Large Corporate (LC), it is hereby informed that the is not a **"Large Corporate"** as the Company does not fall under the Criteria of being a Large Corporate as defined in Para 2.2 of the said Circular

Accordingly, the Company is not required to submit Disclosures as required under Para 4.1 of the abovementioned SEBI Circular. A confirmation in this regard has already been filed by the Company with BSE on 26th June, 2020.

CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certification by Managing Director and Chief Financial Officer has been obtained and is attached as part of this Annual Report.

The Code of Conduct is available on the website of the Company www.fmecinternational.com. All Board Members and Senior Management personnel affirm compliances with the Code of Conduct annually. The Managing Director of the company has given a declaration that all the Board members and senior management have affirmed compliance with the code of conduct for the current year.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date: 25th August, 2021
Time: 1:30 P.M
Venue: IIFloor, Central Bank Building, 13-B, NetajiSubhashMarg, Daryaganj, Delhi- 110002

FINANCIAL CALENDAR

Financial year: April 1 to March 31

For the Financial Year ended March 31, 2021, results were announced on:
first Quarter : 14th September, 2020
Half Yearly : 10th November, 2020
Third Quarter : 11th February, 2021
Fourth Quarter and Annual : 26th June, 2021

BOOK CLOSURE

The dates of Book Closure are from the **18thSeptember, 2021** to the **25ndSeptember, 2021**inclusive of both days for the purpose ofAnnual General Meeting of the Company.

DIVIDEND PAYMENT

The Company has not paid or declared any dividend during the Financial Year ending March 31st, 2021Hence, no amount by the Company was required to be transferred to the Investors Education and Protection Fund (IEPF).

LISTING

At present, the equity shares of the Company are listed at: **Bombay Stock Exchange Ltd. (BSE)**
Address:**PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400001**
ISIN: **INE108T01013**
Scrip Code: **539552**
BSE ID: **F MEC**

REGISTRAR TO ISSUE AND SHARE TRANSFER AGENT

Our Company had appointed Skyline Financial Services Private Limited as its RTA in 2015 for both segments, physical and electronic. As required under Regulation 7(3) of the Listing Regulations, the Company has filed a certificate issued by RTA and the Compliance Officer of the Company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by RTA registered with SEBI i.e. Skyline Financial Services Private Limited as a SEBI Registered Category- 1, Registrars and Share Transfer Agent.

Details of RTA are as given below:

Skyline Financial Services Private Limited
D-153A, 1st Floor, Okhla Industrial Area,
Phase- I, New Delhi- 110 020
Tel: 011- 40450193-97
Website: www.skylinerta.com
Email: info@skylinerta.com

SHARE TRANSFER PROCESS

The company's shares being in compulsory demat list are transferable through the depository system. Shares in Demat Form are processed by the Registrar & Transfer Agent -Skyline Financial Services Private Limited. Transfer of shares both by Demat and Physical mode are approved by the Stakeholder's Relationship Committee.

MARKET PRICE DATA- High & Low during each month in the last Financial Year:-

Month	**High (Rs.)**	**Low (Rs.)**
April 2020	3.05	3.05
May 2020	3.69	3.36
June 2020	3.40	3.75

July 2020	3.05	3.05
August 2020	3.05	3.05
September 2020	3.05	3.05
October 2020	3.05	3.05
November 2020	3.57	3.57
December 2020	3.05	3.05
January 2021	3.05	3.05
February 2021	3.05	3.05
March 2021	3.57	3.57

DISTRIBUTION OF SHAREHOLDING

Details of distribution of shareholding of the equity shares of the Company by size and by ownership class on March 31, 2021 along with the top 10 shareholders of the Company is given below:

SHAREHOLDING PATTERN BY SIZE AS ON MARCH 31, 2021

Share or Debenture holding Nominal Value (Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
Up To 5,000	168	39.25	643210	2.07
5001 To 10,000	201	46.96	1868750	6.03
10001 To 20,000	2	0.48	26000	0.08
20001 To 30,000	3	0.72	78000	0.25
30001 To 40,000	1	0.24	33000	0.11
40001 To 50,000	0	0	0	0
50001 To 1,00,000	3	0.70	163100	0.53
1,00,000 and Above	50	11.69	28194940	90.93
Total	**428**	**100**	**31007000**	**100**

SHAREHOLDING PATTERN BY OWNERSHIP

Particulars	As on March 2020				As on March 2021			
	No. of Share holders	% of Share holders	No. of Share held	% of Share holding	No. of Share holders	% of Share holders	No. of Shares held	`% of Share holding
Promoter & Promoter Group	9	2.15	1032350	33.29	9	2.15	1032350	33.29
Public								
Individual Shareholders holding Nominal Share Capital Up to 2 Lacs	369	88.07	278626	8.99	376	88.37	278746	8.77
Individual Shareholders holding Nominal Share Capital Above 2 Lacs	29	6.92	1093424	35.26	29	6.67	1093424	35.26
Bodies Corporate	9	2.15	624900	20.15	11	2.11	624900	21.11
Resident Indian HUF	3	0.71	71400	2.31	3	0.70	71400	2.31
Total	**419**	**100**	**3100700**	**100**	**428**	**100**	**3100700**	**100**

TOP TEN SHAREHOLDERS AS ON MARCH 31ST 2021

Name of the Shareholders	No. of Shares held	% of Share holding
AnuColonisers Limited	117200	3.78
Ranbeer Singh Rawat	115700	3.73
Shree Vishnupriya Finance & Leasing Limited	113300	3.65
Manoj Kumar	113200	3.65
PuroshttamDass	106625	3.44

ShriVarda Pacific Securities Limited	106400	3.43
SunvisionTradezone Private Limited	83835	2.87
Mangal Murthy Traders LLP	83100	2.68
Shorya Mercantile Private Limited	82385	2.65
RohitAgrawal	61600	1.98
Total	**983345**	**31.86**

DEMATERIALISATION OF SHARES AND LIQUIDITY:

Trading in equity shares of the Company in dematerialized form became mandatory from May 31, 1999. To facilitate trading in Demat form, in India, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreement with both these depositories. Shareholders can open their accounts with any of the Depository Participant registered with these depositories.

- As on March 31, 2021, 56.14% shares of the Company were held in dematerialized form.
- The equity shares of the Company are frequently traded at Bombay Stock Exchange Ltd.

The Company is facilitating the Company with the services of Dematerialisation and also encouraging the shareholders to convert their physical shares into demat.

OUTSTANDING GDR/ADR

The Company has no outstanding GDR/ ADR or warrants or any convertible instruments which is likely to impact the equity of the Company.

The Company does not indulge into hedging activities so there shall be no gain or loss raises from foreign exchange fluctuation.

PLANT LOCATION

The Company has no manufacturing unit so there is no plant set up for the business of the Company. The Company has indulges into financial activities via its registered office located at IInd Floor, Central Bank Building 13B, Daryaganj, New Delhi- 110002.

ADDRESS FOR CORRESPONDENCE

For Share Transfer/ Dematerialisation of Shares/ Payment of Dividend and any query related to shares:

Details of RTA are as given below:

Skyline Financial Services Private Limited

D-153A, 1st Floor, Okhla Industrial Area,
Phase- I, New Delhi- 110 020
Tel: 011- 40450193-97
Website: www.skylinerta.com
Email: info@skylinerta.com

Company Secretary cum Compliance Officer:

Ms. RenuSinghal
F Mec International Financial Services Limited
IInd Floor, Central Bank Building 3B, Daryaganj, New Delhi- 110002
Tel: 011- 43680407

Grievance Redressal Officer:

Mr. ApoorveBansal
Managing Director
F Mec International Financial Services Limited
IInd Floor, Central Bank Building 3B, Daryaganj, New Delhi- 110002
Tel: 011- 43680407

OTHER DISCLOSURES

1. There was no materially significant related party transaction taken place during the previous financial year that may have potential conflict with the interests of listed entity's at large.
2. The Company has not only made policy on Vigil mechanism and/or Whistle blower Policy but also following it very strictly. And every person of the Company has access to the members of Audit Committee in case of any suspicious event.

CERTIFICATION BY PRACTICING COMPANY SECRETARY

F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED
FOR THE YEAR ENDING 31ST MARCH 2021
[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10 (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have examined the relevant registers, records and disclosures received from the Management of F Mec International Financial Services Limited (hereinafter referred to as 'the Company'),bearing **CIN : L65100DL1993PLC053936** and having Registered Office at**II Floor, Central Bank Building 13-B, NetajiSubhashMarg, Daryaganj, Delhi - 110002** produced before us 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 our opinion and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in)) as considered necessary and information/Declaration furnished to us by the Company & its Officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India(SEBI)/Ministry of Corporate Affairs and any such Statutory Authority.

For A. K. VERMA & CO.

(Practicing Company Secretaries)

ASHOK KUMAR VERMA
(SENIOR PARTNER)
FCS: 3945
CP No: 2568
Date: 23.08.2021
Place: New Delhi
UDIN: F003945C000820101

CERTIFICATION BY CHIEF FINANCIAL OFFICER AND MANAGING DIRECTOR

12th August, 2021

To
The Board of Directors
F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED
IIst Floor, Central Bank Building
13-B, NetajiSubhashMarg, Daryaganj
Delhi-110002

I, **ApoorveBansal, Managing Director** of the Company along with **Ms. Mahima Jain,Chief Financial Officer** of the Company, do hereby solemnly affirm and certify to the Board that:

a. We have reviewed Financial Statements and the Cash Flow Statement of the Company for the year ended 31st March 2021 and we certify the following, to the best of our 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. That to the best of our knowledge and belief, no transactions have been entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we 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 or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit committee:
i. significant changes in internal control over financial reporting during the year;
ii. significant changes in accounting policies during the year, if there is any, and that the same have 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.

Sd/-	**Sd/-**
ApoorveBansal	**Mahima Jain**
(Managing Director)	**(Chief Financial Officer)**
DIN: 08052540	**PAN: APJPJ2796N**

CERTIFICATION BY MANAGING DIRECTOR

Date: 12th August, 2021

To
The Board of Directors
F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED
IInd Floor, Central Bank Building
13-B, NetajiSubhashMarg, Daryaganj
Delhi-110002

Sub: Declaration of Compliance of Code of Conduct

I, ApoorveBansal (DIN: 08052540), Managing Director of the Company declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2021.

For **F mec International Financial Services Limited**

Sd/-

ApoorveBansal

(Managing Director)

DIN: 08052540

Annexure- II

THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT ("MDAR")

F mec International Financial Services Limited.(or the Company) is a Non-deposit-taking Non-Banking Financial Company (NBFC-ND) registered with the Reserve Bank of India (RBI). and is engaged in the business of lending. The Company has a diversified lending portfolio across retail, SMEs and commercial customers with significant presence in urban and rural India.

Earlier the Company had a subsidiary under the name and style YDS Securities Private Limited which is now ceases to be subsidiary by reason that Company disinvested Equity Shares by way of selling in open market and hence investment in Equity Shares falls below 20% of the total paid up capital of the Company.

1. The COVID-19 pandemic

The COVID-19 pandemic is a once in a lifetime occurrence that has brought with it unimaginable suffering to people and to almost all sections of the economy. When the pandemic struck and led to nationwide lockdowns to curtail the transmission of disease, it was natural to fear that the global economy would stay in extreme stress of the kind not seen since the Great Depression and would have a long-lasting economic impact.

To counter the crippling impact of the lockdowns on economies, the worlds policymakers have resorted to fiscal and monetary measures never seen before in global economic history. It still remains to be seen if these relief measures sufficed, and whether actions taken by Governments across the globe adequately compensated for the disruptions created in the lives of people.

Fortunately, science prevailed. Multiple vaccines were found with impressive efficacy levels in less than a year — which will probably rank as among one of the most incredible achievements in science. The announcement of successful development of vaccines seemed to lift spirits around the world. Unfortunately, the advent of winter saw several countries battle second waves of COVID-19 infections, including more virulent strains leading to partial lockdowns. The race between vaccines and variants is heating up as massive vaccination drives are underway. Much depends on blocking transmission and not just the disease.

The only three preventives are masks, social distancing and vaccinations. However, to vaccinate even half of the worlds population of 7.8 billion is going to take years. The production, storage and distribution challenges require that Governments prioritise the vaccinations in a judicious manner so as to limit the human toll.

Fortunately for India, which is home to some of the largest vaccine makers in the world, the supply constraints should be limited and temporary. Moreover, our experience in implementing large scale vaccination programmes should help in vaccinating our vulnerable population. Even so, with many states in India witnessing a seriously full-blown second surge of COVID-19, the vaccination challenge is enormous.

2. Business Outlook

After an estimated historic correction of (3.3%) in 2020, the International Monetary Fund (IMF) has projected the global economy to grow 6% in calendar year 2021 and 4.4% in 2022 on the back of the fiscal and monetary support provided by Governments of the world over coupled with widespread vaccination.

We know that India can ill afford another country-wide lockdown such as was imposed from March to June 2020. The impact on the economy and employment was severe in the first instance; and cannot be repeated yet again.

The lockdown that continued throughout the first quarter of the FY2021 saw India's GDP for April-June 2020 contracting by a massive 24.4%. Even the second quarter was terrible, with GDP shrinking by 7.3% in July-September 2020. Thereafter, we have seen a rebound — thanks to the resilience of our citizens, our entrepreneurs and of our economy.

The third quarter (October-December 2020) saw a small positive growth of 0.4% compared to the same period in the previous year. The second advance estimates of national income for FY2021 released by the Central Statistics Office (CSO) on 26 February 2021 anticipates the total contraction for FY2021 to be 8% — implying a significant V shaped bounce-back in the second half of the year. The most recent IMF forecast has also raised India's GDP growth estimate for FY2022 from 11.5% to 12.5%. If that were to occur, it will be the most significant growth turnaround among all the major nations of the world, including China.

The Second wave, which started in early March 2021 and lasted upto early June 2021 also caused heavy loss to life and economy.

The only grey cloud at present is the third wave of the pandemic that experts forecast for India. Hopefully, a serious increase in the pace of vaccinations across the country will bring this surge down; and if we keep all enterprises and workers open for business, it should not affect the economy in any significant manner.

3. Macroeconomic Overview

Given the impact of the pandemic, FY2021 was expected to be an extremely demanding year. The consensus was that GDP growth in FY2021 would not only be negative but also would constitute the greatest fall in growth since 1979-80.

In fact, the growth in GDP was much larger than expected. For April-June 2020, real GDP contracted by a massive 24.4%. India had never recorded a quarter of negative growth since it began issuing such data publicly in 1996. No other large economy shrank so much during the pandemic. In the second quarter, July-September 2020, GDP again contracted by 7.3%. The consensus was that growth in the second half of the fiscal year would be far less than what was needed to erase the effect of the deep recession in the first half.

Thankfully, we began to witness early signs on resumption of economic activity in the second half of the year with several high frequency indicators suggesting that the economy was back on to positive growth. The third quarter (October-December 2020) recorded a GDP growth of 0.4%. And, as mentioned earlier, the second advance estimates of national income for FY2021 released by the CSO indicates a negative GDP growth of 8% for FY2021. Though this was bad enough, the contraction will be far less than earlier thought of — and we should see the fourth quarter (January-March 2021) showing relatively robust growth.

Table 1 gives the data on real GDP and gross value added (GVA) growth for the last four financial years.

Table 1: Growth in real GDP and GVA, India

	FY2018 (3rd RE)	FY2019 (2nd RE)	FY2020 (1st RE)	FY2021 (2nd AE)
Real GDP growth	6.8%	6.5%	4.0%	(8.0%)
Real GVA growth	6.2%	5.9%	4.1%	(6.5%)

Source: Government of India, CSO. AE denotes advance estimate and RE denotes revised estimate.

The lockdown induced recession in FY2021 was different with agriculture being a bright spot, since agricultural activity was largely unhindered even during the lockdown phase. The manufacturing sector that initially suffered has since benefitted from the recovery aided by the pent-up demand and shifting consumer preferences. The services sector is showing a weaker recovery especially hotels, travel and entertainment industry.

Various measures taken by the RBI ensured sufficient liquidity at all times during FY2021, and thus calmed sentiments in bond markets which had seen volatile conditions in March and April 2020. The RBI reduced its policy rates only once during this fiscal on 22 May 2020 by 40 basis points (bps) to 4%. As an additional measure to increase credit intermediation, the RBI increased the margin between repo and reverse repo from 25 bps to 65 bps. The central banks unprecedented monetary easing and open market purchases kept interest rates at comfortable levels during the year despite a record growth in Government borrowings. It was only after the announcement of a growth-centric and expansionary Union Budget for 2021-22 that yields in bond markets rose on expectations of the increased borrowing programme of the Government of India.

We believe that the resilience shown by the Indian economy coupled with (i) a growth-centric Union Budget and (ii) the RBI maintaining an accommodative stance to sustain growth on a durable basis, will see the Indian economy grow at a faster clip than other economies. As mentioned earlier, the only cause for concern is the resurgence of infections and partial lockdowns in some states.

4. Industry Overview

NBFCs have become important constituents of the financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. NBFCs are continuously leveraging their superior understanding of regional dynamics, well-developed collection system and personalised services to expedite financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks. Considering the reach and expanse of NBFCs, these are well-suited for bridging the financing gap. Systemically important NBFCs have demonstrated agility, innovation and frugality to provide formal financial services to millions of Indians.

Over the last decade, NBFCs have witnessed phenomenal growth. From being around 12% of the balance sheet size of banks in 2010, these are now more than a quarter of the size of banks.

NBFCs are the largest net borrowers of funds from the financial system with gross payables of Rs. 9.37 lakh crore as of30 September 2020. HFCs are the second largest borrowers of funds from the financial system with gross payables of around Rs. 6.20 lakh crore as at 30 September 2020.

Given their large interconnection with the financial system and the importance of the NBFC in credit intermediation, the RBI has been enhancing the regulatory oversight of large NBFCs. Keeping in mind potential systemic risks that NBFCs might pose to the financial system, the RBI in its Discussion Paper on Revised Regulatory Framework for NBFCs: A Scale-Based Approach (12 January 2021) seeks to balance regulatory arbitrage in favour of NBFCs and the recent growth trajectory of NBFCs by adopting a new approach towards regulating NBFCs.

With the spread of the pandemic and imposition of lockdowns to contain the spread of disease, we had in our last years Management Discussion and Analysis said that:

"the outlook for the coming year is expected to be extremely demanding. In the current situation, lending businesses face four daunting challenges of (i) disruption in business acquisition, (ii) providing customers adequate relief on their debt servicing obligations, (iii) dealing with a weakened customer service and debt recovery infrastructure, and (iv) continuing to service their own debt."

5. Business Performance

F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED, a Non-Deposit taking Systemically Important NBFC. F mec International Financial Services Limited is a professionally managed Company. It focuses on four broad categories: (i) consumer lending, (ii) SME lending, (iii) commercial lending, (iv) rural lending,

Despite significantly very low level of income in FY2021, the Company delivered return on equity (EPS) of 0.1602 on a standalone basis. In this exceptional year of lower acquisition volumes, higher liquidity buffers and increased recovery costs, the Company has once again demonstrated the resilience of its business model which generates strong pre-impairment profitability to absorb higher losses resulting from a crisis.

In the face of the pandemic, the Company swiftly evolved a revised two-pronged approach which focused on: (i) conservation and prudence, and (ii) capitalising on the opportunity provided by the disruption to completely transform its business model.

Conservation and prudence encompassed capital management, maintaining abundant liquidity, reducing operating expenses, expansion of collections and servicing capability, strengthening of underwriting norms and a very sharp view on risk metrics.

The Company maintained a conservative stance on volumes as post-lockdown restrictions were gradually lifted till August 2020 given extended moratoriums, disruption in economic activity, weakened portfolio quality and collections, and absence of updated customer bureau data. The Company staggered its volume revival over a period by business portfolios, as each business required different levels of calibration. The business-wise performance is discussed in detail in the Business Update section.

The Company also deployed Zero Based Budgeting to reimagine all its businesses and functions and sharply reduce its operating expenses. Some of these were structural in nature while others were transient. These cost cuts encompassed freeze on advertisements and promotions, calibration of salaries and incentives, travel, training, tele-calling cost etc. along with productivity enhancement. Together, these have helped to absorb the enhanced recovery costs in the current year.

The Company also took steps to provide customers additional channels to engage with the Company. As examples, it offered EMI moratorium and resolution plans to customers to mitigate their cashflow stress; and strengthened digital channels for servicing and overdue payments. It increased collections resourcing to service a larger pool of customers in delinquency, and mitigate risk of higher loan losses.
Using its robust risk management and portfolio monitoring framework, BFL took enhanced credit costs

F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED Performance Highlights, FY2021

• Total income: decreased by 41.32% to Rs. 51.58 Lakhs.

• Net interest income (NII): decrease by 45.72% to Rs. 38.89 Lakhs.

• Total operating expenses (Opex): de-grew by 52.86% to Rs. 31.57 Lakhs.

• Profit before tax (PBT): decreased by 29.56% to Rs. 7.04 Lakhs.

• Profit after tax (PAT): decreased by 30.6% to Rs. 4.97 Lakhs..

• The Earning Per Share (EPS) of the Company for the FY 2020-2021 also witnessed a decrease of 30.59% falling to Rs. 0.1602 per share.

The Company strongly believes in "Never let a crisis go to waste". Utilising the opportunity provided, it chose to accelerate its transformational journey that it had embarked upon in the third quarter of FY2020. The Company is confident that it will come out of this crisis with enhanced customer experience, stronger volume momentum, deep digital orientation and a leaner cost structure.

Business Transformation

The Company is one of the large and diversified NBFCs in India. It has the experience of working with large number of customers since it started its transformational journey in FY1993 from a mono-line captive lender to a diversified financial service business.

Business Update

In the current year, Company disbursed less loans, due to lower acquisition on account of pandemic induced lockdown, gradual reopening of the economy, absence of updated bureau information, and elevated levels of perceived and incurred risk in the lending business. The Company witnessed a decent recovery of business volumes between the third and the fourth quarter of FY2021.

Personal Loans

The personal loan business is a pre-approved loan origination programme for existing customers of the Company. The Personal Loan business was fully stopped in the first quarter and gradually started in the second quarter with tighter credit norms.

SME Lending

SME lending offers unsecured and secured loans to small businesses. SME lending consists of working capital loans and term facilities to SMEs, MSMEs and professionals. Secured loans to SME and MSME customers are offered against their home, office or four-wheeler.

SME segment was expected to witness severe disruptions on account of the pandemic induced economic slowdown. However, recognising that this sector provides the largest employment outside the agriculture sector, the Government of India carved out a special Emergency Credit Line Guarantee Scheme (ECLGS) to provide top-up financing to mitigate the disruptions caused to their working capital cycles. This scheme enabled the SME sector to service their financial obligations and remain liquid — leading to a much lower losses for the financial system than anticipated.

6. OPPORTUNITY & THREATS

Opportunity - The transformed landscape of the corporate lending business amongst NBFCs has resulted in few large players consolidating market share and consequently throwing up opportunities for long term players with pedigreed parentage and patient capital to build a sustainable lending franchise.

Threat - In light of the current scenario, corporate credit off take continues to remain subdued, on the back of slowing demand. low capacity utilizations and lack of confidence for significant capital outlay amongst larger industrial houses.

7. 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.

ANNEXURE-III

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS AS REQUIRED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Sl.No.	Particulars	31/03/2021	31/03/2020
1.	**Loans And Advances**		
	Advance for Shares	1,500000,	15,00,000
	4A Financial Securities Limited	-	66,85,056
	ACE Integrated Solutions Limited	204,887	195,188
	Alok Kumar Goel	1,646,819	11,87,564
	Aman Drugs Pvt Ltd	-	11,08,746
	Arun Bhatt	302,847	302,487
	Bharat Singh	1,300,000	-
	AvtarInstalmentsPvt Ltd		-
	BILAL Match Works	-	35,52,519
	Espan Infrastructure (I) Ltd	805,909	-
	Degourdi Engineering And Infra Solutions Private Limited	2,175,598	20,50,334
	Ganesh Kirana& Co	659,525	10,40,709
	Impex (India) Limited	770,016	714,459
	Invision Entertainment Pvt Ltd	647,695	6,47,695
	Jellybean Studios	1,000,000	-
	Karo Coils Pvt. Ltd.		-
	KanishkIntetrade	22,10,200	20,94,733
	Lovleen	50,000	52,574
	Meenakshi Bhatt	-	1,16,430
	Mukesh Sharma	1,950,735	12,58,261
	RakeshPandey	502,301	-
	Paras Green	311,767	3,11,767
	PriyankaSinghaniya	200,000	200,000
	RadheyShyamYadav	-	35,200
	RenukaChouhan	-	200,000
	Rheathe Trust	-	11,22,356
	R.S. Traders	89,444	53,15,661

	Senorita Enterprises Pvt Ltd	-	232,104
	Shivam Online Education and Calibre Testing Lab Pvt Ltd	546,586	504,734
	ShivaniRealbuildPvt Ltd	4,645,992	42,90,241
	Shree Shitla Portfolio Pvt Ltd	-	103,473
	ShriVarda Pacific Securities Limited	-	21,76,043
	Suresh Pal Singh	35,00,000	35,00,000
	Suvi Global Engineering LLP	1,187,204	10,76,204
	Sweta Singh	-	560,000
	Tata Capital Financial Services Limited	162,551	176,923
	Vardhaman Solvents And Chemicals Private Limited	1,812,688	16,31,553
	Total	28,182,004	**4,39,43,015**
2.	**Non Current Investments**		
	Unquoted		
	YDS Securities Pvt. Ltd. 210000 Equity Shares @ Rs. 10 each	2,100,000	2,100,000

Annexure-VI

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Period 01st April, 2020 to 31st March, 2021

[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
F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED
IInd Floor, Central Bank Building
13-B, NetajiSubhashMarg, Daryaganj
New Delhi- 110002

We have conducted the Secretarial Audit of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED** (hereinafter called as 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 **Company**'s 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, company has, during the audit period covering the Financial Year ended on **31stMarch, 2021**complied with the statutory provisions listed hereunder and that the company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I. The Company is a "Loan Company" engaged in the business of Non -Banking Financial Institution as defined in Section 45 I (a) of the Reserve Bank of India Act, 1934 and carrying a Certificate of Registration issued by Reserve Bank of India, New Delhi bearing certificate number - **B-14.01129.**

II. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED ("the Company")** for the financial year ended on **31st March, 2021**according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under as duly amended till date;
(ii) Secretarial Standards issued by Institute of Company Secretaries of India, 1880
(iii)The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not applicable for the given audit period)**
(iv)The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(v) 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 and RBI Act, 1934;

(vi) Master Direction – Non- Banking Financial Company Returns (Reserve Bank) Directions, 2016.
(vii) Prudential Norms Issued by the Reserve Banks for NBFC Companies.

(x) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time;
c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(applicable w.e.f 1st December, 2015)** as amended from time to time
d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ; **(Not applicable to the Company during the audit period)**
e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014**(Not applicable to the Company during the audit period);**
f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time. **(Not applicable to the Company during the audit period);**
g) 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;
h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);** and
i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period);**

We further report that, having regard to the compliance system and mechanism prevailing in the Company and representation made by its officers for the same and our examination of relevant documents /records in pursuant thereof on our test check basis, the Company has adequate system for the compliances of the following applicable laws :

1. The RBI Act 1934 and amendment came into force from time to time;
2. Prudential Norms Issued by the Reserve Banks for NBFC- ND Companies.
3. Indian Contract Act, 1872
4. Negotiable Instruments Act, 1881
5. Indian Stamp Act, 1899
6. Information Technology Act, 2000

We report that:

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

We further report that

The Composition of Board of Directors of the Company is duly constituted comprising of Executive, Non-

Executive, Woman Director, and Independent Directors as per the provisions of Companies Act, 2013 and SEBI Regulations. 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 and SEBI Regulations.

Adequate notices were given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

As per the minutes of the meetings duly recorded and signed by the chairman and the decision of the board were unanimous and no dissenting views have been recorded.

We further report that the compliance by the company of applicable financial laws like Direct and Indirect Tax Laws and maintenance of financial records, books of accounts and internal financial control has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that pursuant to compliance of section 134(3)(p) and other applicable provisions of the Companies Act, 2013 read with applicable rules as amended from time to time, a formal annual performance evaluation of all the Directors of the Company including the Independent Directors, its Committees and Board as a whole was carried out after approval of the policy for the evaluation of the performance by the Board during the financial year under the audit.

We further report that the Company was not required to submit Annual Secretarial Compliance Report to the Stock Exchange as mandated under **Regulation 24 A of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018** as the Company falls under the criteria specified under Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 due to the fact that the paid-up Equity Share Capital and Net Worth of the Company was below Rs. 10 Crores and Rs. 25 Crores, respectively as on the close of the previous Financial Year i.e. 31st March, 2021. The said exemption available to the Companies falling under this criteria was clarified by Bombay Stock Exchange (BSE) vide it's**Circular Nos. LIST/COMP/10/2020-21 and LIST/COMP/12/2020-21 dated 9thMay, 2019 and 14th May, 2019,** respectively.

We further report that during the period under review, the following specific event occurred that had a major impact on the Company's affairs:

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:

As informed, the Company has responded appropriately to all notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

For A. K. VERMA & CO
(Practicing Company Secretaries)

--SD--
ASHOK KUMAR VERMA
Senior Partner
FCS : 3945
CP NO: 2568
Date: 23.08.2021
UDIN: F003945C000820057

This Report is to be read with our letter of even date which is Annexed as (Annexure –A) and forms an integral part of this Report

'Annexure -A'

To
The Members
F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED
IInd Floor, Central Bank Building
13-B, NetajiSubhashMarg, Daryaganj
Delhi -110002

Subject: 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 A. K. VERMA & CO.
(Practicing Company Secretaries)

--SD--
ASHOK KUMAR VERMA
(SENIOR PARTNER)
FCS: 3945
CP NO: 2568
UDIN: F003945C000820057
Place: Delhi
Date: 23.08.2021

Annexure- V

ANNUAL EVALUATION

The Board performs three major roles in a company – it provides direction (i.e. sets the strategic direction of the company), it controls (i.e. monitors the management) and provides support and advice (advisory role). Board evaluation typically examines these roles of the Board and the entailing responsibilities, and assesses how effectively these are fulfilled by the Board.

The evaluation of the performance of the Boardis essentially an assessment of how the Board has performed on all these parameters.

The evaluation framework for assessing the performance of Directors comprises of various key areas such as attendance at Board and Committee Meetings, quality of contribution to Board discussions and decisions, strategic insights or inputs regarding future growth of the Company and its performance, ability to challenge views in a constructive manner, knowledge acquired with regard to the Company's business/ activities, understanding of industry and global trends, etc.

The performance of the Board as a whole, of its committee, and of its members, shall be evaluated at the end of the year keeping in view the objectives of the Company as per the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

It will be the responsibility of the Chairperson who shall be supported by Company Secretary (if any) to organize the evaluation process and act on its outcome.

The evaluation of Independent Directors shall be done by the entire Board which shall include evaluation of performance of the Directors and fulfillment of the Independence Criteria as specified in the Listing Regulations and their independence from the Management. The Director who is subject to evaluation shall not participate. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, as and when their respective term expires.

The results of the annual evaluation shall remain confidential between the Chairperson, Directors concerned and the Company Secretary (if any).

The evaluation process will be used constructively as a mechanism to improve Board effectiveness, maximize strengths and tackle weaknesses.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of F Mec International Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity 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 (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 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 including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, its profit (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 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 the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 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 financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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.

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 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 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.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended;

e) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g) With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

i. The Company does not have any pending litigations which would impact its financial position;



ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

For SANJAY K SINGHAL & CO
Chartered Accountants
FRN024807N

(Sanjay Kumar Singhal)
Partner
M. No. 503475
UDIN: 21503475AAAAEC7571
Place: New Delhi
Date: 26/06/2021

Annexure '1' to the Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section section in the Independent Auditor's Report of even date to the members of F Mec International Financial Services Limited on the Ind AS financial statements for the year ended March 31, 2021]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The company does not own any immovable property as on the Balance Sheet date.

(ii) The Company does not have any inventory as on the Balance Sheet date. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), cess and any other material statutory dues applicable to it. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

(b) As informed, the provisions of customs duty and excise duty is not applicable to the Company. There were no undisputed amounts payable in respect of provident fund,



employees' state insurance, income tax, goods and services tax (GST), cess and any other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or dues to debenture holders. The Company has not taken any loan or borrowing from government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company, which is 14.01129.

For SANJAY K SINGHAL & CO
Chartered Accountants
FRN024807N



(Sanjay Kumar Singhal)
Partner
M. No. 503475
UDIN: 21503475AAAAEC7571
Place: New Delhi
Date: 26/06/2021

Annexure "2" to the Independent Auditor's Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report of even date to the members of F Mec International Financial Services Limited on the statements for the year ended March 31, 2021]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of F Mec International Financial Services Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 frauds and errors, the accuracy and completeness of the 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 the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 the risks of material misstatement of the financial statements, whether due to fraud or error.

SANJAY K. SINGHAL & CO. DELHI FRN. 024807N Chartered Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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 that receipts and expenditures of the company are being made 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 with reference to Financial Statements

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 not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control 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 respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For SANJAY K SINGHAL & CO
Chartered Accountants
FRN 024807N

(Sanjay Kumar Singhal)
Partner
M. No. 503475
UDIN: 21503475AAAAEC7571
Place: New Delhi
Date: 26/06/2021

F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

IInd Floor, Central Bank Building, 13-B, Netaji Subhash Marg, Daryaganj, Delhi-110002

BALANCE SHEET AS AT MARCH 31ST, 2021

Amount in Rs.

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	31,628	53,959
Intangible Assets	3	4,80,000	6,40,000
Financial Assets			
Investments	4	31,00,000	21,00,000
Deferred Tax Assets (net)	5	- 3,430	15,993
Total Non-Current Assets		**36,15,058**	**28,09,952**
Current Assets			
Financial Assets			
Cash and Cash Equivalents	6	84,67,963	11,65,071
Loans and Advances	7	2,81,82,004	4,39,43,015
Other Current Assets	8	9,57,285	8,57,742
Total Current Assets		**3,76,07,252**	**4,59,65,828**
Total Assets		**4,12,22,310**	**4,87,75,780**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	9	3,10,07,000	3,10,07,000
Other Equity	10	22,65,894	17,59,385
Total Equity		**3,32,72,894**	**3,27,66,385**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
Borrowings	11	63,63,783	1,47,03,655
Trade Payables	12	9,58,857	2,84,528
Other Financial Liabilities	13	3,52,346	1,96,583
Current Tax Liabilities	14	1,95,295	2,86,463
Other Current Liabilities	15	79,135	5,38,166
Total Current Liabilities		**79,49,416**	**1,60,09,395**
Total Equity and Liabilities		**4,12,22,310**	**4,87,75,780**

Significant Accounting Policies & Notes to Accounts 1&2

Accompanying Notes from 1 to 29 are integral part of the financial statements

As per our report of even date attached

For SANJAY K SINGHAL & Co
(Chartered Accountants)
Firm Regn No. 024807N

(Sanjay Kumar Singhal)
Partner
M. No: 503475
Place: New Delhi
Date: 26/06/2021

For and on behalf of the Board
F Mec International Financial Services Limited

For F Mec International Financial Services Limited

(APOORVE BANSAL)
Managing Director
DIN-08052540

(AWANISH SRIVASTAVA)
Director
DIN-07810741

Auth. Signatory/Director

(MAHIMA JAIN)
Chief Financial Officer
PAN:APJPJ2796N

(RENU SINGHAL)
Company Secretary
& Compliance Officer
Membership No:A63833

F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

IInd Floor, Central Bank Building, 13-B, Netaji Subhash Marg, Daryaganj, Delhi-110002

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31ST, 2021

Amount in Rs.

Particulars	Note No.	Year ended 31st March 2021	Year ended 31st March 2020
Revenue from operations	16	51,58,222	87,90,993
Other Income	17	33,200	11,650
Total Revenue		**51,91,422**	**88,02,643**
Expenses			
Employee Benefit Expense	18	11,46,940	9,00,609
Finance costs	19	922	1,614
Depreciation and amortization expense	3	1,81,525	2,01,130
Other Expenses	20	31,57,418	66,98,979
Total Expenses		**44,86,805**	**78,02,332**
Profit from continuing operations before Tax		**7,04,617**	**10,00,311**
Tax expense			
(1) Current tax		1,95,295	2,86,463
(2) Deferred tax		12,563	(1,894)
Total Tax Expense		**2,07,858**	**2,84,569**
Profit/ (Loss) for the period from continuing operations		**4,96,759**	**7,15,742**
Transfer to reserve for Bad and Doubtful debts		(39,403)	(2,75,567)
Transfer to Special Reserve (as per Sec 45- IC of the RBI Act, 1934)		99,352	1,43,148
Transfer to Reserve & Surplus		4,36,810	8,48,161
(XIV) Earning per equity share (X/XIII)			
(1) Basic		0.1602	0.2308
(2) Diluted		0.1602	0.2308
Significant Accounting Policies & Notes to Accounts	1&2		

Accompanying Notes from 1 to 29 are integral part of the financial statements

In terms of our attached report of even date

For SANJAY K SINGHAL & Co
(Chartered Accountants)
Firm Regn. No 024807N

(Sanjay Kumar Singhal)
Partner
M. No: 503475
Place: New Delhi
Date: 26/06/2021

For and on behalf of the Board
F Mec International Financial Services Limited

For F Mec International Financial Services Limited

(APOORVE BANSAL)
Managing Director
DIN-08052540

Auth. Signatory/Director

(AWANISH SRIVASTAVA)
Director
DIN-07810744

(MAHIMA JAIN)
Chief Financial Officer
PAN:APJPJ2796N

(RENU SINGHAL)
Company Secretary
& Compliance Officer
Membership No:A63833

F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

Statement of Cash Flows for the year ended 31st March 2021

Amount in Rs.

	Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020
A	**Cash Flow from Operating Activities**			
	Net Profit before tax (as per Statement of Profit and Loss)	7,04,617		10,00,311
	Adjustments to reconcile net profit to net cash provided by operating activities			
	Depreciation and Amortisation Expense	1,81,525		2,01,130
	Interest Income	(38,88,992)		(72,90,993)
	Excess Provision for Income Tax written back	9,750		-
	Property, Plant and Equipment & CWIP written off	806		(1,452)
	Changes in assets and liabilities			
	Increase/(Decrease) in Trade Payables	6,74,329		(1,15,142)
	Increase/(Decrease) in Other Financial Liabilities,Other Liabilities and Provisions	(3,94,436)		2,59,732
	(Increase)/Decrease in Inventories	-		-
	(Increase)/Decrease in Trade Receivables	-		-
	(Increase)/Decrease in Loans, Other Financial Assets and Other Assets	1,56,61,468		11,08,83,134
	Direct Taxes Paid	(1,95,295)		(2,86,463)
	Net Cash Flow from Operating Activities (A)	**1,27,53,772**		**10,46,50,257**
B	**Cash Flow from Investing Activities**			
	Purchases of Property, Plant and Equipment	-		(8,04,850)
	Proceeds from Sale of Property, Plant and Equipment & CWIP	-		-
	Investment in Subsidiary	-		-
	Proceeds from Sale of Investment	-		61,65,300
	Payment for Purchase of Investment	(10,00,000)		-
	Loans Given to Subsidiary Company	-		-
	Proceeds from Sale of Shares in Subsidiary Company	-		-
	Interest Income	38,88,992		72,90,993
	Net Cash Flow from Investing Activities (B)	**28,88,992**		**1,26,51,443**
C	**Cash Flow from Financing Activities**			
	Proceeds from Long Term Borrowings	-		-
	Repayments of Long Term Borrowings	-		-
	Net Proceed from Short Term Borrowing	-		-
	Repayments of Short Term Borrowings	(83,39,872)		(11,68,85,982)
	Interest Paid	-		-
	Net Cash Flow from Financing Activities (C)	**(83,39,872)**		**(11,68,85,982)**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**73,02,892**		**4,15,718**
	Cash and Cash Equivalent at the beginning of the year	11,65,071		7,49,353
	Cash and Cash Equivalent at the end of the year	84,67,963		11,65,071
	Net Increase in Cash and Cash Equivalents	**73,02,892**		**4,15,718**

Note: The statement of cash flows has been prepared by following indirect method as per Indian Accounting Standard (Ind AS)-7 "Statement of Cash Flows". There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

Accompanying Notes from 1 to 29 are integral part of the financial statements

As per our report of even date attached

For SANJAY K SINGHAL & Co
(Chartered Accountants)
Firm Regn. No. 024807N

(Sanjay Kumar Singhal)
Partner
M. No: 503475
Place: New Delhi
Date: 26/06/2021

For and on behalf of the Board
F Mec International Financial Services Limited

For F Mec International Financial Services Limited

(APOORVE BANSAL)
Managing Director
DIN-08052540

Auth. Signatory/Director

(AWANISH SRIVASTAVA)
Director
DIN-07810744

(MAHIMA JAIN)
Chief Financial Officer
PAN:APJPJ2796N

(RENU SINGHAL)
Company Secretary
& Compliance Officer
Membership No:A63833

F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

Statement of Changes in Equity for the year ended 31st March, 2021

A. Equity Share Capital

	Amount in Rs.
As at 1st April, 2019	3,10,07,000
Changes in equity share capital during the year	-
As at 31st March, 2020	**3,10,07,000**
Changes in equity share capital during the year	-
As at 31st March, 2021	**3,10,07,000**

B. Other Equity

	Reserves and Surplus			Amount in Rs.
Particulars	**Special Reserve (1) as per Sec 45-IC RBI ACT, 1934**	**Reserve for Bad and Doubtful debts**	**Retained Earnings**	**Total**
As at 1st April, 2019	1,99,345	3,85,425	4,58,873	10,43,643
Profits for the year	1,43,148	(2,75,567)	8,48,161	7,15,742
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**1,43,148**	**(2,75,567)**	**8,48,161**	7,15,742
As at 31st March, 2020	**3,42,493**	**1,09,858**	**13,07,034**	17,59,385
Profits for the year	99,352	(39,403)	4,36,810	4,96,759
Excess Provision for Income Tax written back	-	-	9,750	9,750
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**99,352**	**(39,403)**	**4,46,560**	5,06,509
As at 31st March, 2021	**4,41,845**	**70,455**	**17,53,594**	22,65,894

Significant Accounting Policies & Notes to Accounts 1&2

Accompanying Notes from 1 to 29 are integral part of the financial statements

As per our report of even date attached

For SANJAY K SINGHAL & Co
(Chartered Accountants)
Firm Regn. No: 024807N

(Sanjay Kumar Singhal)
Partner
M. No: 503475
Place: New Delhi
Date: 26/06/2021

For and on behalf of the Board
F Mec International Financial Services Limited

For F Mec International Financial Services Limited

(APOORVE BANSAL)
Managing Director
DIN-08052540

Auth. Signatory/Director

(MAHIMA JAIN)
Chief Financial Officer
PAN:APJPJ2796N

(AWANISH SRIVASTAVA)
Director
DIN-07810744

(RENU SINGHAL)
Company Secretary
& Compliance Officer
Membership No:A63833

F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

Significant Accounting Policies and Notes to Accounts for the year ended 31st March 2021

1 Corporate Information

F MEC International Financial Services Limited ("FMEC" or "Company") is a public limited company domiciled in India and incorporated under provision of Companies Act, 1956 as on 7th June 1993 and the Company's shares are listed on Bombay Stock Exchange Limited (BSE) w.e.f 15.01.2016.The registered office of the company is at IInd Floor, Central Bank Building, 13-B, Netaji Subhash Marg, Daryaganj, Delhi-110002.The Company got its registration as NBFC from Reserve Bank of India on 11.09.1998 vide Registration No. 14.01129.The Company have more than 23 years of working experience as a Non Banking Financial Company (non accepting deposit from the public). The main object of the company is to carry on the non banking financial and other allied activities.

2 Significant Accounting Policies

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI.

Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

1) certain financial assets and liabilities that are measured at fair value;

2) defined benefit plans - plan assets measured at fair value.

Current and non-current classification

The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Use of estimates and judgements

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

2.3 Revenue Recognition

(a) Interest income

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). 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.

SANJAY K SINGHAL & CO. DELHI FRN. 024807N Chartered Accountants

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets [as set out in note no. 2.17(a)] regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired [as outlined in note no. 2.17(a)], the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realisation.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

(b) 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.

Fees and commission

The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees on value added services and products are recognised on rendering of services and products to the customer.

Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery. Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

Net gain on fair value changes

Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Company recognises gains/losses on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

Sale of services

The Company, on de-recognition of financial assets where a right to service the derecognised financial assets for a fee is retained, recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit or loss and, correspondingly creates a service asset in Balance Sheet. Any subsequent increase in the fair value of service assets is recognised as service income and any decrease is recognised as an expense in the period in which it occurs. The embedded interest component in the service asset is recognised as interest income in line with Ind AS 109 'Financial instruments'.

Other revenues on sale of services are recognised as per Ind AS 115 'Revenue From Contracts with Customers' as articulated above in 'other revenue from operations'.

Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

Malma Jain

Apoorva

SANJAY K SINGHAL & CO. DELHI FRN. 024807N Chartered Accountants

2.4 Property, Plant and Equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- Depreciation on leasehold improvements is charged over the period of lease.
- Depreciation on assets costing ₹ 5,000 or less is provided @100% over a period of one year.

Freehold land is not depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Intangible Assets

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful life by major class of finite-life intangible asset is as follows:

Computer software - 5 years

2.6 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of Assets. Qualifying Asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are treated as period cost and charged to the statement of profit and loss in the year in which it was incurred.

2.7 Impairment of non-financial assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

2.8 Investments in subsidiaries

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Malimajan

SANJAY K SINGHAL & CO. DELHI FRN. 024807N Chartered Accountants

2.9 Foreign Exchange Transaction

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognized as income

Non-monetary items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized and is reflected separately in the Statement of Profit & Loss.

In respect of foreign branch, the company has adopted integral foreign operation approach as per Ind AS 21 and accordingly revenue items have been converted at date of transaction date. Monetary Assets and Liabilities are converted at the year-end exchange rate. Exchange gain or loss arising out of above is charged to Statement of Profit & Loss.

2.10 Tax expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current Tax:

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

Minimum Alternate Tax (MAT) Credit:

Minimum Alternate Tax credit is recognized, as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement under Loans & Advances. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

2.11 Employee benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and the undiscounted amount of such employee benefits are recognised in Statement of Profit and Loss in the period in which the employee renders the related services. These benefits include salaries, wages, bonus, performance incentives etc.

Defined Benefit Plan

Gratuity and long–term compensated absences are provided for based on actuarial valuation carried out at the close of each period. The actuarial valuation is done by an Independent Actuary as per projected unit credit method.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged to 'Employee benefits expense' in the Statement of Profit and Loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

SANJAY K SINGHAL & CO. DELHI FRNO 02450N Chartered Accountants

Defined Contribution Plan

Contributions to defined contribution schemes such as employee provident fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

2.12 Segment reporting

Identification of segments

As defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. The accounting principles used in the preparation of financial statements are consistently applied to record revenue and expenditure in individual segment and are as set out in the significant accounting policies.

Allocation of common costs

Common allocable costs are allocated to each segment on reasonable basis.

Unallocated items

Include general corporate income and expense items which are not allocable to any business segment.

Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.13 Cash Flow Statement

Cash flows are reported using the indirect method in accordance with Ind AS 7, whereby a profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated.

2.14 Earning Per Share

Earning Per Share (EPS) is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the Weighted Average Number of equity shares outstanding during the period.

For the purpose of calculating Diluted Earning Per share, the Net Profit or Loss for the period attributable to equity shareholders is divided by the Weighted Average Number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares.

2.15 Miscellaneous Expenditure

Share issue expenses are adjusted from Securities Premium Account at the time of issue of respective Shares.

2.16 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

SANJAY K SINGHAL & CO. DELHI FRN. 024807N Chartered Accountants

Mahima Jain

2.17 Financial Instruments

a). Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition
value of the financial asset. Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL).

Other equity investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

Treatment of the different stages of financial assets and the methodology of determination of ECL

(i) Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months– post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognised by applying the EIR to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

(ii) 'Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower's frequently delaying payments beyond due dates though not 30 days past due are included in stage 2 for mortgage loans.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(iii) 'Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financialinstruments in stage 1. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using application/behaviourial score cards and other performance indicators, determined statistically.

SANJAY K SINGHAL & CO. DELHI FRNO. 024807N Chartered Accountants

(iv) 'Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.

- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

b). Financial Liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.18 Derivative financial instruments

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

SANJAY K. SINGHAL & CO. DELHI FRNO. 024801N Chartered Accountants